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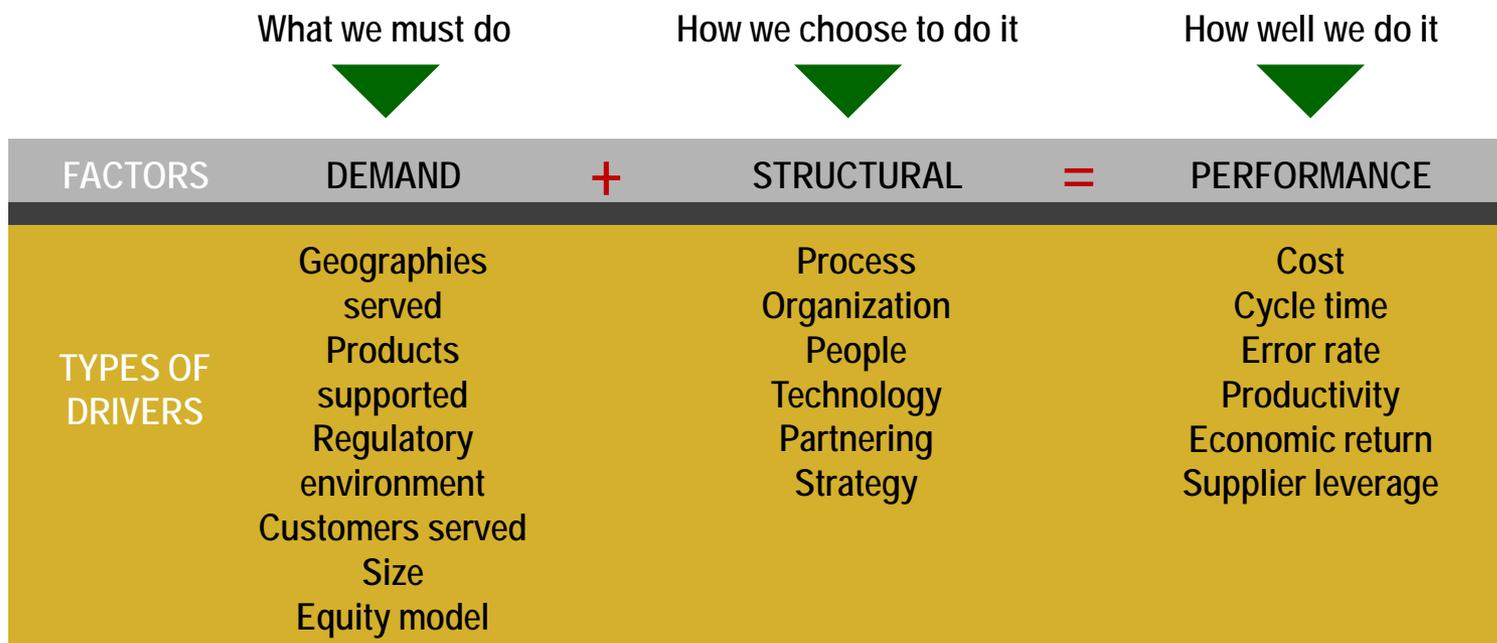


Benchmark Results Should be Evaluated in Conjunction With the Specific Requirements of Pantex's Industry

What this benchmark is . . .	What this benchmark is not . . .
A starting point	Not the end answer
Tells us where to focus	Not a detailed analysis of <i>how</i> to redesign our processes
Process based comparison data was scrubbed internally and externally by Hackett	Not an exact match to our departments . . . no benchmarking is
One input to setting targets	Not the only input
A broad look at Finance	Does not cover all aspects of your company's operations

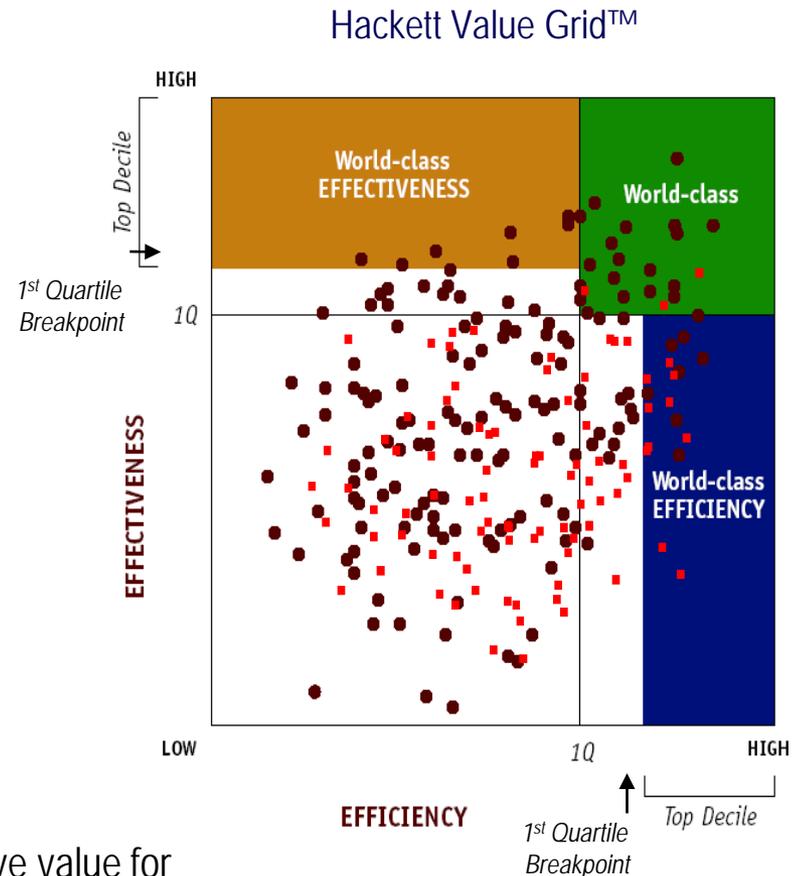


Hackett's Finance Benchmark Addresses the Important Drivers of Effectiveness and Efficiency



Comparisons used in this benchmark

- FTEs and costs:
 - **Peer Group:** median of the cross-industry peer groups based on complexity demand drivers
 - This is Hackett's **Small Consolidated** group
 - **World-Class:** determined based on 1st quartile performance in both efficiency and effectiveness based on consistent 'value grid' scoring methodology used for all participants in the Hackett Group database
- Best Practices:
 - **Hackett Top Performer:** Top decile of the Hackett database
- NNSA Site-specific:
 - **Site Min:** the lowest value across the Sites
 - **Site Median:** the median value across the Sites
 - **Site Max:** the highest value across the sites
 - **Site Top Performer:** the best, most efficient or effective value for a given metric. This is either the Site Min or Site Max depending on the metric.



Pantex's Finance Benchmark Scope

- Benchmark results were collected and analyzed for Pantex in total and in accordance with Hackett's Finance taxonomy
- Hackett processes of Credit and Capital & Risk Management are not applicable to the Sites and were excluded from the benchmark results
- Pantex also did not report FTEs in Intercompany Accounting
- Benchmark data represents fiscal year 2008
- Staffing (FTE) data reflects actual headcount 2008 fiscal year end

Data was Collected in Accordance with Hackett's Taxonomy

Transactional	Control and Risk Management	Planning and Strategy	Management and Administration
<ul style="list-style-type: none"> ▪ Cash Disbursements <ul style="list-style-type: none"> - Accounts Payable - Travel and Expense ▪ Revenue Cycle <ul style="list-style-type: none"> - Credit - Customer Billing - Collections - Cash Application ▪ Accounting and External Reporting <ul style="list-style-type: none"> - Fixed Assets - Intercompany Accounting - General Ledger Accounting - Cost Accounting - External Reporting 	<ul style="list-style-type: none"> ▪ Tax Management ▪ Treasury Management <ul style="list-style-type: none"> - Cash Management - Capital and Risk Management ▪ Compliance Management 	<ul style="list-style-type: none"> ▪ Planning and Performance Management ▪ Business Analysis 	<ul style="list-style-type: none"> ▪ Function Management

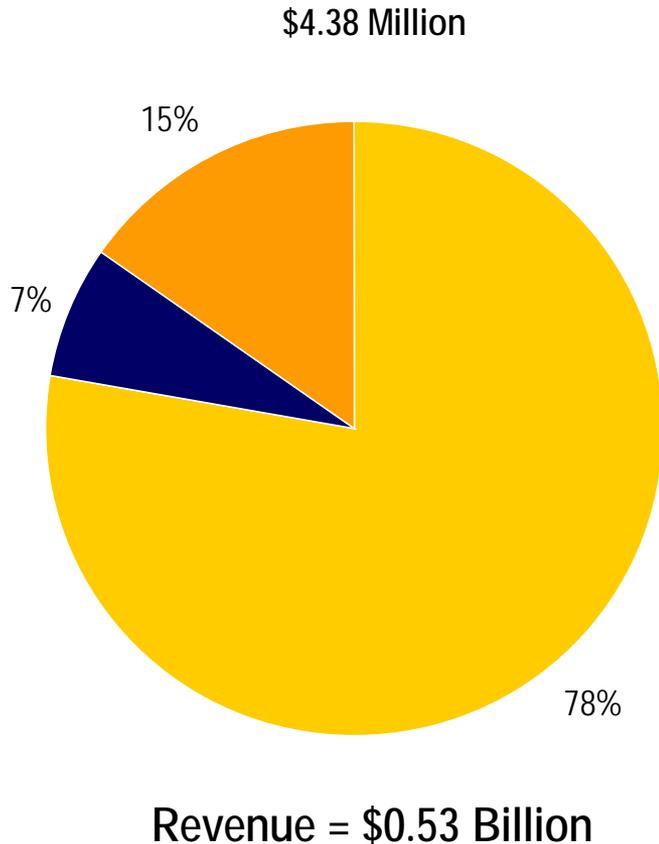
External comparisons will exclude Credit and Capital & Risk Management, which are not applicable to the Sites. Pantex also did not report FTEs in Intercompany Accounting.

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Pantex's baseline finance cost is \$4.38 million, which represents 0.83% of revenue



Other cost – \$0.67 Million

- Facilities & Overhead
- Travel
- Training
- Other (Supplies, subscriptions, etc.)

Technology cost – \$0.30 Million

- Computer processing
- Maintenance

Outsourcing cost – \$0.00 Million

- Outside services

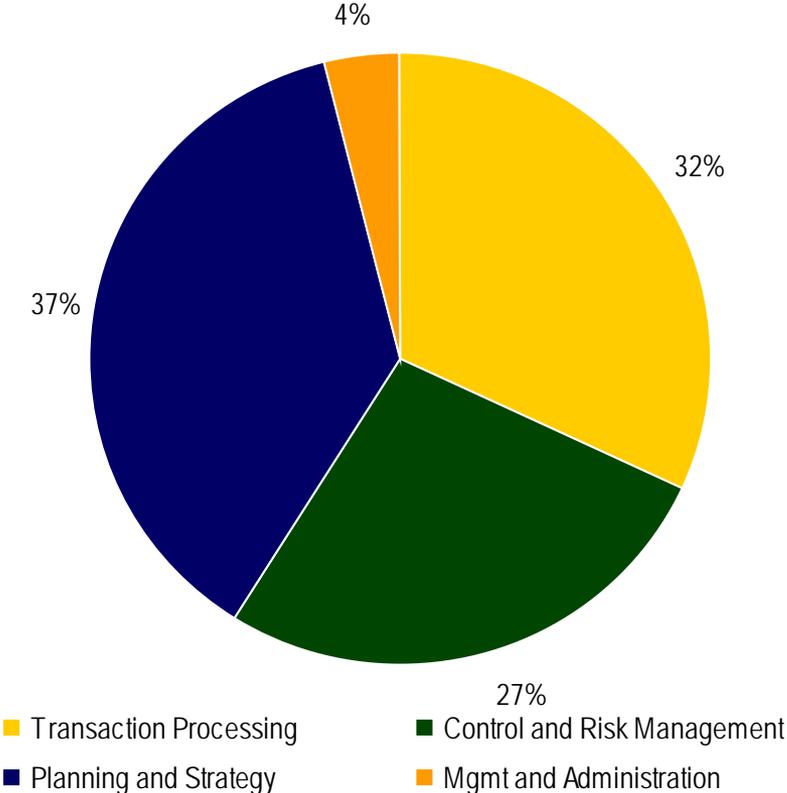
Labor cost – \$3.41 Million

- Wages (full-time and part-time)
- Overtime and bonuses
- Taxes and fringe benefits

Process Cost:
\$3.41 Million

The Pantex Finance resource allocation appears efficient and effective; Only 12% of the staff are clerical

Resource Allocation



Staff Mix

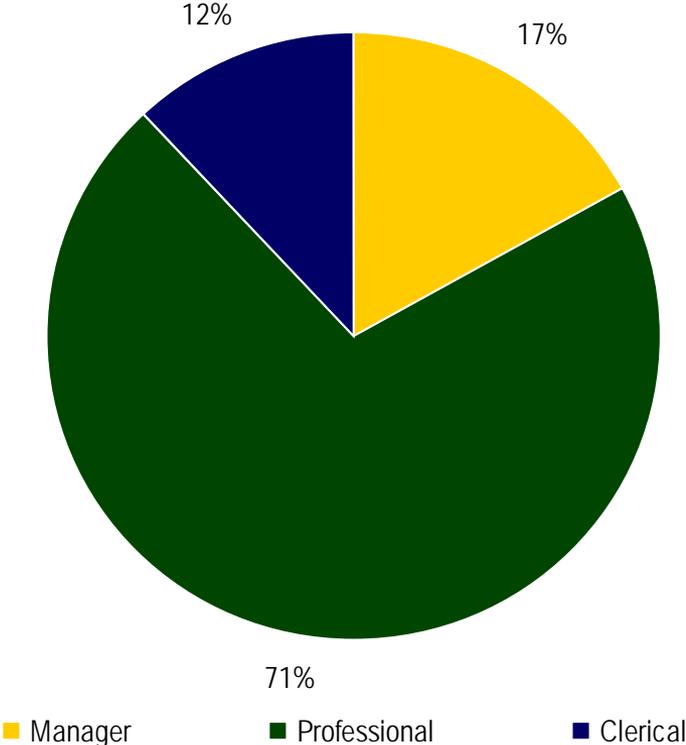


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Key Findings and Observations

- Pantex Finance has achieved strong overall levels of efficiency and effectiveness
- Finance cost as a percent of revenue is Site Median
- Pantex resource allocation is the most efficient and effective and is well aligned with its staff mix
- Transaction processing labor costs are higher across the NNSA Sites, due in part to staff mix (fewer clerical FTEs); Pantex's overall labor costs are similar to Site Median but Site Max in T&E and cash management
- Pantex spends much less on Finance technology, and automation and technology best practices can be better leveraged
- Strengths:
 - Cycle times in Cash Application and Customer Billing, days to close, and days to report, budgeting
 - T&E automation
 - Access to information
 - Business analyst skill set and analysis output/ accuracy
 - Pantex has the highest overall stakeholder scores as it relates to the 'role of Finance', service order effectiveness, skills and knowledge, and proactive involvement, but room for improvement still exists
- Opportunities for improvement:
 - AP, Cash Application, Customer Billing, Collections, and Cash Management are manual today
 - Higher/ self-inflicted complexity: budget line items, performance reports, active GL accounts

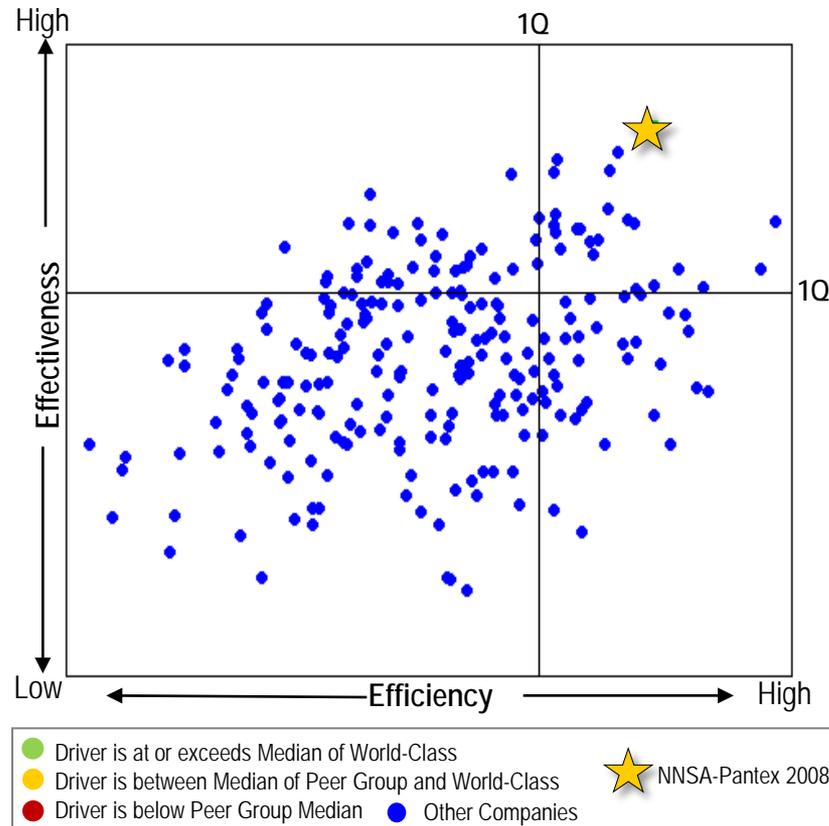
Pantex has achieved strong levels of efficiency and effectiveness

Note: Pantex excluded 3 standard business processes from the benchmark, and we cannot technically designate Pantex as World-Class without a complete response. However, Pantex's low complexity business model and implementation of best practices helps it achieve high scores on the Value Grid.

