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TOTAL QUALITY MANAGEMENT PLAN

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DCASR NEW YORK

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13. ABSTRACT (Maximum 200 words) > This document contains the DCASR New York plan for TQM implementation. The plan is modeled after the criteria for the Malcolm Baldrige National Quality Award. Tasks to implement each of the award criteria areas are included in the plan. The status of initiatives undertaken to accomplish the tasks are also included.				
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FOREWORD

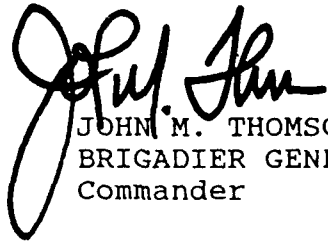
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TQM combines management techniques and strategies, process improvement efforts, and statistical evaluation techniques in a disciplined structure focused on continuously improving all processes. It relies on people and involves everyone, and it relies on their commitment and dedication.

TQM represents a change in the way we manage and supervise and changes in the way we do our work. The tools and techniques of TQM are intended to help create constructive working relationships, a sense of team spirit, and to build and sustain a culture genuinely committed to continuous improvement.

However, experience has taught us that no matter how well-intentioned our effort, there can be no real change without the long term commitment and involvement of the organization's leadership. I want each of you to know that I am committed to this effort and I am involved.

There is much to learn and much to be done. One thing you will hear repeatedly about TQM as we go through the learning and implementation phases is that it cannot happen without your help, and that is true. I ask your cooperation and support, and I assure you that I am committed to encouraging and supporting your involvement in this exciting new way that we will do business.


JOHN M. THOMSON
BRIGADIER GENERAL, USA
Commander

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EXECUTIVE SUMMARY

Faced with the challenge to achieve high standards of quality, efficiency and timeliness in the delivery of services, top management at DCASR NY has taken steps to:

- .Emphasize the importance of meeting customers' needs
- .Refine, rework and tighten processes
- .Use scientific methods to collect data
- .Increase the use of participatory management
- .Encourage testing and risk-taking
- .Orient all employees to Total Quality Management
- .Network with industry and other government organizations
- .Utilize matrix management to develop teams

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A. The Need for TQM

1. What is TQM?

TQM is a set of techniques and tools for continuously improving performance at every level in every area of responsibility. TQM combines basic management strategies and techniques, process improvement efforts, and statistical evaluation tools in a rigorous, disciplined structure focused on continuously improving all processes. It demands commitment, relies on people, and involves everyone.

2. How does TQM work?

TQM builds and sustains a culture committed to continuous improvement. It involves every individual in improving his/her own work process. The TQM philosophy, its methods and its techniques help create teamwork and constructive working relationships. This is achieved by employing the best available management practices, techniques and tools.

3. Why now?

On 18 August 1988, then-Secretary of Defense Frank Carlucci announced that the Department of Defense would formally implement Total Quality Management throughout all DoD activities.

He stated that Total Quality Management would require a complete cultural change in our traditional approach to doing business.

The Secretary of Defense and his senior leadership view the institutionalization of Total Quality Management as a top priority for DoD.

4. How will we achieve this goal?

Implementing TQM will require education and training across all levels of DCASR NY. It is estimated that complete implementation will take many more years. However, it should be understood that TQM, as an organizational process, is an on-going process and not a program with a beginning, a middle and an end.

B. DoD Posture on Quality

"...The successful TQM operation is characterized by an organization of quality trained and motivated employees, working in an environment where managers encourage creativity, initiative, and trust, and where each individual's contributions are actively sought to upgrade quality."

"I am giving top priority to the DoD Total Quality Management (TQM) effort as the vehicle for attaining continuous quality improvement in our operations, and as a major strategy to meet the President's productivity objectives under Executive Order 12552."*

Memorandum from the Secretary of Defense,
30 Mar 88, to the Joint Chiefs of Staff,
Assistants to the Secretary of Defense,
Directors of the Defense Agencies, et.al.

* On 25 February 1986, President Reagan signed Executive Order 12552. That Directive requires all departments of the federal government to improve the efficiency, effectiveness and quality of the product or services delivered. It also set a goal of 20% productivity improvement in appropriate functions by 1992.

