



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERM-ZA

21 March 2001

COMMANDER'S POLICY MEMORANDUM #4

SUBJECT: Controlling the Cost of Doing Business

1. Our customers, federal and non-federal, at all levels generally look upon USACE as an organization providing quality products and services. Naturally, we focus our attention upon providing those with careful regard for quality, timeliness and cost. This effort constitutes most of our day-to-day working relationships with our customers. However, there is another dimension to that relationship which, although it relates to cost, actually goes beyond it in terms of customer perceptions. I am referring to USACE's own cost of doing business and the way that our customers on all levels view it.
2. USACE has made great strides in recent years in training commanders and their technical staffs to manage on a business-like basis. We have become conversant in the language and methods of the private sector (TLM, G&A, Departmental Overhead, Chargeability, etc.). We have operating budgets with disciplined, independently administered processes for forecasting workload and living within our income. Additionally, we have improved the quality of our financial records as well as simplified and standardized our cost accounting rules to fully support the fee-for-service nature of our business operations.
3. We need to go further. We must be, and our customers should see us as, prudent no-frills stewards of all resources entrusted to us. I expect commanders to help me insure that USACE always avoids the unnecessary conference, the unneeded office space, the extra traveler and any "gold plating" that adds little value, but raises eyebrows. Lean and tough! That is what we should be and how our customers should see us.



ROBERT B. FLOWERS
Lieutenant General, USA
Commanding