Hackett Value Grid™

EFFECTIVENESS

- Documented Strategic Plan in place for the Finance Function
- Analysts with acumen to act as business partners
- Staff time in Business Analysis
- Analyst time spent collecting and compiling information
- Reports that address future actions vs. explanation of history
- Cost Analysis considered on target
- Rework/ Error rates - A/P
- Rework/ Error rates - Billing
- A/R posting match rate
- Credit sales collected within terms
- Effective tax rate
- Degree of reliability in the forecasting process and reporting outputs
- Budgeting Self-Service
- Reporting Self-Service
- Supplier Self-Service



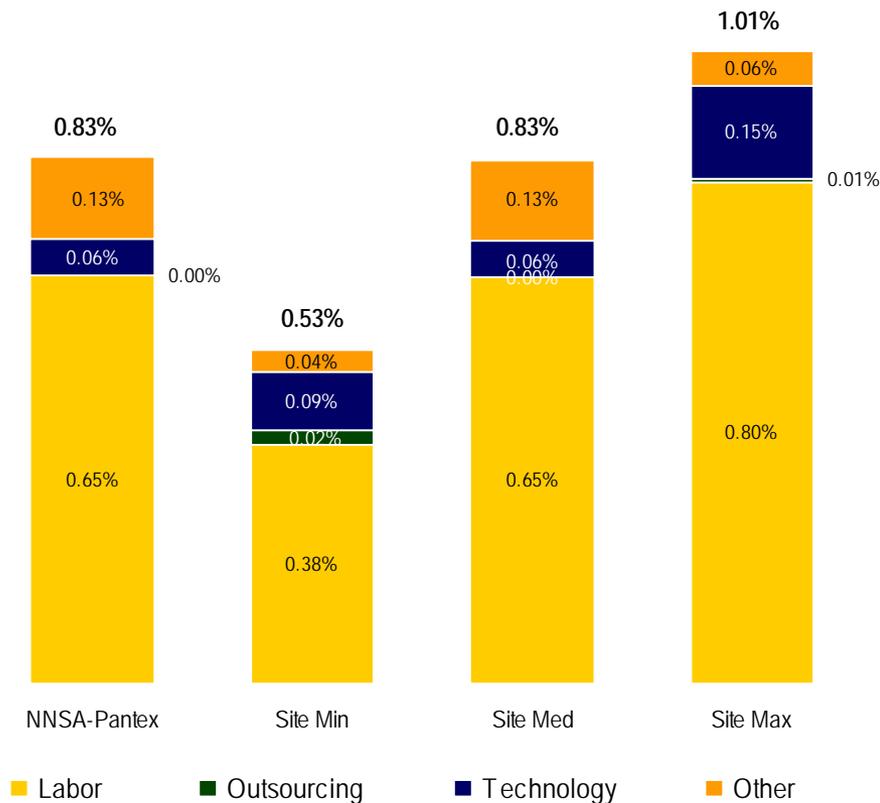
EFFICIENCY

- Total Cost
- Total FTEs
- A/P process cost
- Spreadsheet utilization
- A/P & T&E unit cost/ productivity
- Revenue Cycle process cost
- Revenue Cycle unit cost/ productivity
- Accounting process cost
- Cycle time - Days to close
- Cycle time - A/P invoice
- Cycle time - A/R remittance
- A/P & T&E transaction automation
- Revenue Cycle transaction automation
- Cash positioning automation
- Automated Journal Entries
- % of Business Performance Reports generated from central repository
- Transaction Application Integration

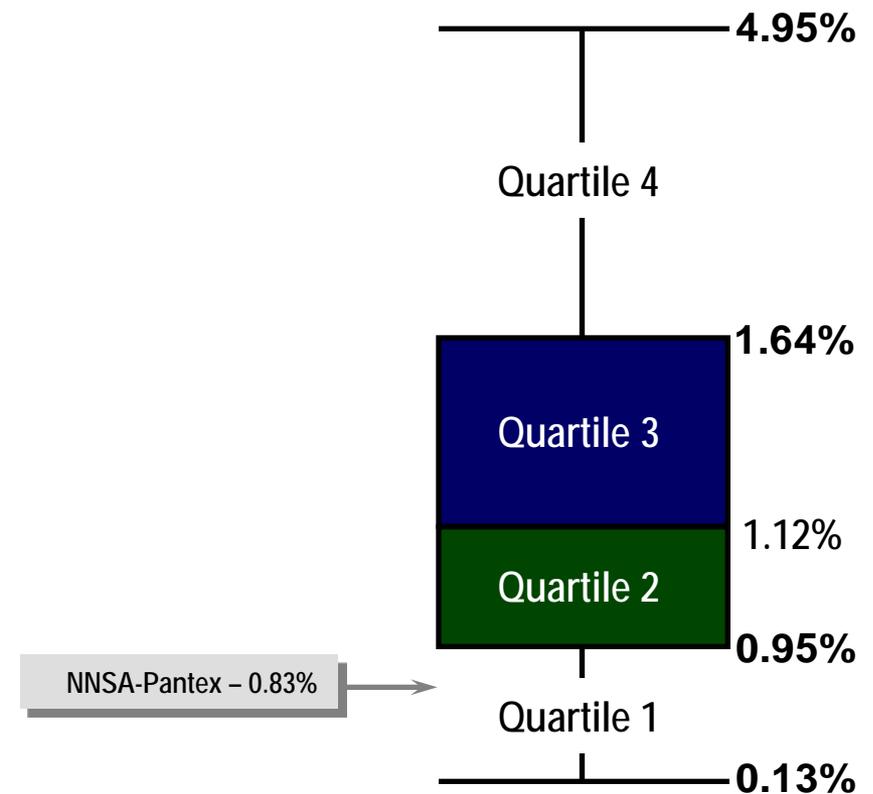
Note: The ranking of the drivers are a representation of gaps to world-class and are not a direct indicator of where to focus/ launch initiatives. Specific action plans should not be developed until after the benchmark results are assessed within the context of the functional and business strategies.

Total Finance cost as a percent of revenue is Site Median and places Pantex in the first quartile on a pure cost basis

Finance Cost as a % of Revenue



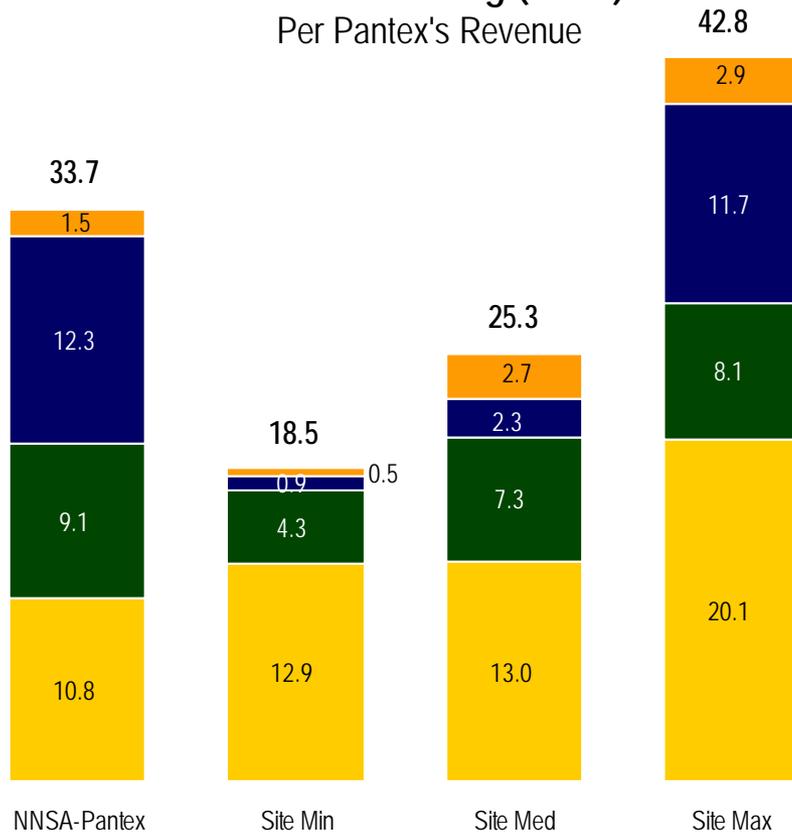
Quartile Breakdown as a % of Revenue



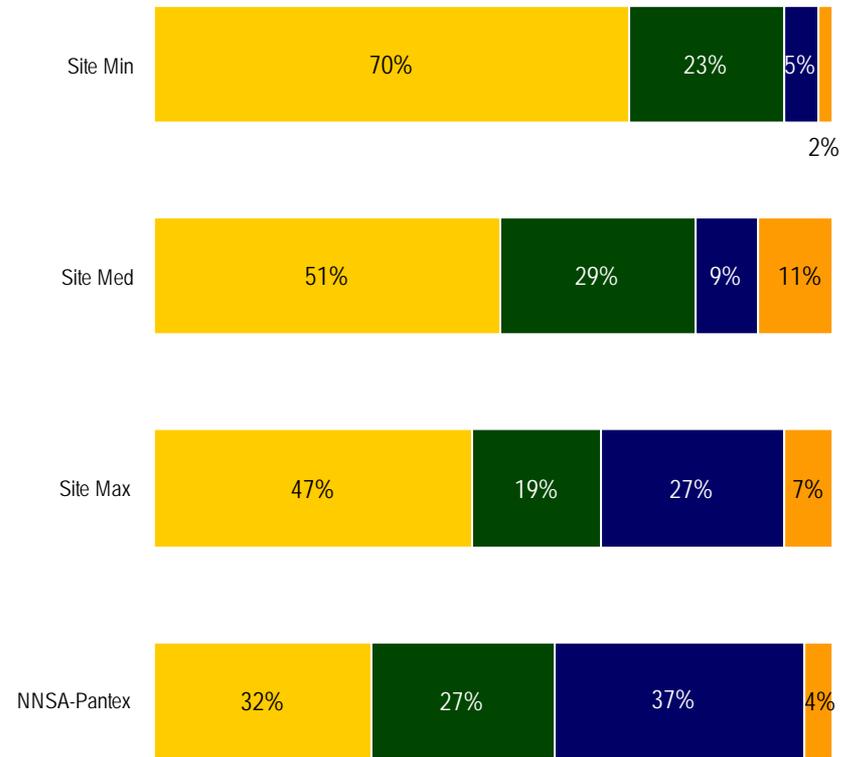
External comparisons exclude Credit and Capital & Risk Management, which are not applicable to the sites.

Pantex staffing levels are 33% higher than Site Median; Resource allocation is highly efficient and effective

Finance Staffing (FTEs)
Per Pantex's Revenue



Finance Resource Allocation

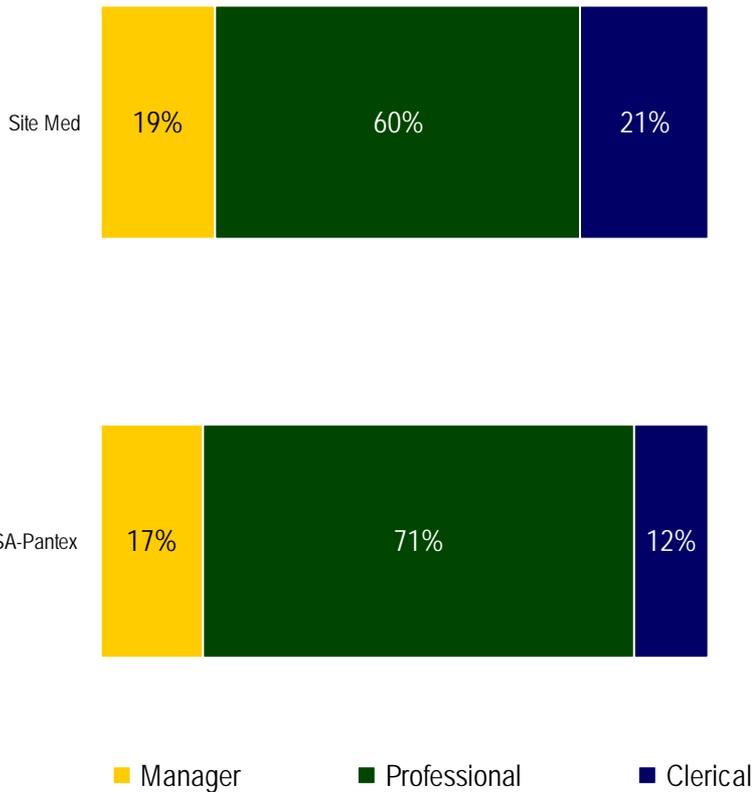


■ Transaction Processing
 ■ Control and Risk Management
 ■ Planning and Strategy
 ■ Management and Administration

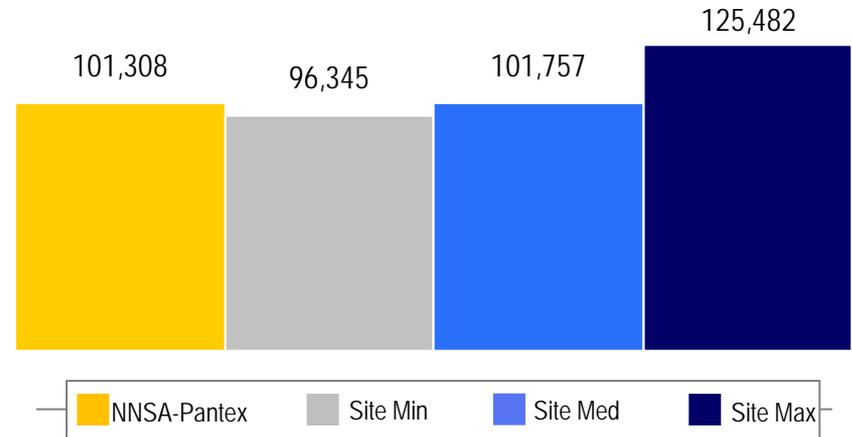
External comparisons exclude Credit and Capital & Risk Management, which are not applicable to the sites. Resource allocation Site Min/ Max selection is weighted according to time spent in transaction processing.