C. DLA Posture on TQM

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"Total Quality Management is not the traditional 'Quality Assurance' approach with which we are all familiar".

"TQM demands discipline, and continuous improvement, starting with the top executive of an organization".

"Rest assured, Total Quality Management has my fullest attention and commitment. I expect it to have yours too."

Charles McCausland
Lieutenant General, USAF
Director

Taken from the Total Quality Management Master Plan
developed by the Defense Logistics Agency, Jan 1989

D. DCASR NY TQM PLAN

The DCASR NY TQM plan is modeled after the criteria for the Malcolm Baldrige Award. This award, established to promote quality awareness, to recognize quality achievements, and to publicize successful quality strategies, came into existence when Public Law 100-107, the Malcolm Baldrige National Quality Improvement Act of 1987, was signed by President Reagan. At this time the award is made only to manufacturing companies, service companies and small businesses; government agencies may become eligible for this award in 1990.

Using the award criteria allows DCASR New York to provide complete planning for all phases of Total Quality Management. Seven areas are included: leadership; information and analysis; planning; human resources utilization; quality assurance of products and services; quality results; and customer satisfaction. Tasks to implement Total Quality Management have been developed for each of these areas and are included in this plan. The Appendix to this plan details the current status of our efforts.

1. LEADERSHIP

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Objective: Make senior management visibly and actively involved in demonstrating and reinforcing quality values, creating an environment in which positive change can be introduced throughout the Region.

<u>Tasks:</u>	<u>Target Date</u>	<u>OPI</u>
1. Be involved in quality-related activities such as planning, assessment and review of quality plans and progress, giving and receiving education and training, recognizing employees and learning about the quality efforts of industry and other government organizations	on-going	D Commanders Directors
2. Institutionalize customer satisfaction as the priority objective and quality as the principal strategy	on-going	D
3. Communicate (speeches, publications, interviews) quality excellence to suppliers and other providers of goods and services, to customers, national trade associations, and professional groups, and to community organizations and schools	on-going	D Commanders Directors
4. Prepare written policy, mission statements, and guidelines. Demonstrate the importance of quality values with respect to other considerations, such as budget and schedules	Nov 1989	D, CO
5. Ensure that the roles, responsibilities and involvement of all levels of management in TQM are understood.	on-going	D
6. Allocate resources to quality improvement and awareness efforts	on-going	D
7. Assist DCASMAS, DCASPROs, Staff Directorates not achieving quality plans	on-going	D
8. Promote high standards in health, safety, environmental protection, and business ethics	on-going	D Commanders Directors
9. Be actively involved in the training of subordinates	on-going	D Commanders Directors Mgrs/Suprs

2. INFORMATION AND ANALYSIS

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Objective: Ensure that data are accurate, timely and available; that the data are used to identify problems and opportunities for improvement; and that management information systems are used to evaluate and plan for quality.

<u>Tasks:</u>	<u>Target Date</u>	<u>OPI</u>
1. Identify information on customers, internal operations, etc., to be included in quality-related information systems	on-going	Commanders Directors
2. Ensure validity and timeliness of data	on-going	Mgrs/Suprs
3. Assure access to information wherever or whenever needed	on-going	Z Mgrs/Suprs
4. Analyze data to identify opportunities or problems	on-going	Mgrs/Suprs
5. Develop approaches to determine root causes of problems	on-going	Mgrs/Suprs
6. Design and analyze countermeasures or remedies to address root causes of problems	on-going	Mgrs/Suprs
7. Provide follow-up analysis to verify that countermeasures or remedies produce the expected results	on-going	Mgrs/Suprs
8. Continually improve the use of information for Total Quality Management	on-going	D, Z, L, CO, Commanders Directors

3. STRATEGIC QUALITY PLANNING

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Objective: Develop short-term (1-2 years) and long-term (3-5 years or more) plans which incorporate quality improvement in the Region's overall strategic planning, identify quality priorities, and establish criteria by which improvements can be measured.

