



SFA's Modernization Partner

Helping transform SFA into the government's first
Performance-Based Organization

May 2000

Student Financial Assistance is the federal government's first Performance-Based Organization

- **Undertaking a tremendous transformation - business process, technology, and people**
- **Creating a multi-channel operation with an eCommerce focus**
- **Committed to results**

- Helping put America through school (without exceeding the President's budget) -

SFA's transformation is about radical change from a traditional government bureaucracy to a best-in-business eCommerce approach.

- Transformation Focus -

Reengineering Business Processes

- Working through Integrated Product Teams delivering customer-focused solutions
 - Common Origination and Disbursement
 - Direct Loan Servicing
 - Financial Management
 - Portals - Schools, Students, Financial Partners
 - Financial Partner Reengineering

Building eCommerce Technology

- Creating a technical architecture providing industrial strength reliability using Internet, middleware, and privacy tools
- Using integration software (middleware) to ensure existing systems “talk” to one another
- Creating portals to provide customized, one-stop point of access to SFA programs

SFA's transformation is about radical change from a traditional government bureaucracy to a best-in-business eCommerce approach (continued).

- Transformation Focus -

Visioning

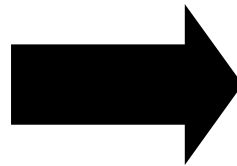
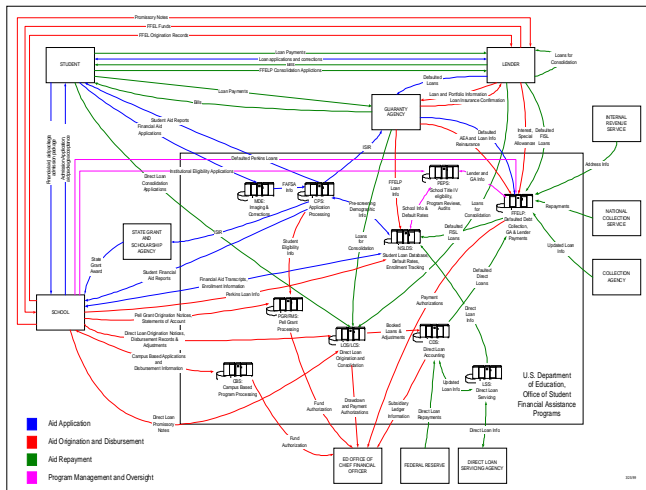
- Clear objectives and specific measurable goals
- Customer service standards and targets for improved performance equal to the best-in-business

Reaching Out to Employees

- Strong, fully empowered executive team
- Organization structure aligned to customers and partners
- Renewed focus on employee skill building through SFA University
- Creation of a strategic Human Resources organization
- Increased, real-time information sharing through SFA Intranet
- Supportive work environment in a new office setting with transformed, performance based culture

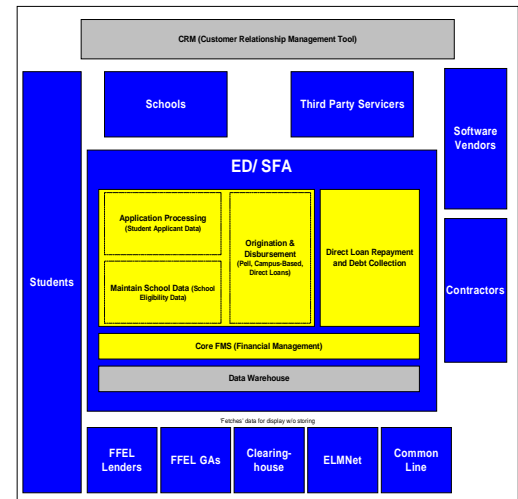
The Modernization Partner will deliver value to SFA customers.