Pantex requires fewer clerical FTEs because it focuses less on transaction processing; Labor costs are similar to Site Median

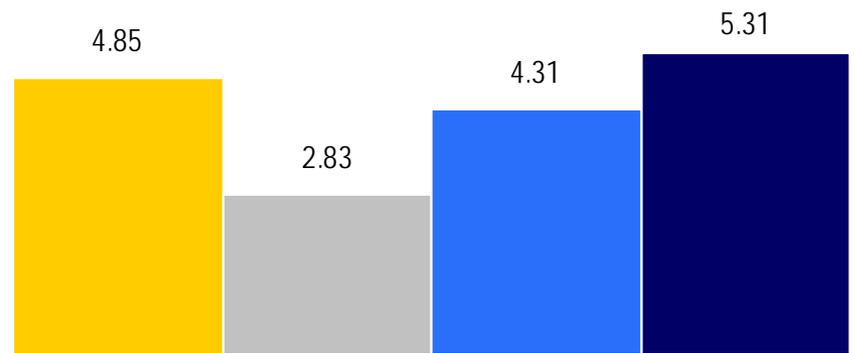
Staff Mix



Average Fully Loaded Labor Cost (\$) per FTE



Number of Staff to Managers (Span of Control)



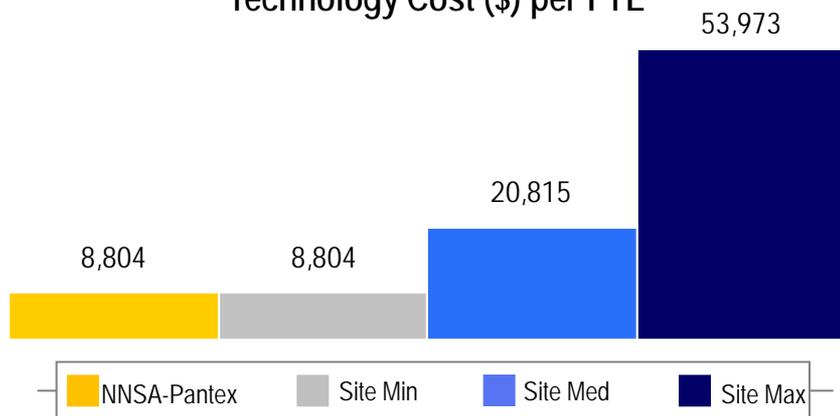
Transaction processing labor costs are higher in general across the NNSA Sites; Pantex is highest in T&E and Cash Management

Average Fully-loaded Wage Rates by Process

	Avg. Fully-loaded Wages Rates			
	NNSA-Pantex	Site Min	Site Med	Site Max
Accounts Payable	\$62,736	\$62,736	\$70,769	\$79,114
Travel and Expense	\$79,953	\$72,340	\$78,563	\$79,953
Customer Billing	\$73,535	\$63,533	\$81,859	\$101,471
Collections Process	\$73,535	\$61,501	\$75,203	\$103,873
Cash Application	\$73,535	\$65,695	\$73,535	\$89,042
Fixed Assets	\$95,832	\$78,547	\$94,732	\$107,663
Intercompany Accounting		\$95,196	\$113,398	\$153,661
General Ledger Accounting	\$92,157	\$84,883	\$92,889	\$124,586
Cost Accounting	\$96,721	\$69,591	\$100,931	\$110,966
External Reporting Process	\$102,054	\$102,054	\$106,093	\$120,069
Tax Management	\$100,821	\$86,276	\$93,568	\$123,782
Cash Management	\$160,440	\$64,155	\$90,000	\$160,440
Compliance Management	\$110,649	\$103,412	\$112,589	\$137,544
Planning and Perf. Mgt.	\$107,246	\$102,232	\$113,891	\$146,130
Business Analysis	\$104,204	\$103,392	\$111,900	\$160,165
Finance Function Management	\$138,383	\$123,047	\$194,984	\$215,420

Pantex spends much less on Finance technology; Automation and technology best practices can be better leveraged

Technology Cost (\$) per FTE



Pantex is among the smallest of the 7 Sites benchmarked, and transaction processing volumes are low. However, smaller Sites similar in size to Pantex have demonstrated the ability to automate and enable technology-related best practices designed to improve efficiency, particularly in the areas where Pantex shows opportunity

Transaction Processing Automation

	NNSA-Pantex	Site Top Performer
A/P supplier/vendor transactions	● 0%	84%
Cash application transactions	● 0%	74%
Journal entries	● 93%	100%
Travelers complete and submit expense reports online	● 100%	100%
Customer billing transactions	● 0%	100%
Supplier self-service	● 0%	90%
Customer self-service	● 0%	0%
Online view of invoice detail for collections employees	● None	High

Planning & Analysis Technology Best Practices

	NNSA-Pantex	Site Top Performer
Sub-system integration with the GL	● High	High
Data warehouse utilization	● High	High
Analytical tool utilization	● High	High
Electronic report distribution	● 63%	100%
Reporting self-service	● Low	High
Reports generated from central repository vs GL	● 100%	100%
Budgeting self-service	● 100%	100%

25% of the Pantex Finance stakeholders view Finance as Valued Business Partner, the highest across the Sites

Perception of Finance's Involvement Scale

Administrator - Spends time processing transactions and is tactically focused in fulfilling any requests

Controller - Spends time setting policy & ensuring process and policy compliance

Finance Expert - Spends time providing insight and information to managers on finance issues

Valued Business Partner - Spends time with other business/functional heads. Interested in improving my business metrics rather than finance's agenda

Finance's Involvement Pantex

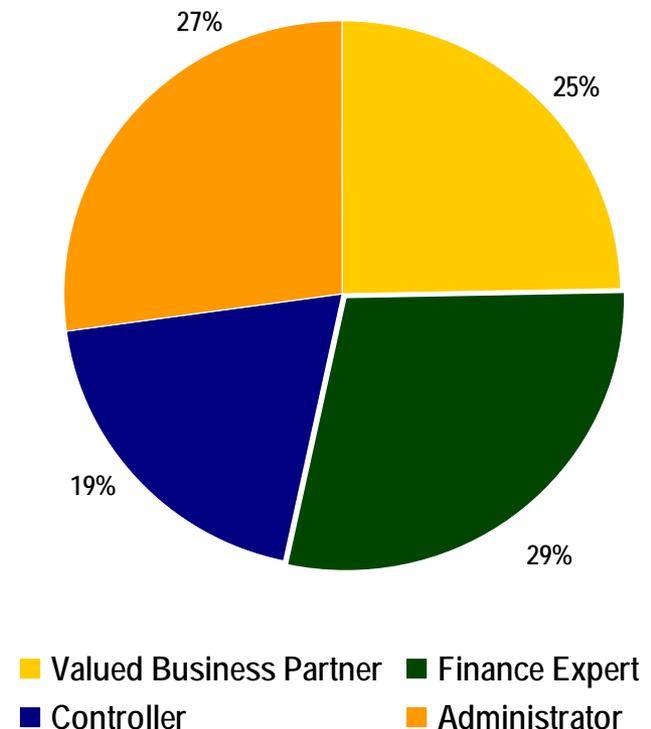


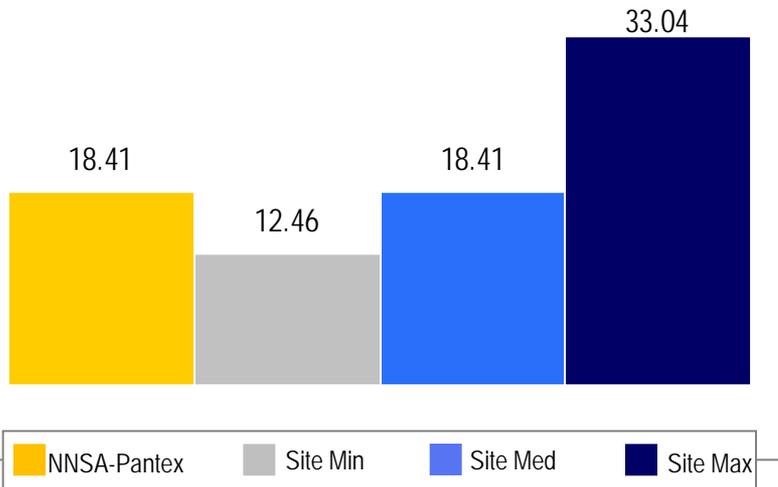
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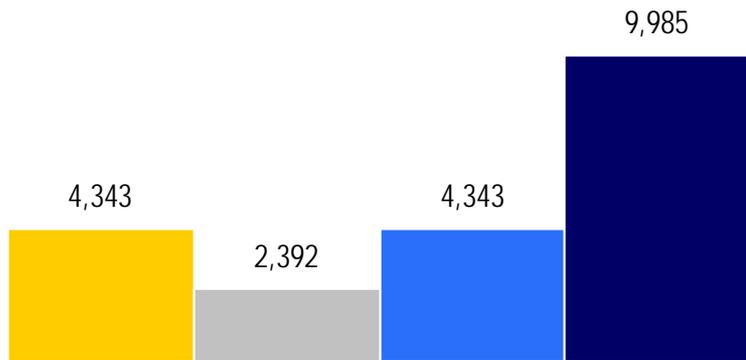
Pantex T&E is fully-automated but costly, due in part to heavy compliance and high labor costs

T&E Cost (\$) per Transaction



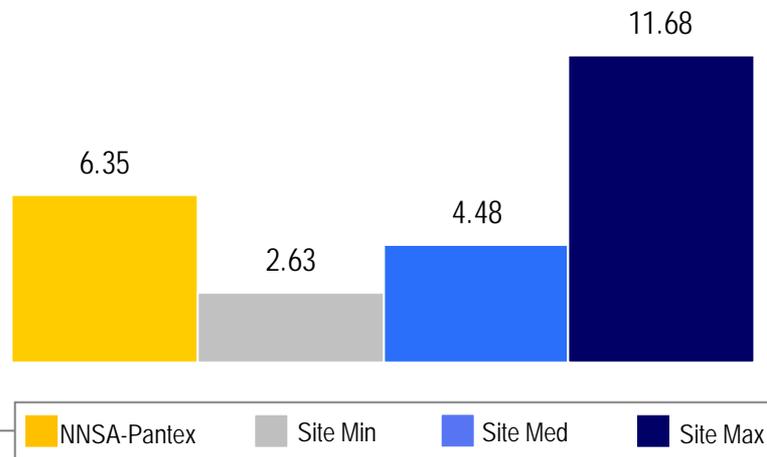
Travel and Expense Best Practices	NNSA-Pantex	NNSA Top Performer
Percent T&E transactions automated	100%	100%
Travelers complete and submit expense reports online	100%	100%
Expense reports error rate	1%	0%
Travel expense reports sampled for compliance	100%	1%
Extent policies and procedures for travel and expenses standardized across business units	High	High

T&E Reports per FTE

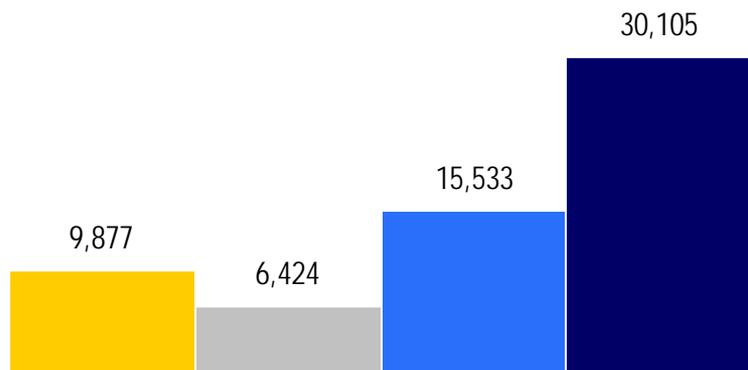


Pantex's AP cost per invoice and productivity lags the Site Median; Transactions are accurate, but all 25,636 invoices are manual today

A/P Cost (\$) per Invoice



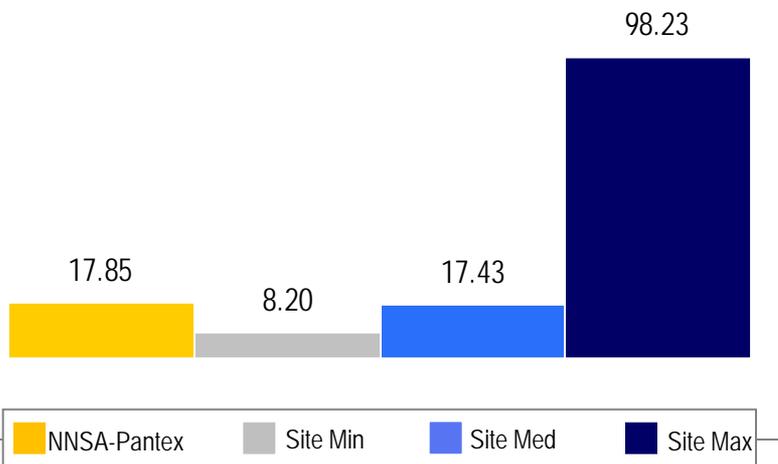
A/P Invoices per FTE



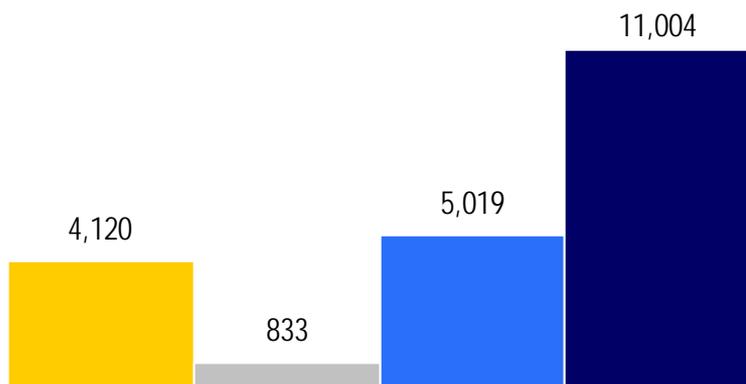
Accounts Payable Best Practices	NNSA-Pantex	Site Top Performer
AP policies and procedures are standardized across business units	High	High
Application integration – A/P with purchasing	High	High
Application integration – A/P with General Ledger	High	High
Percent supplier/vendor transactions automated	0%	84%
Accounts Payable cycle time	5 days	2 days
Accounts Payable invoices error rate	0%	0%
Suppliers submitting invoices electronically (based on volume)	0%	84%
Suppliers using self-service over the Internet (based on volume)	0%	90%
Percent of payments made within terms	100%	100%

Pantex processes only 206 customer invoices annually, efficiently but manually

Customer Billing Cost (\$) per Transaction



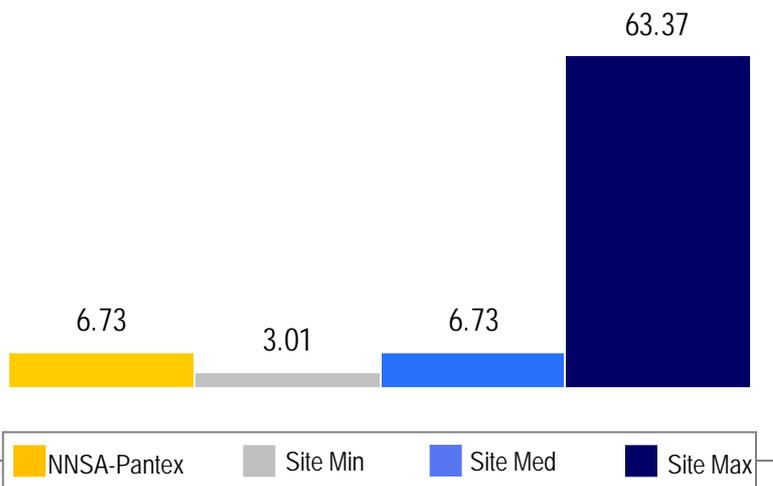
Customer Bills per FTE



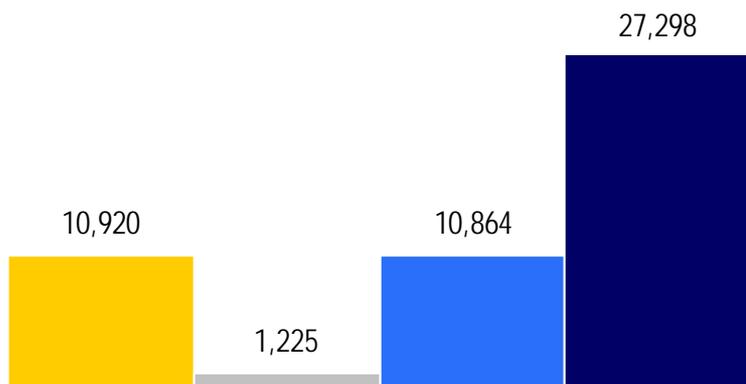
Customer Billing Best Practices	NNSA-Pantex	Site Top Performer
Customer billing policy/ procedure standardization	High	High
Percent billing transactions automated	0%	100%
Billing cycle time	1 days	1 day
Occurrence of billing errors	2%	0%
Billing application integration to sales/order entry	None	High
Billing application integration to accounts receivable	None	High
Billing system enables consolidated invoicing for multiple items	None	High
Utilization of electronic bill payment and presentment	None	High
Utilization of standardized pricing, including discounting, rebates and mark-ups	Medium	High
Customer self-service	0%	0%