<u>Tasks:</u>	<u>Target Date</u>	<u>OPI</u>
1. Identify relationship of quality planning to overall business planning	March 90	C,L
2. Integrate continuous improvement activities into all work units. Increase quality improvement team participation within functional units, cross-functionally, and involving suppliers and other external groups, as appropriate	March 92	Commanders Directors
3. Involve employees in the planning process	on-going	Commanders Directors
4. Select world-class benchmarks and criteria for comparison	March 92	Commanders Directors
5. Anticipate major changes in the organization's services based upon implementation of TQM initiatives	March 92	Commanders Directors

4. HUMAN RESOURCES UTILIZATION

Objective: Develop short term and long term plans for maximizing employee involvement, training, and recognition.

<u>Tasks:</u>	<u>Target Date</u>	<u>OPI</u>
1. Utilize feedback from employees regarding human resources utilization and quality-related aspects of operations	on-going	K, CB
2. Evaluate suggestion system and other opportunities for employees to contribute and how feedback is given to contributors. Develop suggestion trends, adoption rates, etc., by employee category.	May 90	CO, L
3. Ease access by employees to management beyond immediate supervisors without weakening the chain of command	on-going	Commanders Directors
4. Develop an approach to TQM education and training; identify types of training to be given and employees to be trained; and evaluate the effectiveness of TQM training	Nov 89	D, K, CO
5. Identify possible types of employee recognition including opportunities for peer recognition, and assess their effect in motivating employees	April 90	K
6. Provide counselling and employee assistance for both personal and job-related issues, including planning for mobility, flexibility and retraining in job assignments, e.g., when changes result in the elimination of some jobs	on-going	K
7. Describe trends and comparisons with industry averages, industry leaders, and others as appropriate, in safety, attendance, turnover, morale and satisfaction, and analyze causes for poor performance in these areas	Oct 90	K

5. QUALITY ASSURANCE OF PRODUCT AND SERVICES

Objective: Establish systems for quality control of information and services provided to our customers, primarily through the control and improvement of the processes used to produce them; and provide methods for evaluating both the information and the services provided.

	<u>Target Date</u>	<u>OPI</u>
<u>Tasks:</u>		
1. Introduce customer needs and expectations into processes	on-going	Commanders Directors
2. Design, develop and validate information systems	on-going	A,C,Q,L,Z
3. Write control procedures for selected key process characteristics	on-going	Mgrs/Suprs
4. Minimize introduction time of changes to systems to keep pace with changes in technology, quality improvement, and ensure compatibility among organizational components	on-going	L,Z
5. Develop system for detecting, correcting and preventing upsets of key process characteristics	on-going	Mgrs/Suprs
6. Optimize process performance	on-going	Mgrs/Suprs
7. Study measurement variability (precision and bias) in relation to measurement requirements	on-going	Mgrs/Suprs
8. Identify frequency of system audits, what is included in them (organization, customers, other government agencies) and how audit findings are translated into system improvements	Sept 91	L,CO,DI
9. Assure that the unit's quality requirements are being met by external and internal suppliers	on-going	Commanders Directors

6. QUALITY RESULTS

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Objective: Analyze trends in improvement of services within the Region and within similar organizations, and compare the Region's quality levels and trends with these other organizations.

	<u>Target Date</u>	<u>OPI</u>
<u>Tasks:</u>		
1. Document trends in service quality measures	on-going	Commanders Directors
2. Investigate significant changes in trends in terms of quality	on-going	Commanders Directors
3. Prepare process improvement summaries in the following format:	on-going	Mgrs/Suprs
a. Reason for the application or project		
b. Number and type of employees and teams involved		
c. Improvement approaches and techniques		
d. Results and their impact		
e. How improvements are standardized		

7. CUSTOMER SATISFACTION

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Objective: Identify customer requirements and expectations, develop plans to meet these requirements and expectations, seek out and act on customer feedback, analyze customer satisfaction trends and establish a system for resolving customer complaints.