1999



2004

VIRTUAL SFA



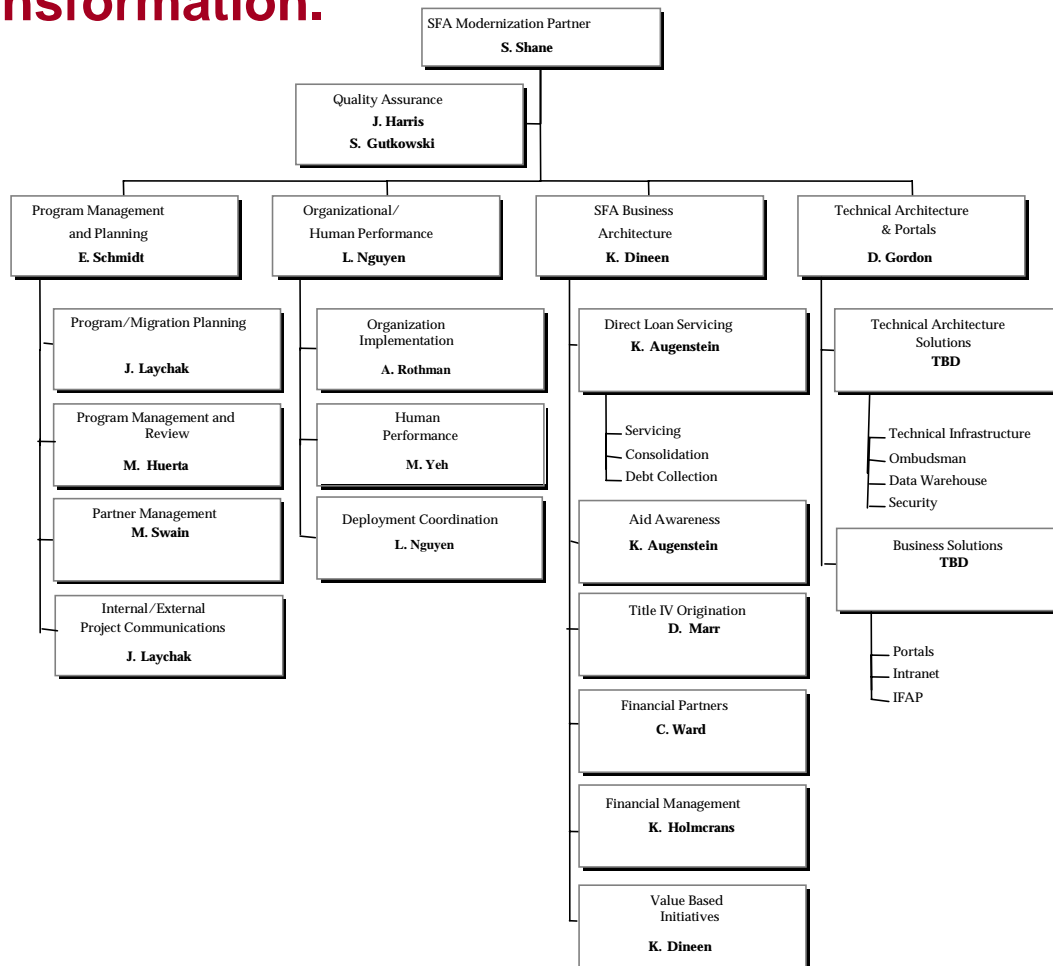
Why Andersen Consulting was chosen as Modernization Partner.

- **Committed to PBO results**
- **Brought a team of individuals with best-in-business knowledge and experience**
- **Demonstrated a willingness to engage in partnerships with SFA colleagues:**
 - AFSA Data Corporation
 - KPMG
 - EDS
 - Raytheon System Company
 - Other specialty firms...
- **Have long-standing relationships with recognized top providers in the financial services industry**
 - Bank of America, Chase Manhattan Bank, First USA, GE Capital, USA Group

The Modernization Partner exemplifies a new way of contracting in the federal government.

- **Blanket purchase agreement supporting *all* solution-based services to achieve transformation:**
 - Business Process Engineering and Reengineering
 - Business Application Design and Development
 - IT Strategy and Vision
 - Technical Architecture Design and Implementation
 - Integration of Processes and Systems
 - Organization Design and Implementation
 - Human Resources Vision, Design and Development
 - Deployment Coordination
 - Communications on Modernization Partner
- **Outcome-based focus with specific commitments**
- **Options for value-based arrangements**

The Modernization Partner Team is organized to provide a holistic approach to transformation.





The Modernization Partner Team can be reached via e-mail or telephone. If your needs are urgent and you are unable to reach a team member, please feel free to contact Linda Anguiano, Executive Assistant, located in ROB-3, room 4520.

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Integrated Product Teams, including customer focus groups and customer oriented testing, are making tremendous progress towards transformation.

Current Initiatives

- **Common Origination and Disbursement** - designing and developing a system to integrate the complicated loan origination and disbursement processes
 - Retiring legacy systems to drive down costs
 - Dramatically improving schools' financial aid offices
- **Direct Loan Reengineering** - improved services at a lower cost
 - Simplify and Web-enable legacy systems to deliver dramatic enhancements to student service delivery
- **Financial Partners Transformation** - reengineering systems and processes
 - Increase data accessibility and integrity for SFA Financial Partners
- **Financial Management Transformation** - transforming CFO from traditional accounting to a best-in-business financial management organization
 - Provide real-time accurate data for forecasting, planning, and reporting
- **Portals** - providing one-stop online points of access to SFA programs
 - Allow all users to personalize and customize data flow
 - Improve access and ability to interact and communicate online

Aside from the efforts of the IPTs, the Modernization Partner is also focused on other critical transformation initiatives.

Current Initiatives

- **Organization Design and Implementation** - aligning the organization structure with SFA's customers and partners
 - Increases focus on delivering value to customers
 - Clearly demonstrates the business of SFA
- **Human Resources Strategy** - developing a best-in-business approach to creating a Human Resources organization and management capability
 - Ensures strategic focus on building human capital
- **Journey Management** - defining, measuring and monitoring the transformation program
 - Measures transformation outcomes
 - Helps ensure program alignment to strategic goals
- **Communications** - creating and disseminating transformation information
 - Increases stakeholder awareness, understanding and buy-in

SFA is changing the way government does business forever. Some specific areas of notable, significant change.

- **Value-based contracting is breaking new ground**
- **Long-standing SFA business relationships will change**
- **Employee skill sets and performance expectations will change**

THE RESULT:

- SFA will deliver better service at a lower unit cost -