Pantex processes 546 cash remittances per year quickly but without automation

Cash Application Cost (\$) per Remittance



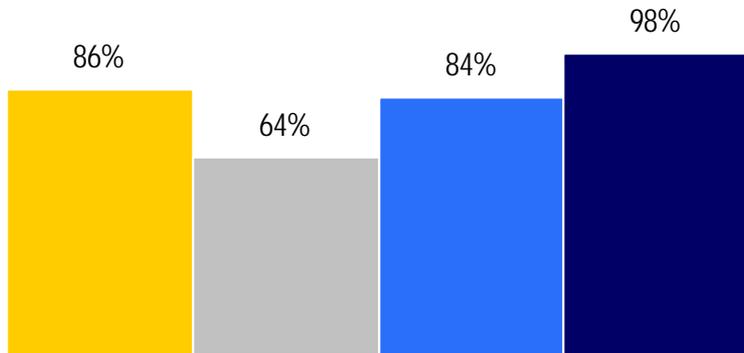
Cash Application Remittances per FTE



Cash Application Best Practices	NNSA-Pantex	Site Top Performer
Cash application policy/ procedure standardization	High	High
Percent electronic cash remittances	0%	74%
Average time to apply cash	1 days	1 day
Billing application integration to accounts receivable	None	High
Automatic cash application rate	0%	49%
Established mechanism to track root causes of adjustments and customer disputes	None	Low
Process to reduce those issues resulting in adjustments and customer disputes	None	Medium

Pantex's collection within terms is similar to Site Median; Collections best practices are not utilized, but Pantex makes just 41 contacts a year

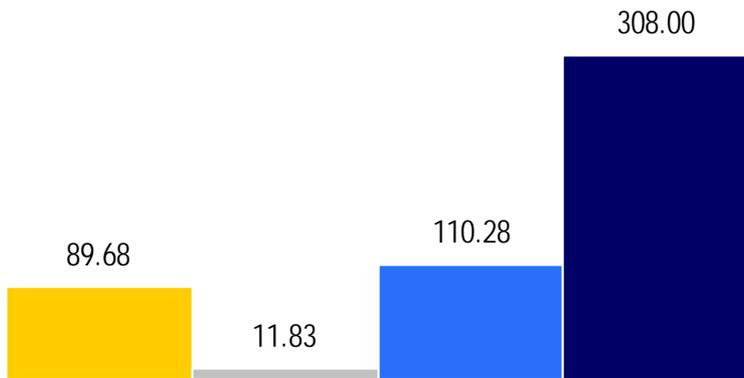
Percent Credit Sales Collected Within Terms



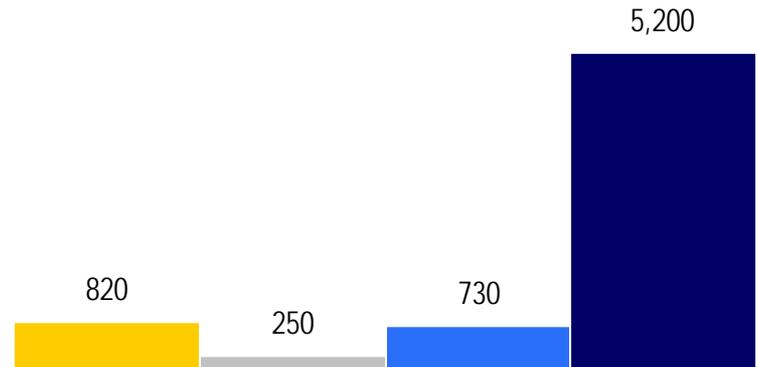
■ NNSA-Pantex
 ■ Site Min
 ■ Site Med
 ■ Site Max

Credit and Collections Best Practices	NNSA-Pantex	Site Top Performer
Extent policies and procedures for Collections are standardized across business units	High	High
Extent to which collections employees have access to an online view of invoice detail via automatic drill down to billing/order entry systems	None	High
Extent to which electronic workflow is utilized in Collections	None	Fully Automated Workflow

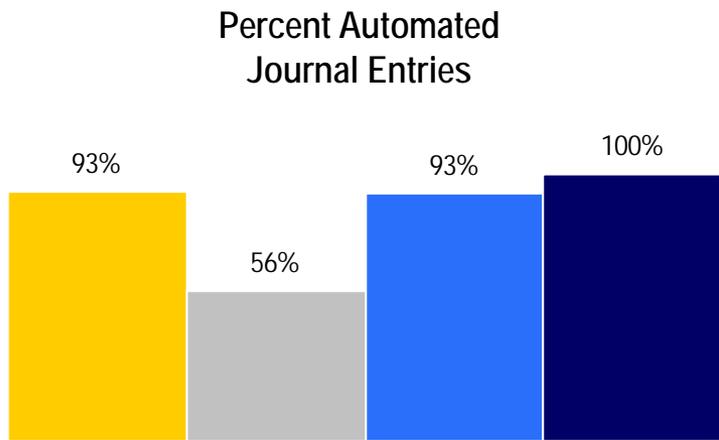
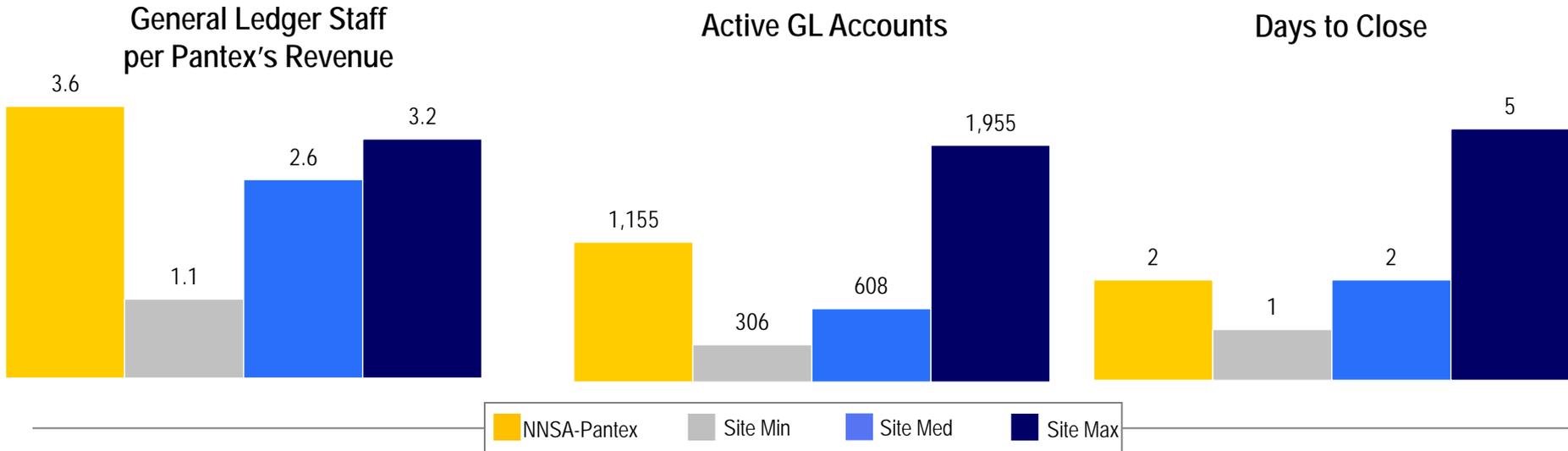
Collections Cost (\$) per Transaction



Collection Contacts per FTE



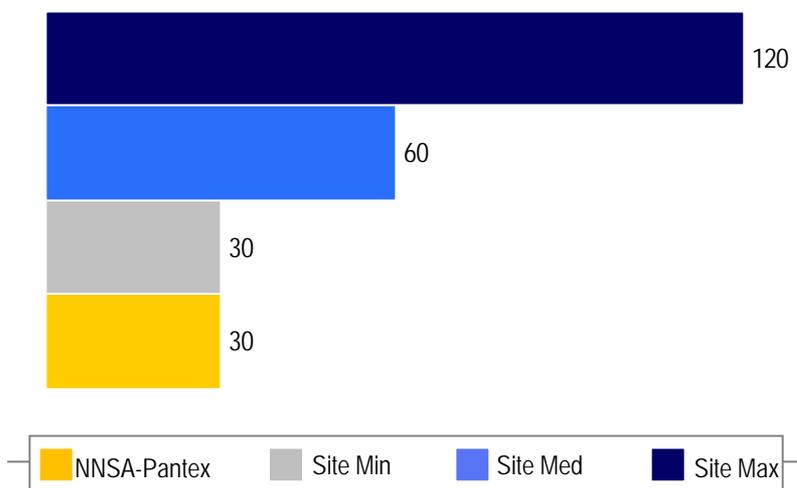
For its size, Pantex's GL account structure is more complex; Application integration is lower, but automation is high and the days to close is fast



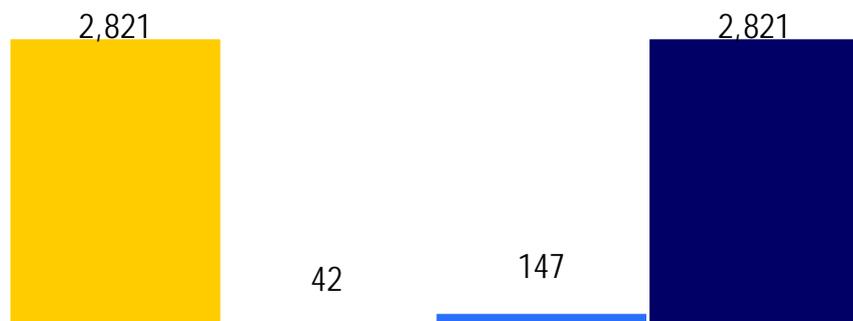
Accounting and External Reporting Best Practices	NNSA-Pantex	Site Top Performer
Extent policies and procedures for general accounting are standardized across units	High	High
Integration of subsystems with the GL	High	High
Integration of fixed assets applications with purchasing/ AP applications	None	High
Integration of fixed assets applications with general ledger applications	Low	High
Regulatory filings automation using common regulatory reporting application	90%	90%

The Pantex budget process and cycle time is strong, despite line item detail that is much higher

Days to Complete the Budget



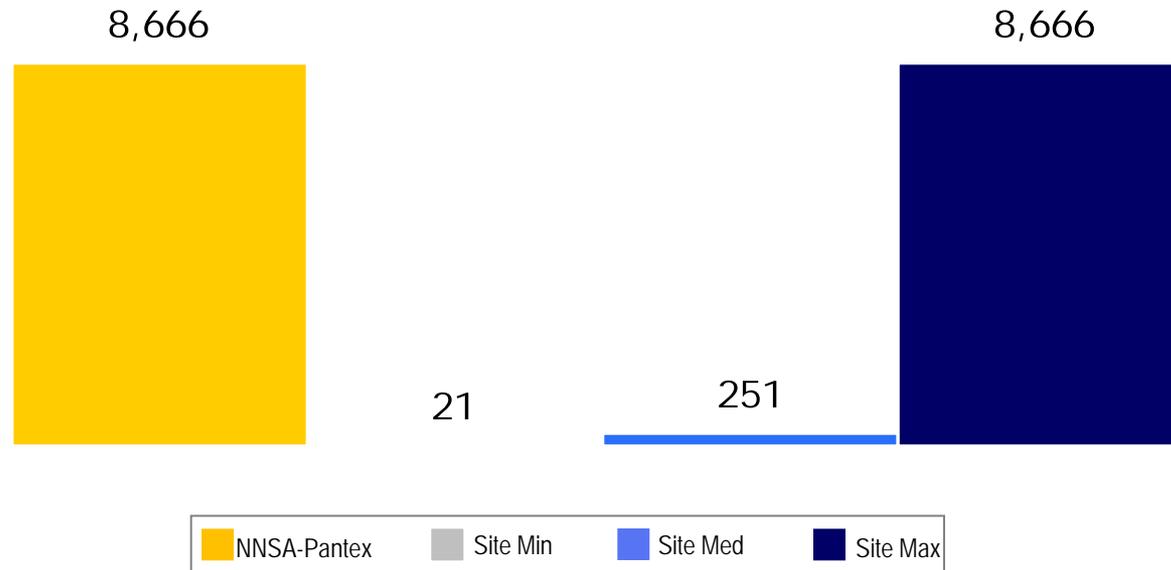
Number of Line Items in the Budget



Planning Best Practices	NNSA-Pantex	Site Top Performer
PC Spreadsheets used as a stand-alone budgeting application	Low	High
Budgeting self-service	100%	100%
Fully integrated strategic planning, tactical business planning, and budgeting processes	Fully integrated	Fully integrated

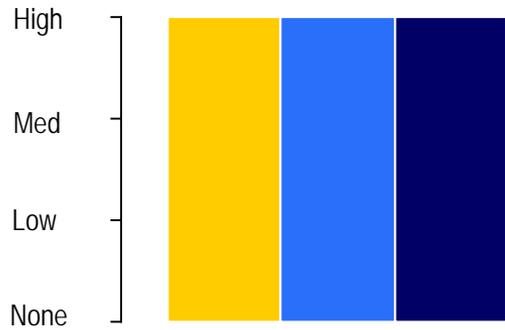
Pantex reporting requirements appear excessive compared to the other Sites

Monthly, Quarterly, Annual Performance Reports
(Normalized to Pantex's Revenue)

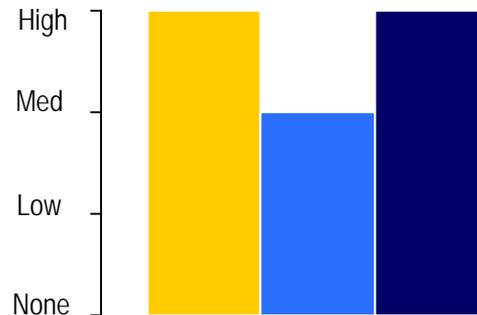


While efficient and automated, Pantex can increase self-service reporting to enable operations and reduce complexity in Finance

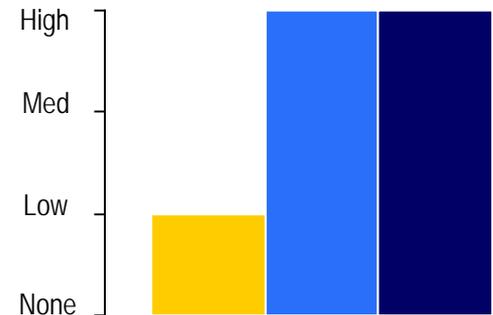
Use of Data Management and Analysis Tools (Data Warehousing/Data Marts)



Extent Internet Supports Online Distribution of Standard Reports

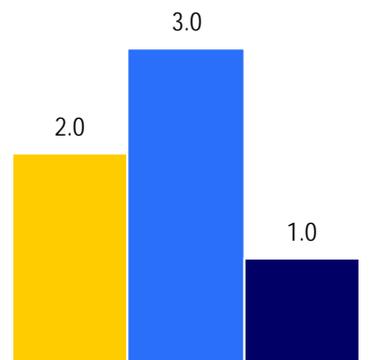


Extent Internet Supports Online, Self-service for Reports

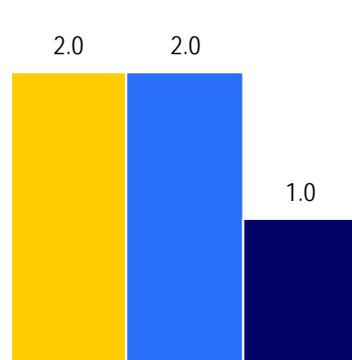


Legend: NNSA-Pantex (Yellow), Site Med (Blue), Site Max (Dark Blue)