	<u>Target Date</u>	<u>OPI</u>
1. Analyze data (using surveys, interviews, etc.) to determine needs and expectations of customers and their constituencies.	on-going	Commanders Directors
2. Ensure easy access by customers to make comments, request assistance, offer complaints. Solicit feedback from customers often and analyze this information to determine causes for complaints	on-going	Mgrs/Suprs
3. Track system(s) to ensure that service standards are being followed	on-going	Commanders Directors
4. Empower customer-contact employees to resolve problems	on-going	Commanders Directors
5. Provide technological support for customer-contact employees	on-going	L,Z,W
6. Provide special training and recognition for external customer-contact employees	on-going	Commanders Directors
7. Analyze trends in customer satisfaction indicators and significance of the trends in terms of improvements in product and service quality, and compare with industry averages, other government agencies, world leaders, as appropriate	on-going	Commanders Directors
8. Utilize surveys, competitive awards, recognition and ratings by independent organizations	on-going	Commanders Directors

APPENDIX: CURRENT STATUS

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The following initiatives are being undertaken at DCASR NY to accomplish the tasks outlined in the DCASR NY Total Quality Management Plan.

1. Leadership

Task 1: The Region Commander tasked the DCASMA and DCASPRO Commanders to develop TQM plans for their organizations. The plans were then reviewed by the Region Commander.

During the last year, members of top management have travelled to the Revere Insurance Company, Campbell Soup Company, Harris Corporation, and Harley Davidson, where they were given an overview of the companies' TQM efforts. Efforts were made to learn about the quality of other government organizations through contacts with the Air Force Logistics Command, Newark Air Force Base, Sacramento Army Depot, Defense Industrial Supply Center, State of California Department of Motor Vehicles, Naval Publications and Forms Center, Norfolk Navy Shipyard, the Internal Revenue Center of Fresno, California and other DCASRs. Efforts in this area will continue.

DCASR NY-Q is hosting the Eighteenth annual NSIA-sponsored DCAS/Industry Conference on 15 September 1989 at Fort Hamilton, Brooklyn, NY. This year's conference will focus on strategies for implementing TQM. DCASR NY's involvement in the conference each year aids in learning about the quality of industry and other government organizations.

Task 4: A policy statement titled, "Total Quality Management" was signed by the Region Commander on 9 February 1989, and distributed to DCASMA Commanders, DCASPRO Commanders, Directors, and Division, Branch and Section Chiefs. The statement included a request that all management act promptly to identify processes for which TQM is appropriate and include the use of TQM techniques in these processes. In that statement, TQM was defined as follows:

- .Learning to apply and use such TQM tools such as brainstorming, Pareto Diagrams and flow charts
- .Meeting the needs of the customer
- .Removing causes of error and rework
- .Eliminating duplication of work effort
- .Identifying and streamlining the processes
- .Reducing variation in repetitive activities
- .Eliminating blame and introducing teamwork and cooperation
- .Eliminating root causes of problems
- .Acting as leaders and coaches
- .Setting an example of excellence

Task 5: Roles and responsibilities of management were discussed at a TQM Steering Committee Meeting on 24 January 1989. The TQM Steering Committee is comprised of all DCASMA and DCASPRO Commanders and Staff Directors, as well as the Presidents of the local Unions. At the meeting, it was decided that TQM be decentralized, with each DCASMA Commander, DCASPRO Commander and Director having control of local development of TQM efforts and the general framework of the TQM initiative for their organizations. Cross-functional teams would be encouraged by the Region Commander. The Management Engineering Division, Office of the Comptroller would act as coordinator for Region-wide TQM activities. The Committee agreed to limit the number of meetings (holding TQM discussions at staff meetings), and minimizing reporting requirements for TQM.

Other efforts in this area include: building TQM policies and values into the leadership process through training; and amending management and supervisory performance requirements to ensure managers' and supervisors' participation in leading a team through the continuous improvement process.

Task 6: Employees in the Office of Management Engineering, Office of the Comptroller have been tasked to promote quality improvement and awareness. As appropriate, they are expected to call upon other individuals with knowledge of TQM (engineers, cost accountants, etc.) to aid in promoting awareness. The Management Engineering Division will update and revise the TQM plan, modify and distribute milestones, coach managers and supervisors, train team members, determine new target areas for TQM, and publicize TQM.

2. Information and Analysis

Task 1: An effort is being made to study the internal operation of Contract Data Input. The information collected will be included in a quality-related information system. It will track the number of errors input from a daily sample of 25 contracts and modifications.

