



MDC CAPABILITIES

Standardizing Civilian Pay at Federal Agencies



CHALLENGE

Civilian pay is a significant expense for the US military, particularly in the healthcare sector. As active duty healthcare professionals are deployed, the military must cover those gaps with civilian and contract workers — requiring the DoD to expend more financial resources to retain a competitive edge against the private sector labor market. The DoD must balance inflated costs and realize cost-savings opportunities for a more sustainable budget moving forward.

SOLUTION

To regulate civilian pay, MDC analyzed enterprise financial and organizational data to create a four-pronged precision approach:

Phase 1 Problem Definition & Prioritization:

Define the root cause of inflated civilian pay and ranked strategic focuses in order of priority.

Phase 2 Full-Spectrum Analysis & Findings

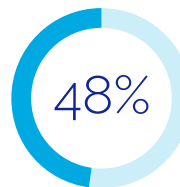
Development: Evaluate the largest sources of inflated civilian pay and identified millions of dollars in future cost-saving opportunities.

Phase 3 Targeted Solutions & Management

Tools Development: Drive results via **policy development**, **STRATEGIC MESSAGING**, and a **real-time dashboard**. (More on next page)

Phase 4 Execution & Evaluation Support Services:

Provide ongoing oversight and implementation advice for continued project success.



At the Direct Care Financial Management Division (DCFM) alone, **civilian pay accounts for nearly 48% (\$5.5B) of the annual Direct Care System budget.**

STRATEGIC MESSAGING EXAMPLE: Communicating The 5 Pillars of Civilian Pay

Monitor available military healthcare professionals.

Optimize direct care capacity.

Implement civilian pay targets.

Control resource execution.

Standardize tools for leadership to assess demand, capacity, and cost of the direct care system.

RESULTS DRIVERS

As part of our approach, MDC identified three tactics to drive results:

Tactic 1 Policy Development:

Change cannot happen without policy support. MDC leveraged our institutional knowledge and deep industry experience to integrate data analysis of current costs with existing policies and procedures — providing guidance around ideal civilian pay targets.

Tactic 3 Strategic Messaging:

MDC created a common language to ensure new processes are understood and followed. The ultimate goal was to increase broader cost awareness, ensure leadership accountability, and provide subordinate resource managers with agency-level support by prioritizing resources.

Tactic 2 Organization-Wide Reporting:

For leadership to properly evaluate workforce costs, they need a real-time view of financials. MDC's dashboards deliver on-demand reporting of standardized Labor Costs Management (LCM) data to enable decision-making on a tactical and strategic level through a variety of views.

MDC-created dashboard views allow decision-makers at all levels to visualize the cost of civilian labor — providing clear and accurate data to ensure future resources are aligned to mission goals.



Executive View

Merges key LCM factors into a common operating picture that is aggregated at the enterprise and subordinate levels.

KPI Relational View

Leverages enterprise data into powerful comparability features, further enabling leadership to see the organization at various management levels.

Details View

Provides a granular view of the organization to assist in LCM decisions.

Ready to see how MDC can help you create a financial management plan that achieves your strategic goals?

 [Contact us at contactus@mdc-llc.com](mailto:contactus@mdc-llc.com) to get started.