Days to Report Key Operating Results to Management



Days to Prepare Ad Hoc Reports

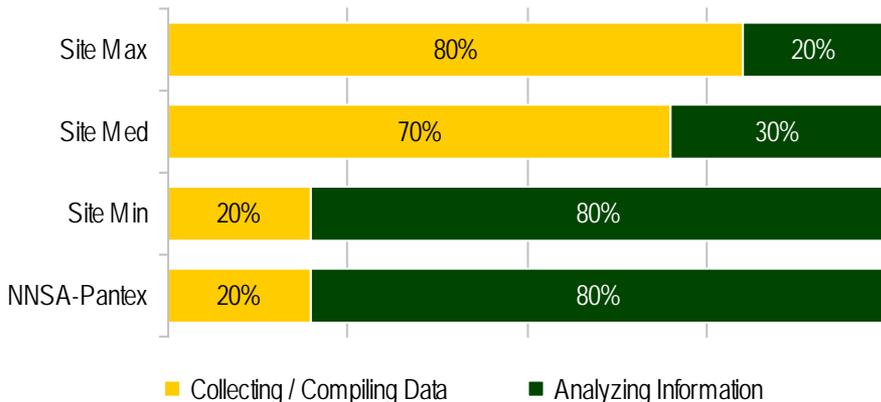


Legend: NNSA-Pantex (Yellow), Site Med (Blue), Top Performer (Dark Blue)

Planning Best Practices	NNSA-Pantex	Site Top Performer
Management reports created using PC spreadsheets as primary application	10%	10%
Reports distributed electronically	63%	100%
Percent of time reports address future action instead of explanation of history	50%	85%
Balanced scorecard development (operational & financial measures)	Mature balanced scorecard program with both financial and non-financial	Mature balanced scorecard program with both financial and non-financial

Access to information is outstanding at Pantex, and Finance rated its analysts' skill sets and acumen for partnering as high

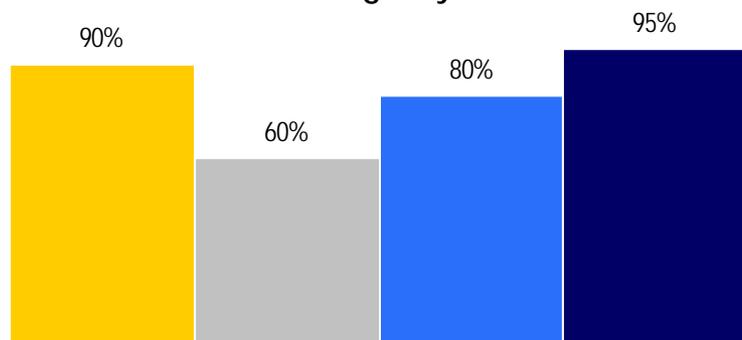
Allocation of Analysts' Time for Standard Reports



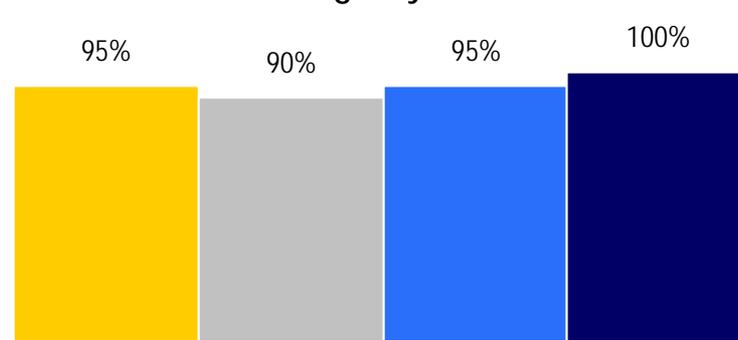
Business Analysis Best Practices	NNSA-Pantex	Site Top Performer
Analysis staff is experienced in both finance and your company's operations	50%	100%
Analysts with skill set and business acumen to partner with operations	85%	100%
Business-simulation models utilized for a variety of business scenarios	Not Answered	25%
% analysts who employ sensitivity, investment & value-analysis techniques	Not Answered	20%
Development of centers of expertise around complex analytical techniques	Medium	High
% of time that analytical focus is on proactive planning vs. historical reporting	80%	80%

Legend: NNSA-Pantex (Yellow), Site Min (Grey), Site Med (Blue), Site Max (Dark Blue)

Percent of Time Output of the Cost Analysis is Considered on Target by Internal Customers

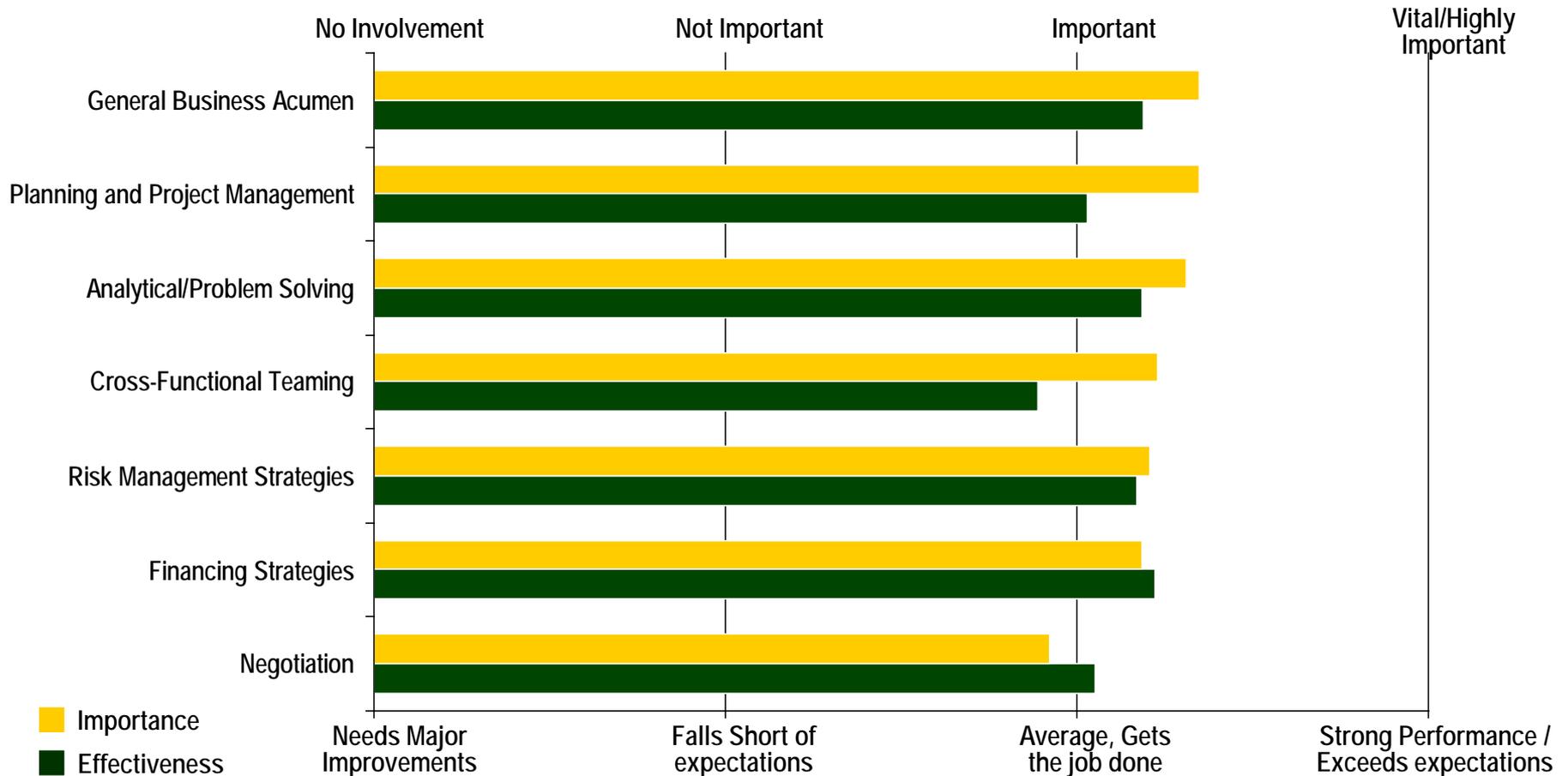


Percent of Time Output of the Pricing Analysis is Considered on Target by Internal Customers



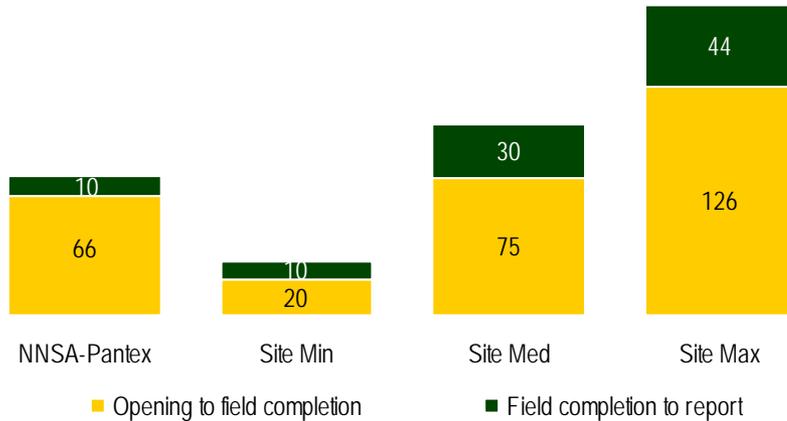
Pantex Stakeholders agree and reported Finance skills and knowledge are adequate in getting the job done

Skills & Knowledge - Importance & Effectiveness

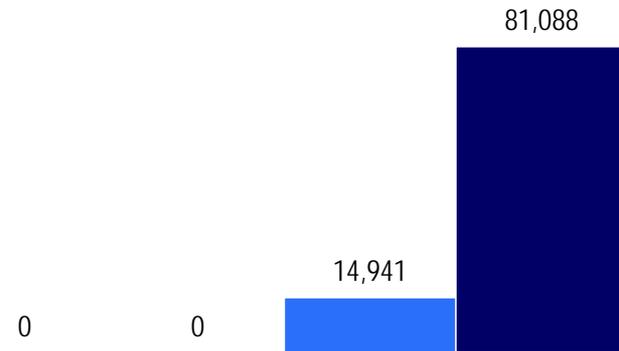


Pantex has the benefit of not paying external audit fees

Elapsed Time in Days

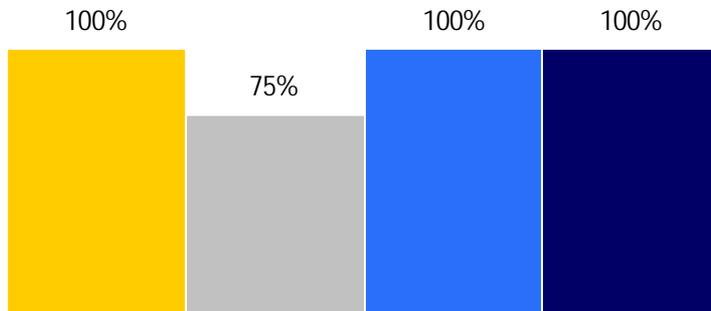


External Audit Fees per NNSA-Pantex's Revenue (\$)



■ NNSA-Pantex ■ Site Min ■ Site Med ■ Site Max

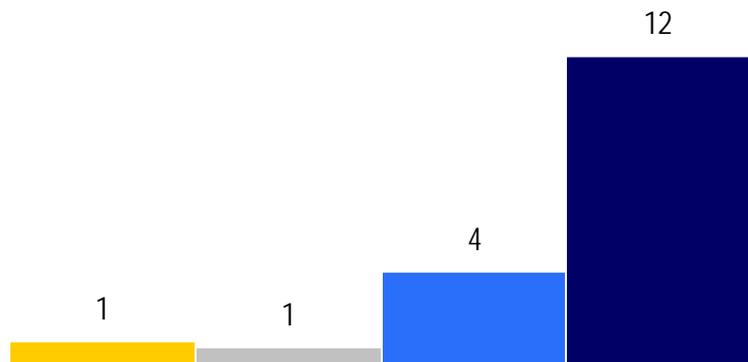
Percent of Locations Audited Annually



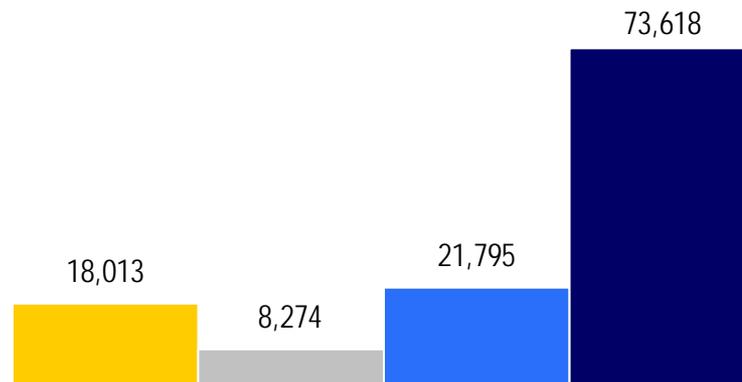
Compliance Management Best Practices	NNSA-Pantex	Site Top Performer
Percent of total assets (in monetary value audited annually)	46%	83%
Extent finance utilizes self-assessment control reviews as an alternative to internal audit	Low	High
Computer-based audit profile models used to identify locations/ transactions for audit	High	Low
Extent that internal audit works with the transaction processing teams	Medium	Medium
Opening to field completion – audit days	66 days	20 days

While bank accounts and fees are low, Pantex Cash Management labor costs are highest and cash transaction automation is lowest

Bank Accounts per NNSA-Pantex's Revenue



Annual Gross Banking Fees (\$) per NNSA-Pantex's Revenue



Cash Management Best Practices	NNSA-Pantex	Site Top Performer
Percent of cash management's fund inflow and outflow transactions require correction	0%	0%
Percent of cash transactions automated through electronic linkages of local and remote sites	0%	100%

Compared to the lowest cost component across the Sites, Pantex spends \$2.4 million more annually

Finance Cost Differences (in \$Millions)

Finance Processes	NNSA-Pantex Costs (in Millions)	Gap to Site Top Performer
Accounts Payable	0.2	0.0
Travel & Expense	0.1	0.0
Customer Billing	0.0	0.0
Collections	0.0	0.0
Cash Application	0.0	0.0
Fixed Assets	0.0	0.0
Intercompany Accounting	0.0	0.0
General Ledger	0.3	.29
Cost Accounting	0.1	0.0
External Reporting	0.1	0.0
Tax Management	0.0	0.0
Cash Management	0.0	0.0
Compliance Management	1.0	0.73
Planning and Performance Management	0.5	0.43
Business Analysis	0.8	0.74
Function Management	0.2	0.12
Total Process Costs	3.4	2.31
Technology Cost	0.3	0.00
Other Cost	0.7	0.48
Total Finance Cost	4.4	2.39

