

**Remarks by Ricki Helfer
Chairman
Federal Deposit Insurance Corporation
Marking Implementation
of
a new
Financial Information Management System
for the
Corporation
Arlington, VA
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It is a pleasure to be with you here today to celebrate the implementation of a project that was initiated and developed over the past nine months using techniques of modern management -- a project, moreover, that will greatly aid our managers in running the Federal Deposit Insurance Corporation even more efficiently and effectively in the future.

Most government agencies and cabinet level departments have yet to achieve a financial management system that covers all the activities of the organization. Because of your dedication and work, the FDIC is one of the few government agencies that has achieved this comprehensive level of financial management.

I applaud all of you for your effort -- and your success -- in making our new Financial Information Management System a reality, and in helping prepare the Corporation for the challenges of the 21st century.

This system gives us a much better tool to account for expenditures and other financial transactions, and therefore greater control over our finances. In and of itself, that improved accounting is important to our day-to-day operations and to meeting our fiscal responsibility to the public.

Numbers, however, are also resources for managers, and it is in this role that the new financial system will contribute greatly to the mission of the Corporation.

How well we manage ourselves affects how we do our job of monitoring the strength of banks and of assuring the stability of the banking system. Through experience in dealing with the great wave of failures in the banking industry in the 1980s and early 1990s, we learned that, as successful as we were, we needed to take a more systematic approach to managing the Corporation. That meant managing ourselves the way that businesses manage themselves -- one, by taking a corporate approach; two, by consciously planning and organizing what we do; and, three, by constantly tracking our performance to make sure we are on the right course or to inform us that we need to change course.

By a "corporate" approach, I mean an approach from the perspective of what is best for the FDIC. In taking a corporate approach, we need to work together as one organization toward the same goals.

By planning, I mean establishing objectives and thinking through how we are to reach them, and by organizing, I mean structuring our activities to meet those goals.

Tracking our performance to make sure that we are on the right course -- while assuring we meet our fiscal responsibilities based on sound internal controls -- is, of course, the purpose of a financial information management system, and our new system will allow us to do it much better.

While the elements of management can be separated for analysis, the process of managing is dynamic -- planning, organizing, monitoring and controlling occur simultaneously and continuously. All these activities interact with each other and work together to make our Corporation stronger.

From conception to completion, the story of how our new Financial Information Management System developed sets an example of how management at the Corporation can work -- and how it should work -- in the future.

The Resolution Trust Corporation Completion Act of 1993 required us to analyze the best practices in financial management of the two organizations -- to divide these practices into those we would keep and those we would change -- before we merged their general ledgers. Initially, both our Division of Finance (DOF) and our Division of Information Resources Management (DIRM) had separate plans to address the requirements of the law -- plans that detailed how some of the necessary tasks could be done, but plans that had no target date for completion. Working together, however, DOF and DIRM combined, reworked and expanded those rough drafts not only to meet the requirements of the law but to develop, from a corporate perspective, better management tools for the Corporation as a whole.

Through planning, you laid out the clear goal of strengthening the elements of our financial system -- by leveraging our technology -- in order to improve our approach to financial management to give our managers better information on which to make decisions.

You organized our resources to meet that goal -- forming 16 project teams made up of staff from the DOF and DIRM -- as well as contractors -- to work on different aspects of the project. In addition, every one of our divisions and offices contributed information to the project. All together, more than 300 FDIC staff people worked directly on the project -- making it the largest systems development project the FDIC has ever undertaken.

This work was guided by the System Development Life Cycle Methodology -- a process of six steps that detail tasks and marshal resources that together create a structure and controls for developing a new system. This methodology emphasizes detailed planning

and continual communication among developers and clients along the way, as well as periodic testing, to assure that standards are met and corrections are made, and that the final product does what it was intended to do. This methodology is a large part of the reason why the system worked on January 2, and I congratulate all of you for applying the methodology so rigorously and so successfully.

In effect, this methodology creates a process for managing systems development that parallels the approach of modern management in business. The result is a system that will not only meet our current financial management requirement but, more important, a system that provides the flexibility to meet future needs.

In creating our new system, I understand that you are translating more than 200 million pieces of historical data -- journal entries on individual financial transactions stored in our computer -- that had been collected by the RTC and FDIC into a standardized, consistent format that can be used for reporting and decision making. I also understand that the expanded account code will provide more and better information in the future. This system, therefore, will give our managers information in sufficient detail and in a form that allows them to make decisions in a more timely, effective and efficient manner.

I cannot overstate the significance of such information to our managers and to the future of the Corporation and the nation. What we do -- and how well we do it -- affects all Americans. We have a vision -- the vision of an FDIC in the 21st century that continues to provide stability to the banking system by helping banks stay open to serve their customers and their communities. By giving our managers an expanded and improved source of data on which to make decisions, the new Financial Information Management System will contribute to better management at the Corporation and the realization of our vision.

Through your dedication and effort, you have shown that the men and women of the FDIC can work together as a team for the good of the Corporation. What you have achieved will benefit all Americans for many years to come.

You have set an example for us all. I do not underestimate how difficult this project was or how hard all of you worked! I urge your colleagues throughout the Corporation to follow that example.

Thank you.

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