Task 2: The validity and timeliness of the data described in Task 1 is assured by the following:

- a. A control monitor is assigned to take samples and record data
- b. A written procedure for collecting and recording data has been approved
- c. Review of data collection procedures will be made by a management analyst

Task 3: Information described in Task 1 will be available on an on-going basis

3. Strategic Quality Planning

Task 2: Efforts are being made in several parts of the organization to integrate continuous improvement activities. Two examples are described below:

a. DCASPRO Harris studied the DD Form 250 process. The people involved in the process developed a flow chart. Areas were identified for additional analysis to determine if specific operations were the cause of incorrect DD 250 data entering the system. The QA Division volunteered to collect information relative to contract modification and DD 250 distribution as well as errors, categorized by type, observed on DD 250s submitted to the QA Division for acceptance. This data collection provided a basis for further analysis which revealed that the contractor was submitting DD 250s with an error rate of approximately 13% with 4% of these errors caused by DCASPRO Harris actions. As a result of the TQM process, the contractor was advised of specific errors with instructions for corrective action. In addition, a special DD 250 review by the DCASPRO production element was initiated to detect error prior to erroneous data being input into the system. The fact that several cycles of DD 250 Rejection Listings have since had no rejected DD 250s listed is a confirmation that the TQM process can and does work.

b. A cross functional team, with members from DCASR NY-Q, A, and C (CFMC and CO) was formed on 15 June 1989 to institute quality control procedures in CFMC. To date the team has accomplished the following:

- .prepared a draft procedures manual for contract input clerks
- .coordinated the repair of computer equipment
- .drafted forms necessary for inter-office communication
- .drafted procedures for the control monitor to sample the quality of data being input into the system
- .set up training to meet the training needs expressed by the input supervisors, leads and clerks
- .prepared a flow chart with all management and employees involved in the process
- .gave TQM orientation to CFMC management and employees
- .identified need for customer focus groups

c. There are currently five In-Plant Quality Evaluation (IQUE) test sites in the Region. They are DCASPRO Harris, Norden Systems, Loral, Lucas Aul. Corp., and a Non-resident QAR, Ft. Monmouth, NJ. Quality Assurance employees at these test sites have received training in data collection, flow charting, statistical process control and other techniques for analyzing procedures and establishing controls. Under IQUE, emphasis is placed on cooperation with the contractor to prevent and resolve problems rather than having government employees function as monitors. The test period, which began in June, is scheduled to run through December 1989.

4. Human Resources Utilization

Task 2: The DoD-developed "Quality and Productivity Self-Assessment Guide for Defense Organizations" will be used in selected areas of the organization to determine employees' perceptions about: (1) organization and/or work units, in general, (2) work unit policies, practices and procedures, (3) specific techniques used to promote quality/productivity improvements, and (4) mission accomplishment.

Task 4: Several approaches to TQM training are being investigated. All approaches include an orientation to TQM for all employees based on guidelines developed by HQ DLA.

Training approaches include: sending individuals (facilitators) to various schools, i.e., Deming Seminars, Juran Training, University of Tenn., etc; buying off-the-shelf courses from local vendors for small groups of managers, utilizing the RFP method of obtaining one contractor to train 300 managers.

Task 6: When the CFDA and CFDE functions are transferred to DFC, retraining in job assignments will take place.

5. Quality Assurance of Products and Services

Task 1: Two internal customer focus groups are scheduled to be held this fall: one between employees of the CAR section and employees who work with DD 250s and the other between employees of the CAR section and contract administrator and administrative contracting officers. The purpose of the customer focus groups is to gather a group of internal customers and suppliers in a meeting room for a guided discussion on the product or service. The interviewer will ask questions to determine how the group feels about the product or service. Subsequently, the information will be compiled in a report which will contain recommendations for follow-up.

Success with the two customer focus groups described above will determine whether regular customer surveys can be built into the daily business routine of DCASR NY. An intangible benefit will result from asking customers for their opinions. This will create a caring image for internal customers, and we'll be able to determine how much customers want to be brought into the process.