Pantex Finance Recommendations

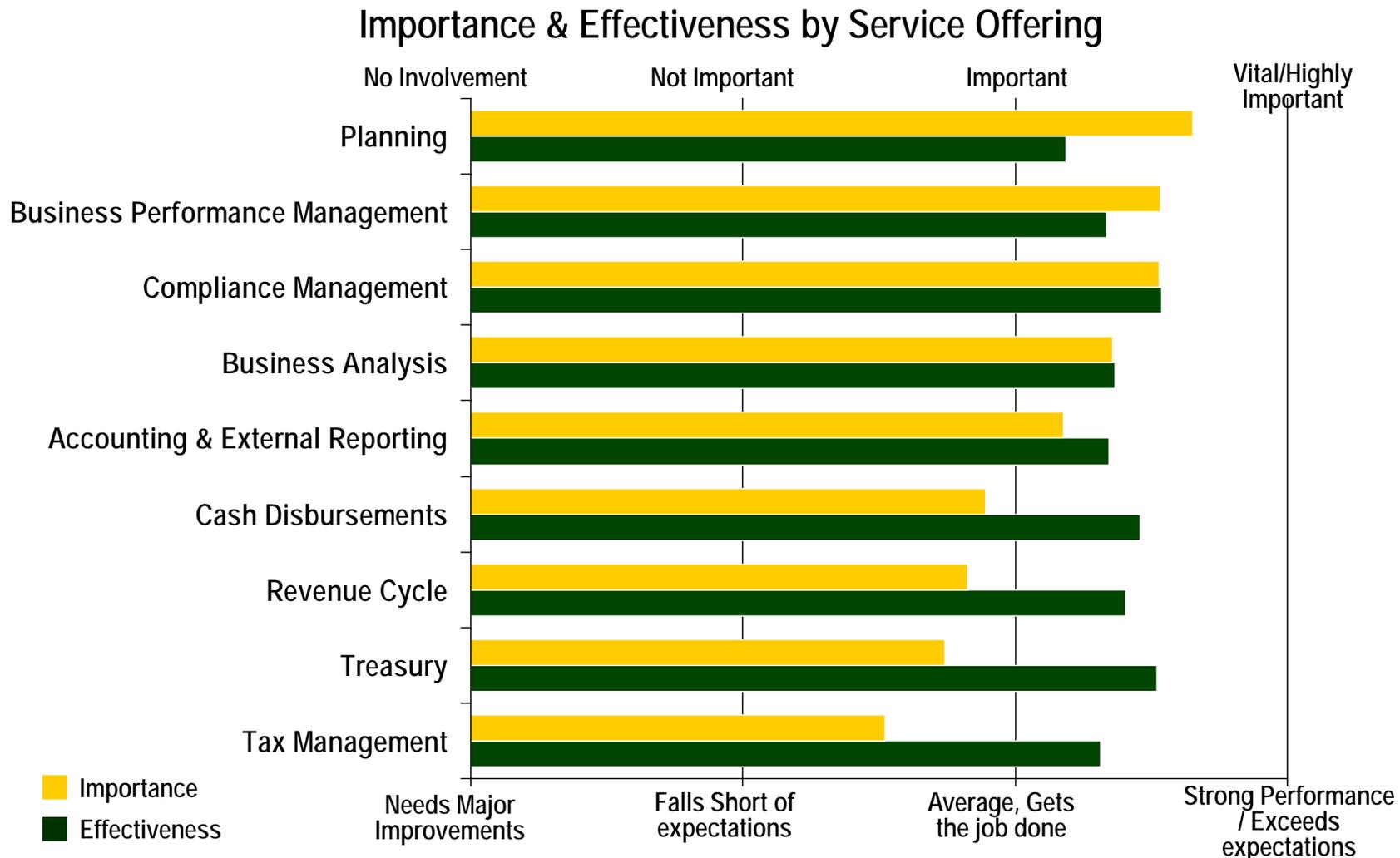
- **Pantex achieved strong levels of Finance efficiency and effectiveness. Select opportunities exist:**
 - Finance technology leverage and the utilization of automation in routine business transactions
 - Pantex is among the smallest of the 7 Sites benchmarked, and transaction processing volumes are low. However, smaller Sites similar in size to Pantex have demonstrated the ability to automate and enable technology-related best practices designed to improve efficiency, particularly in the areas where Pantex shows opportunity
 - AP: For PO transactions, consider the utilization of electronic processing and seek to enable automatic 3-way matching or enable ERS/ auto 2-way matching. For low dollar non-PO purchases, ensure the maximization of procurement cards as a payment mechanism. Seek to automate recurring payments, where applicable. Evaluate opportunities to leverage self-service technology for suppliers to access invoices and payment history.
 - Cash application: Consider enabling the ability to receive and gross-post remittances automatically to customer accounts via direct debit, electronic data interchange (EDI) or automatic postings made as part of the automated remittance information received via lockbox to improve efficiency and reduce cash application cycle time
 - Customer billing: Automate the currently manual billing process via additional electronic data interchange (EDI), web-based intranets for billing processes, or e-fax technologies to improve efficiency transaction cost, and productivity
 - Performance reporting: Increase the utilization of self-service reporting technology to better enable operations managers and reduce significant effort required by Pantex Finance to generate and distribute over 8,500 reports
 - Continue efforts to enhance partnership with operations and elevate the Stakeholder's perceptions of Finance. Currently, Pantex has the highest overall stakeholder scores as it relates to the 'role of Finance', service order effectiveness, skills and knowledge, and proactive involvement, but they can be improved.

Appendix

- Stakeholder Survey

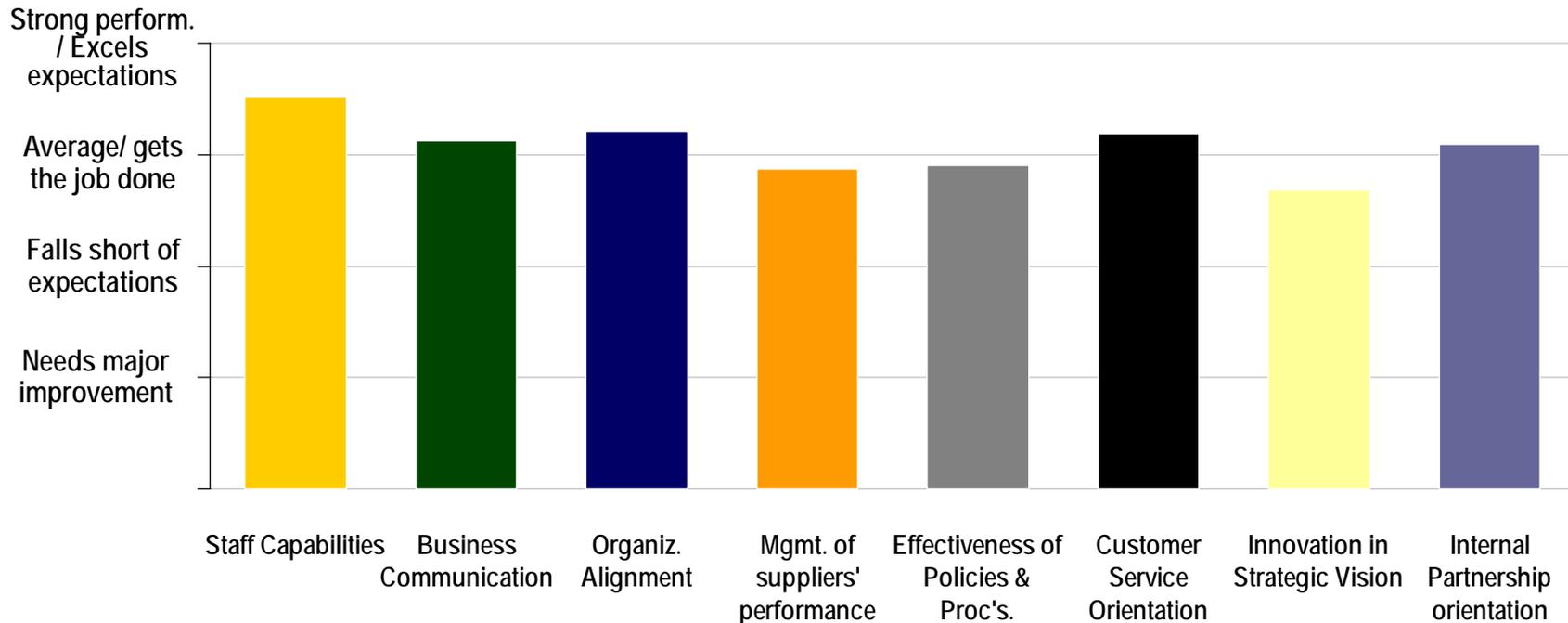


Most of these service offerings are perceived to be meeting expectations; Tax and Cash Management were rated lowest



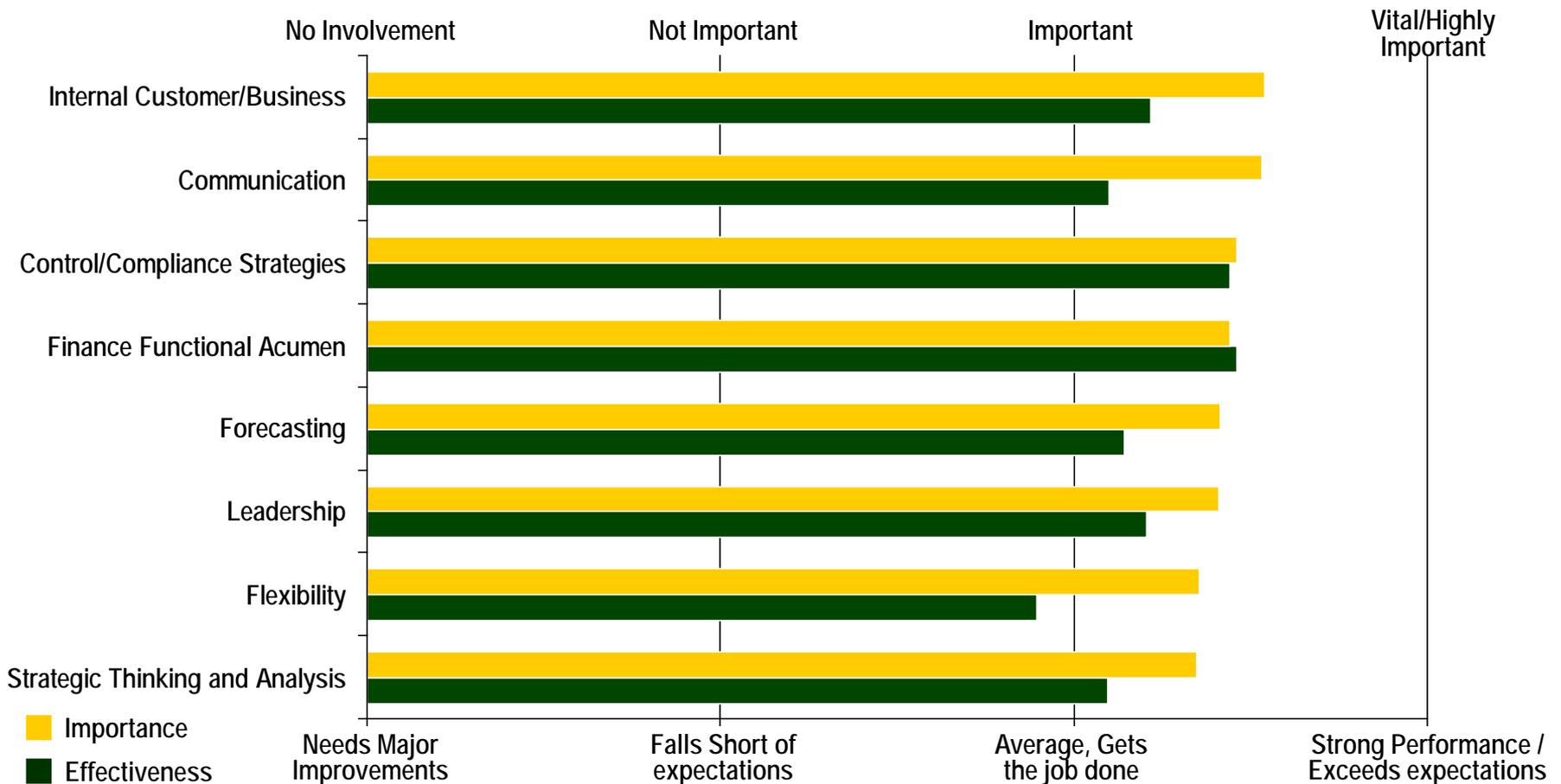
Stakeholders perceive Finance's performance in these areas to be at or near average

Performance of the Finance Organization



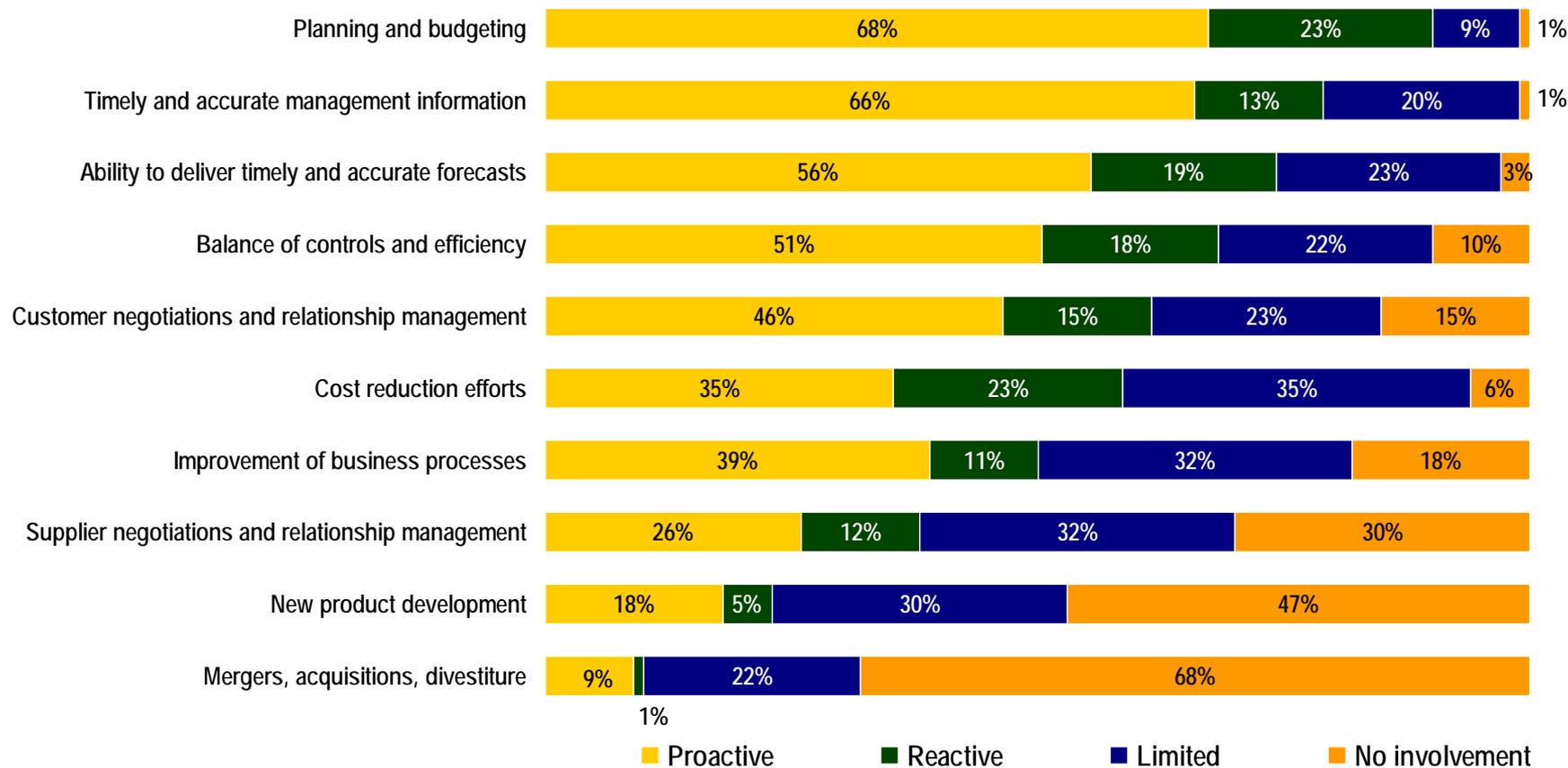
These Finance skills and knowledge competencies are perceived to be getting the job done

Skills & Knowledge - Importance & Effectiveness



Nature of Finance's involvement by activity

Nature of Finance's Involvement by Activity



Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Start:

- Lack of innovation. Lack of flexibility
- Think more corporately. Be a team player. Take on more of a leadership role in planning and budgeting. Be more independent and objective
- More strategic thinking with the business units
- Improve the ability to accurately forecast
- Be able to quickly forecast impacts as funding profiles change
- I rate the Finance organization if the "blue" for providing better than average support and service
- As the organization begins to face greater and greater budget pressure, Finance may need to consolidate some functions with other affiliated DOE sites in order to meet pressure from the Government to reduce headcount
- The organization should require its team members to venture out beyond their offices and become engaged in the on-going project management and strategic discussions held among the operational organizations
- Look for more efficient methods of supporting business operations
- Consistency of information provided to internal Program Office and their financial counterparts
- Adherence to R&R's with regards to communication of company policies and positions to external customers
- Be more open to different ideas and methods while remaining consistent with contract requirements
- I believe our financial organization is performing at a high level considering the uncertainty and ambiguity of our federally funded operating environment
- Be visible and accessible, include stakeholders, communicate more

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Start:

- Work with the NNSA to allow more flexible charges to control growth in organizations and place the burden of funding on those organizations
- Interact with the functional organizations more frequently and improve communications
- Communicate what is going on in finance more effectively with managers
- Simplify reports and make them more access able to the Dept and Section Managers. It is not clear how our decisions impact the business and how we can control cost
- Increase teaming with functional departments across plant and improve communication associated with current and future budget
- Have a common stance across the group. The individuals that are matrixes to the functional divisions do not always have the same approach as the main finance office
- Be part of the team ... offer solutions ... do something other than manage charge codes
- Increase investment in automated controls
- Get out and understand the issues of the business and then act like they care about them and try to fix them. In my opinion, the finance organization is operating in a "status quo" configuration, there is no improvement or innovation. By the way, I believe that has to come from the top...
- Should communicate better and work on understanding the different types of funding structures
- I think a better understanding of the internal customer requirements and an approach to help us achieve our manpower and financial goals would greatly improve the rating
- Learn more about the unique financial needs of the departments it serves, rather than assume they all have similar issues

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Start:

- Frequently request information from it's customers
- The Finance Organization need to interface with the functional organizations early and often. It is recognized that the overall budget and funding priorities are not set by the plant but by the DOE; however, as soon as the budget is known to the Finance Organization, is would be more productive to focus on planning and budgeting with the functional organizations
- Success Communication
- More strategically focused
- Doing the right job
- Allow for greater flexibility in policies in order to actively compete with competition
- At present most of the financial decisions are made at the Division level. It would be more useful to negotiate these financial decisions between Division management and Department levels
- Increase knowledge and understanding of the internal customer, particularly with regards to resources required based on workload. This would also facilitate cooperative teaming and more focused communication
- Become more knowledgeable of the business processes they are responsible for. Become more proactive in planning and future budgeting. Operations folks typically are only consulted when the final budget numbers are in with little or no control over how those budgets are developed
- More flexibility and responsiveness
- Increase the involvement of the functional managers in the budget planning process

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Start:

- The Finance organization is doing an outstanding job of meeting its customers' needs. Personnel in the organization understand the business, know what information is of primary importance to its customers, and are more than capable of addressing ad hoc requests
- Lock in a budget and let managers manage to the dollar level instead of it constantly changing. however, much of this is probably out of the control of Finance, but more a product of uncertainty within Programs Management
- Monitor weapons budgets with graphs to give to the managers of those operations in a timely manner
- Finance receives the highest available performance rating from NNSA
- The finance organization appears not to be focused on the functional organizations and their needs. The functional managers need more input on cost controls, estimations, and forecasting. In addition, alternative approaches need to be examined when conducting work for others for other governmental and private agencies. Pantex's finance organizations are more of a "shadow" organization to functional organizations; we know they exist, but never see any representatives until calls for EACs
- More proactive. More coordination across the different funding sources for the functional areas
- Provide education and access to the reporting system
- Brief the dept. manager on how the budget works
- Finance is very involved in our business functions. They provide support as requested in a very timely manner
- Monthly meetings with Department level Managers to go over financial data to help forecast spending for upcoming months and to review spending for the past month. Currently that information is emailed to respective manager; however, if the manager doesn't understand the budget process or moves to another department and assumes an existing budget that they, themselves, were not involved in creating, it is very difficult to manage that process

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Start:

- Communication with those managers it is suppose to represent. Regular meetings reviewing reports, identifying potential pit falls and identifying prospects for improvement. All I get is reports and only I know if I am reviewing them. My FA is totally reactive to my requests. Very supportive, but I tend to initiate most all communication. He understands the finances better than I and should work with the manager for action plans of upcoming short falls. A higher level of interface
- Improve purchasing accountabilities to avoid purchases that are not supported by project needs or by installation/maintenance funds
- Be more informed and involved in what my needs are
- More communication to entities affected by changes within the financial system would be helpful
- Improve communication aspects and emphasize a more robust planning process for projects. Look further ahead of issues and identify all areas that are affected by business decisions
- The Finance organization is excellent. The plant's financial planning could be improved by having a documented basis for budget estimates. For example, actual unit costs should be the basis for planned unit costs with less reliance on expert's technical knowledge
- Better planning of their Financial Management Systems, ensuring that contract modifications are processed timely prior to the subcontractors performing work, ensuring that government funding is not commingled in their Special Financial Institution Account -Letter of Credit. If they want Special Allocations in their Cost Accounting Standards Disclosure Statement, they need to set up charging codes

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Stop:

- Process is too cumbersome
- Stop being self-serving
- Redundant reporting
- Revise payroll to be paperless
- I know of nothing that I think Finance could afford to cease doing
- Stop taking financial actions that affect a particular organization without first communicating the intended actions to the cognizant management team. Such actions are rarely discussed as to why/how/impact until after the action is completed
- Partner with internal customers and establish professional relationship with DOE
- Forecasting and future years' budgeting may be getting more attention at the detail level than is needed considering the uncertainty and ambiguity of our federally funded operating environment
- Establishing budgets without discussion with budget users input at Dept manager level
- Reduce the number of non value reports. Too many and not any real basis for continuing reporting on things that don't make a difference and eat up valuable resources
- Reduce project controls costs so that construction costs less and more work could be done for the money
- The required multiple compliance initiatives reduces the effectiveness of core functions
- Finance has a reputation of holding the status quo towards policy enforcement, specifically in time and labor. They appear to have no desire to work with the site managers to understand issues and the need for flexibility

Stakeholder Suggestions / Comments : Start/ Stop

Representative Suggestions / Comments

Stop:

- Stop making financial decisions w/o understanding the impacts to the Plant population
- Reacting in advance of need to reductions and planning
- Stop changing departmental budgets without discussing the impacts of the changes with the effected departments
- Risk Aversion
- Trying to manage headcount through WACS
- Stop doing the same things year in and year out. Involve the operations personnel early and have monthly meeting to discuss where we stand
- Take more responsibility instead of depending on other Plant organizations to ensure compliance with finance related activities
- The Finance organization is doing an outstanding job and there is no specific activity (that I am aware of) that reduces or detracts from the organization's value
- Quit moving money out of budget areas without discussing with the manager. The budget needs to be transferred to the owning dept to manage that operation
- Operating as a stovepipe
- Be more involved with each dept.
- Be supportive
- Stop doing work when no money is remaining on the contract

Stakeholder Representative Quotes

Representative Comments

- Keeping on doing what they have been doing
- They need to be an important part of the team in order to successfully achieve our mission
- I think that Finance does a very good job
- The matrixed FA approach is working well and the competency of the FA's is very good and they provide excellent support
- The CFO Division is a valuable part of the B&W Pantex organization and they work well with the line organizations to promote the company's success
- The CFO seems more interested in pointing out the faults of other organizations rather than fixing his own
- Electronic reports are helpful.
- Appreciate the Financial Analysts dedicated to the organizations
- The Finance organization is doing an outstanding job of meeting its customers' needs
- Interact with every level of management. provide analysis and useful information applicable to each level and functional area
- You are doing an excellent job!
- Finance needs to become more customer focused and aid functional management during budget calls and reconciliations
- I am not sure if this directly applies, but I would value an information system that allows me to pull information on Purchase Requisition/Purchase Order information

Stakeholder Representative Quotes

Representative Comments

- Everyone in the Finance organization has been helpful with everything I have requested
- The assignment of Finance liaisons to the various Divisions was a very good idea. This provides much better access to financial services and allows for a financial rep to better learn our business needs
- Finance can report planned and actual cost at a very low level but the planning and budgeting functions are not flexible to meet programs' changing priorities, and do not provide a clear basis for cost estimates
- Overall, they are doing a good job

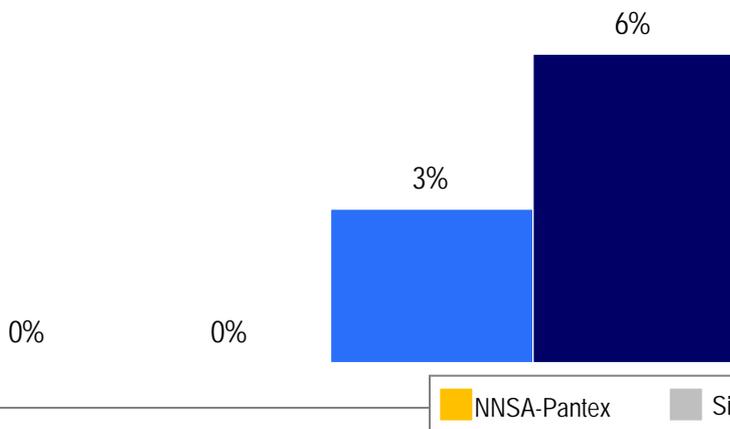
Appendix

- Additional Process Metrics

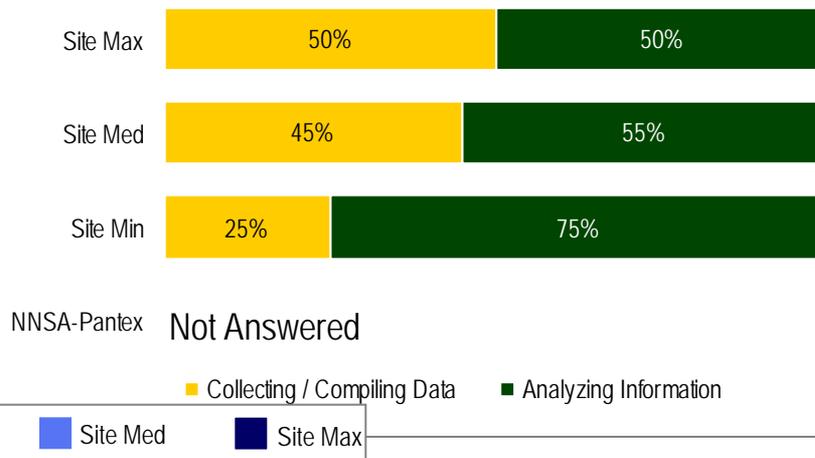


Tax Management

Effective Tax Rate

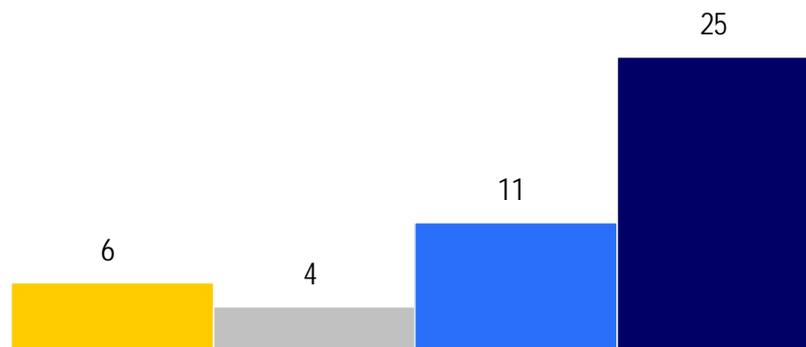


Allocation of Analyst Time for Tax Reports



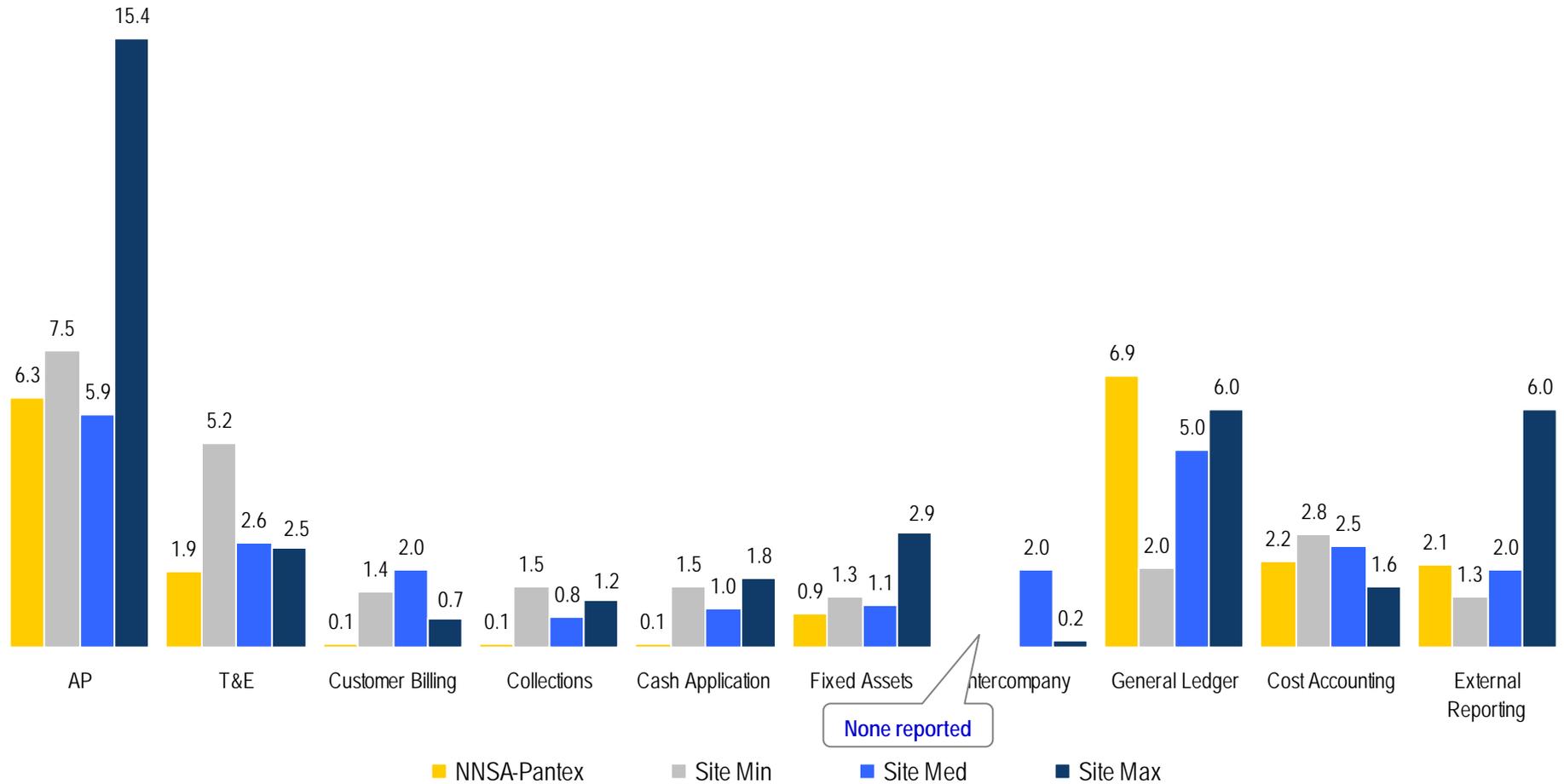
Tax Management Best Practices	NNSA Pantex	Site Top Performer
Standardized policies and procedures for tax management across units	Not Answered	High
Percent of tax returns are filed on time	100%	100%
Percentage of tax payments made on time	100%	100%
Up front involvement of tax staff in providing counseling services on new business opportunities	None	High
Automatically prepare state/local/federal returns using a consolidated database	None	High

Tax Domains per Billion of Revenue



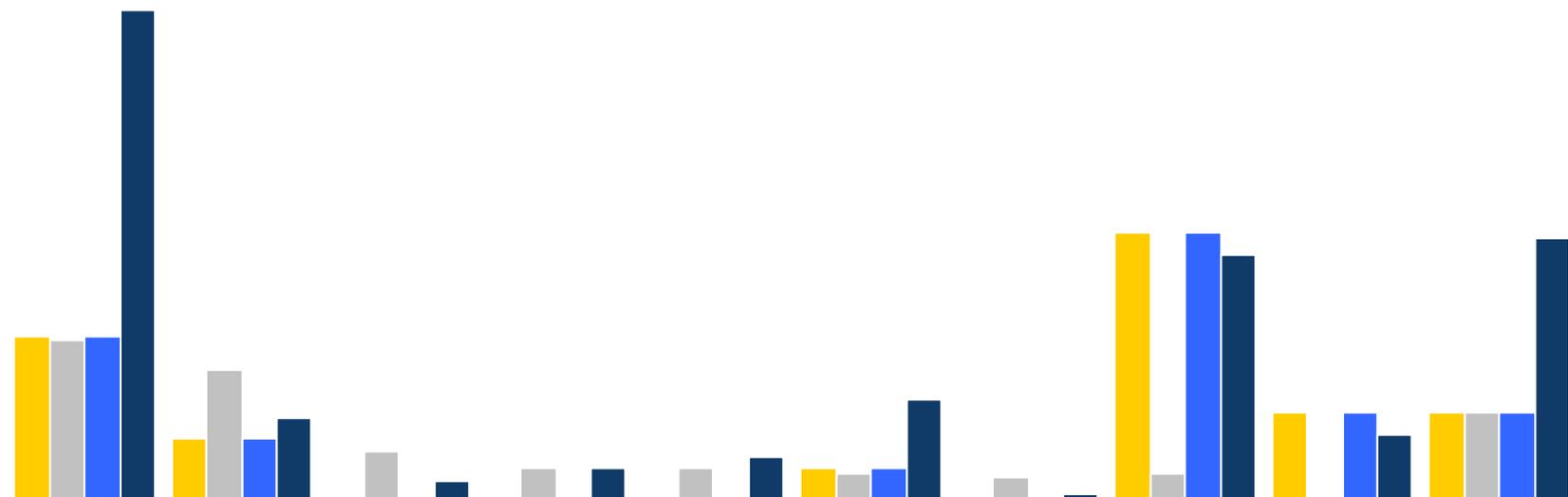
Transaction processing – FTE count

FTEs per Billion of Revenue



Transaction processing – process cost

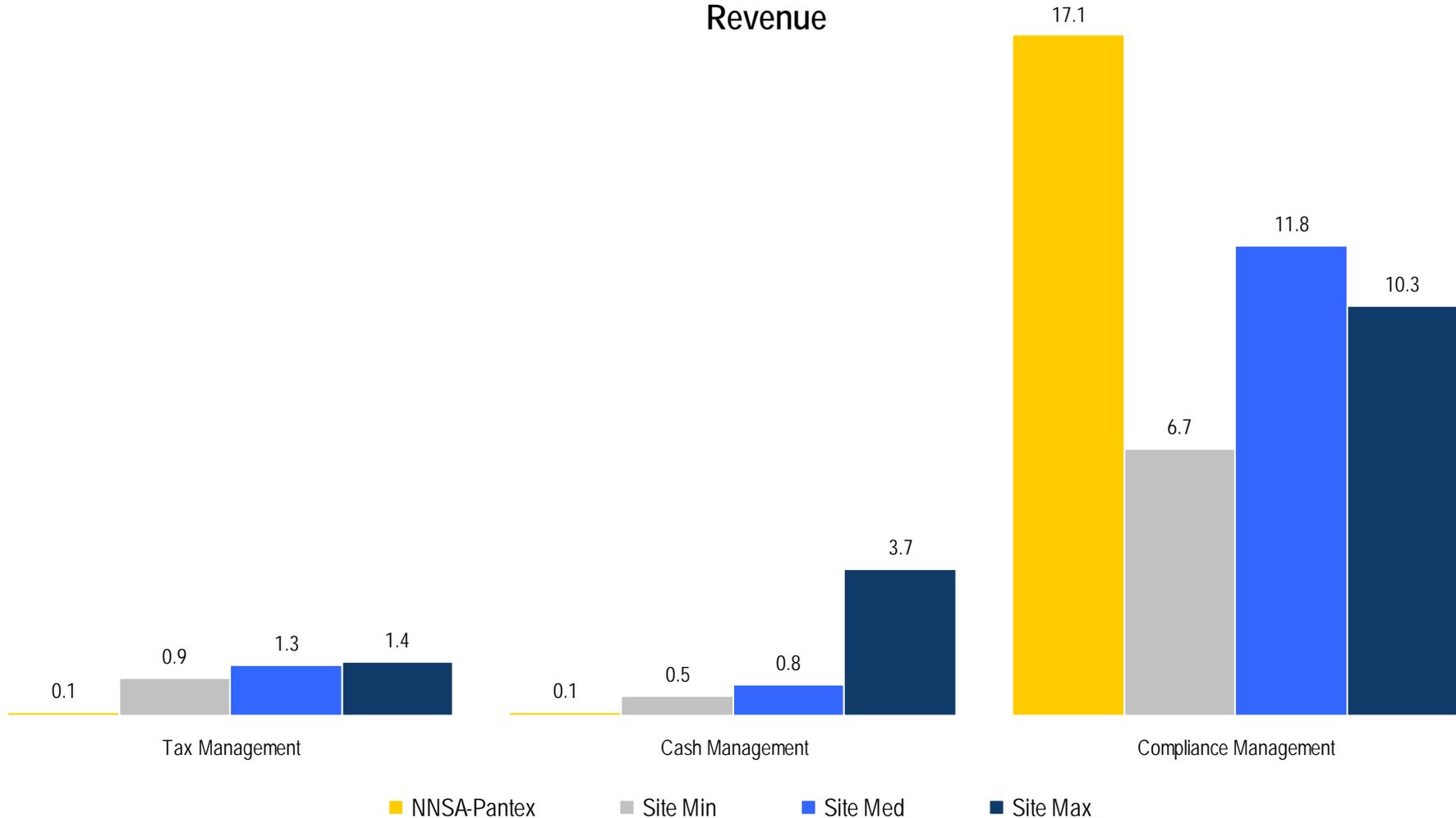
Process Cost as a Percentage of Revenue



	Accounts Payable	Travel & Expense	Customer Billing	Collections	Cash Application	Fixed Assets	Intercompany Accounting	General Ledger	Cost Accounting	External Reporting
■ NNSA-Pantex	0.039%	0.015%	0.001%	0.001%	0.001%	0.008%	None reported	0.063%	0.021%	0.021%
■ Site Min	0.038%	0.031%	0.012%	0.008%	0.008%	0.007%	0.006%	0.007%		0.021%
■ Site Med	0.039%	0.015%	0.001%	0.001%	0.001%	0.008%	.	0.063%	0.021%	0.021%
■ Site Max	0.115%	0.020%	0.005%	0.008%	0.011%	0.024%	0.002%	0.058%	0.016%	0.062%

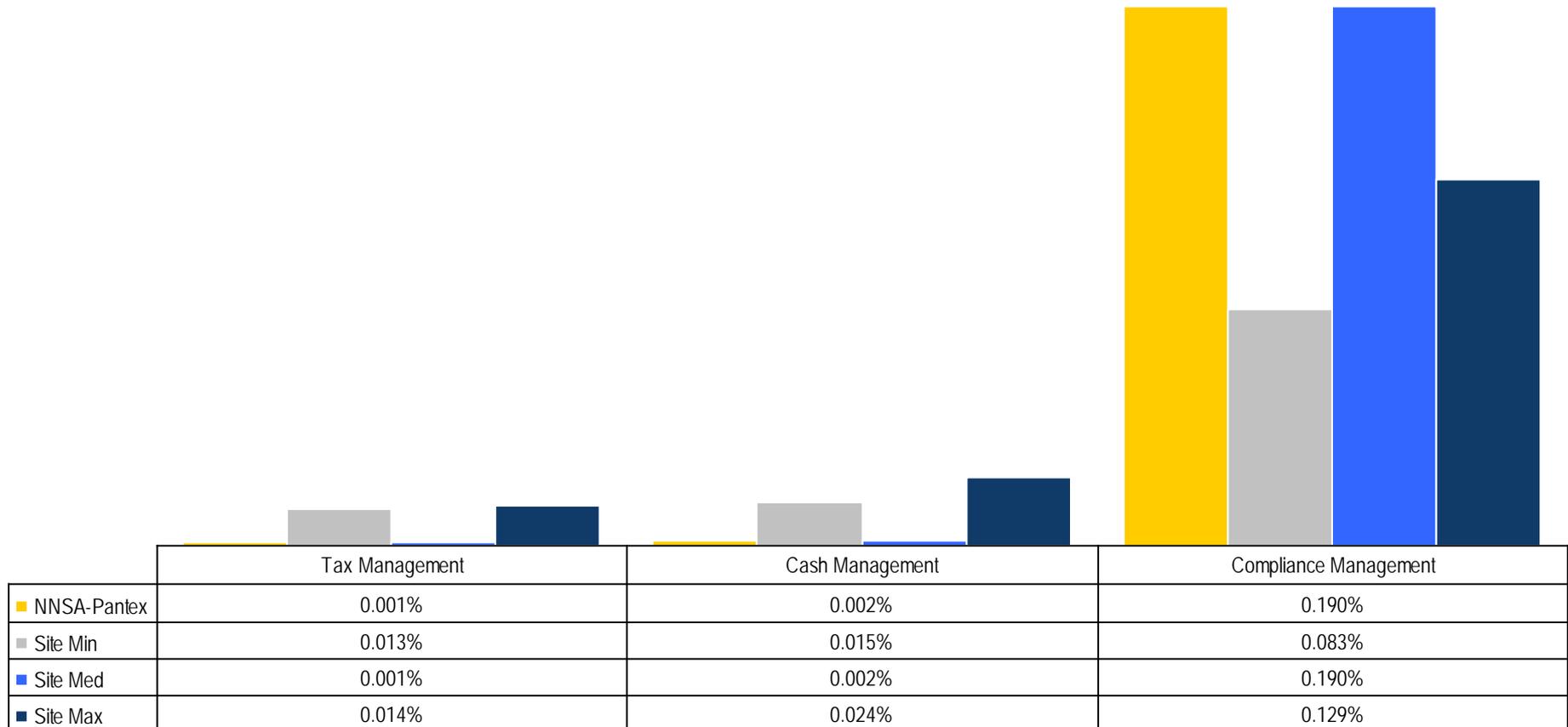
FTEs per billion of revenue

Control & Risk Management FTEs per Billion of Revenue



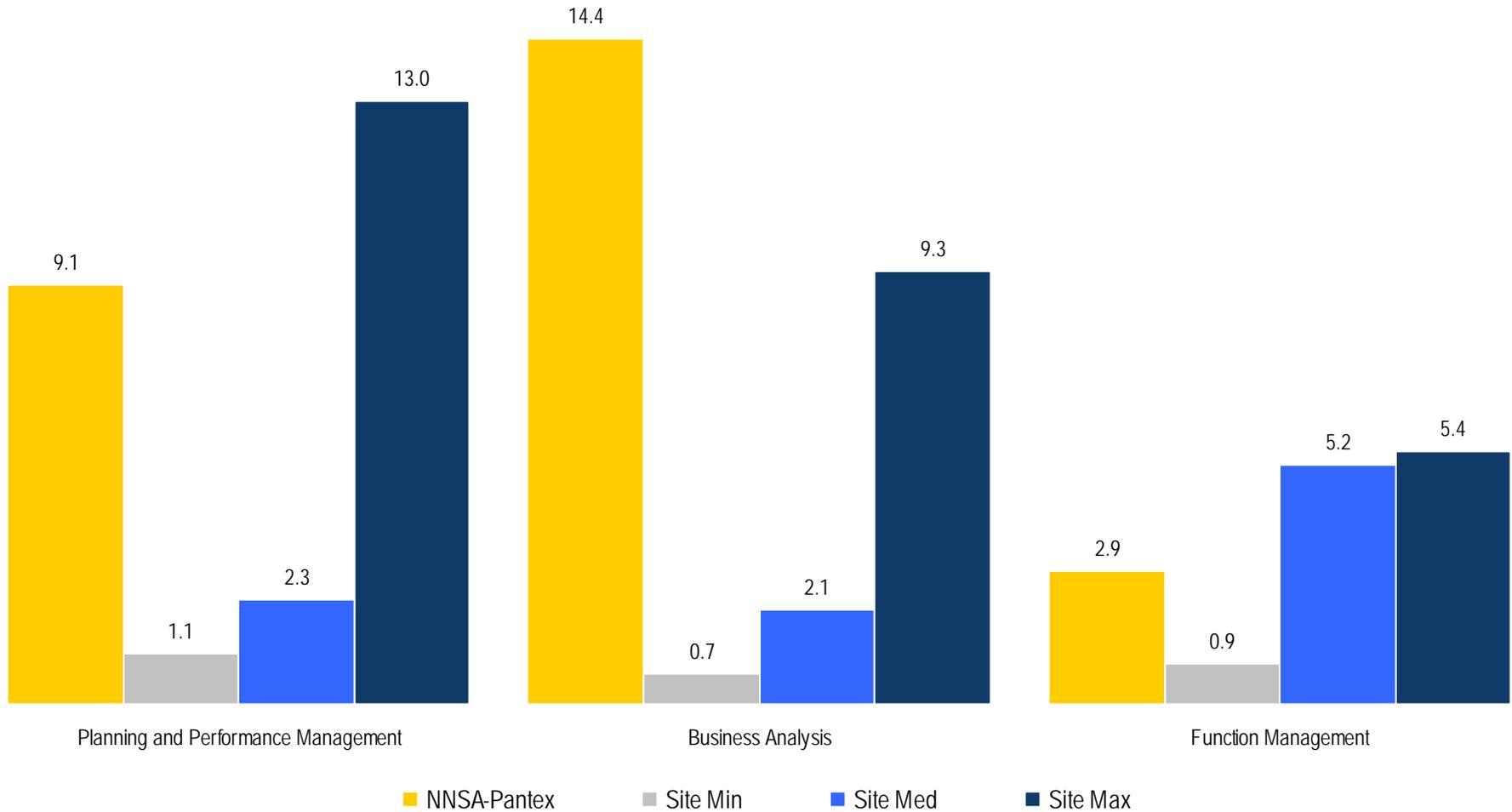
Process cost as a percent of revenue

Process Cost as a Percentage of Revenue



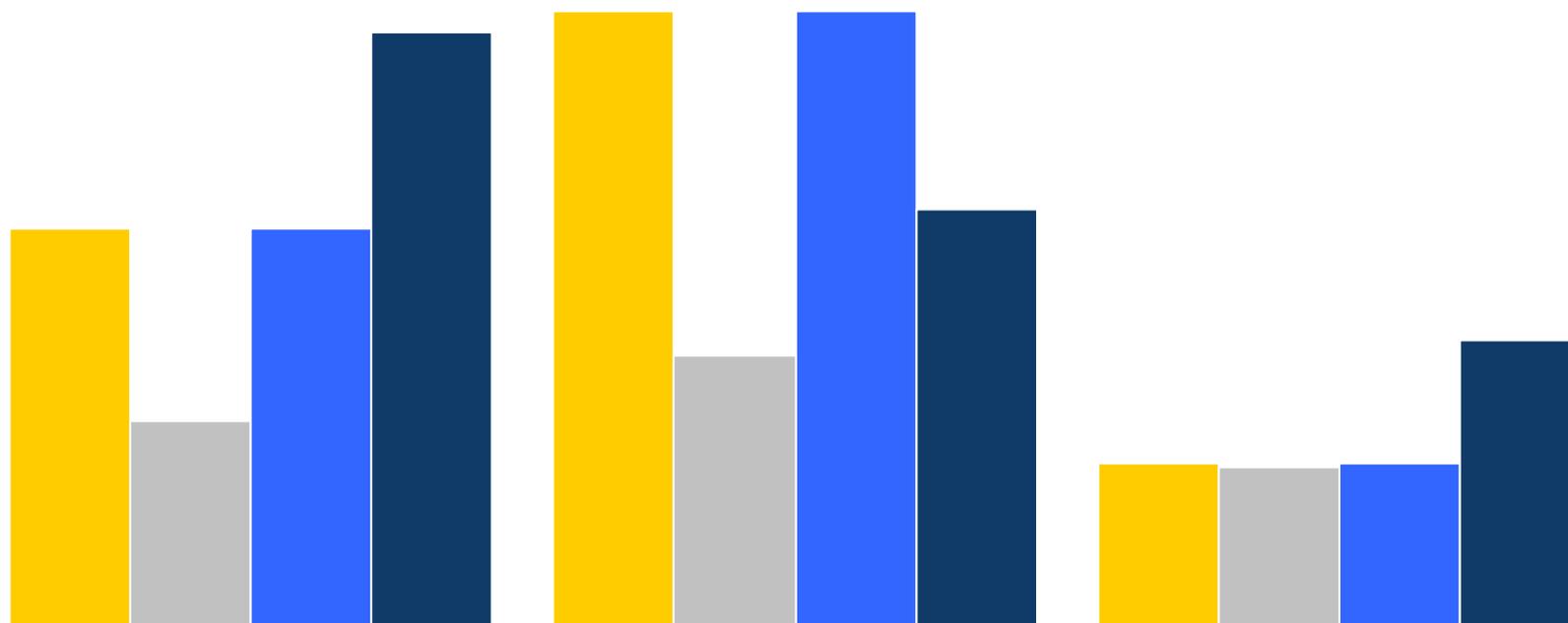
FTEs per billion of revenue

Planning & Strategy FTEs per Billion of Revenue



Process cost as a percent of revenue

Process Cost as a Percentage of Revenue



	Planning and Performance Management	Business Analysis	Function Management
■ NNSA-Pantex	0.097%	0.150%	0.040%
■ Site Min	0.050%	0.066%	0.039%
■ Site Med	0.097%	0.150%	0.040%
■ Site Max	0.145%	0.102%	0.070%

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