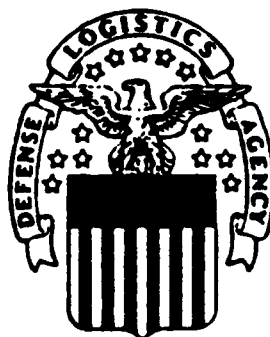


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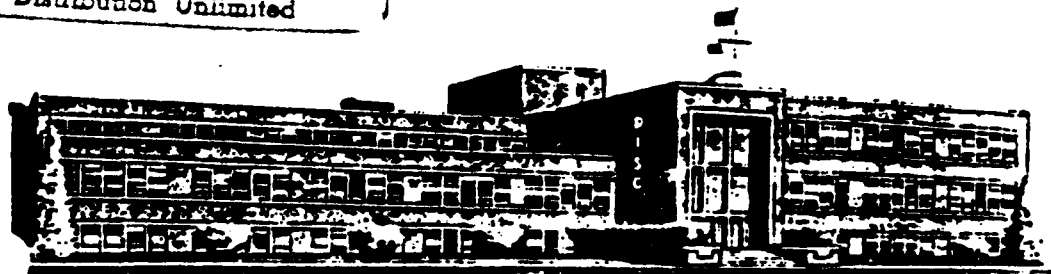


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DEFENSE INDUSTRIAL SUPPLY CENTER

1990
OMB Quality and Productivity
Improvement Prototype

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DEFENSE INDUSTRIAL SUPPLY CENTER (DISC)

Summary

DISC is one of six Defense Supply Centers operating under the authority, direction, and control of the Defense Logistics Agency of the Department of Defense. The Centers are charged with providing effective and economic logistical support to a variety of worldwide customers, including the Military Departments, other DoD components, Federal civil agencies and foreign governments.

The 927,308 items managed by DISC include bearings, fasteners, gaskets and O-rings, rope, wire and cable, locks, engine parts, metals (including precious metals), and miscellaneous hardware. Major functions performed in managing these items are requirements determination, cataloging, engineering, acquisition, financial management, and inventory management.

DISC's impact and contribution to the local and national economy is significant. Employing over 2300 people, DISC filled 5.8 million requisitions in FY 88 and issued 176,442 contracts worth \$623 million.

"No man is an island..." Donne's warning holds for organizations as well as individuals. DISC is constantly challenged by the realities of its environment: Economic - Diminishing financial resources, pressure to reduce the cost per output, congressional pressure to reduce spare parts inventories, receipt of nonconforming and fraudulent materials, and a declining industrial base; Technological - the introduction of PCs in the workplace, automation of key processes, networking of data and expert systems; Human Resources - Future recruiting, ability to obtain recruits with necessary skills, retention, and a large front end investment in training.

In 1982, at the suggestion of the Director of DLA, DISC appointed a part-time quality circle facilitator, established a quality circle steering committee, and formed four pilot circles. By 1985, wishing to capitalize on early successes, DISC devised its initial Quality Management Plan which expanded the QC program into a quality management process in order to meet the challenges of the future.

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1. QUALITY ENVIRONMENT

a. Describe the roles of the key executives in the quality improvement effort. Specific examples of visible and personal executive involvement in the development of an effective quality culture.

The Commander, Deputy Commander and Chief of Staff have embraced the practice of management by walking around in an effort to close the distance between the general workforce and top management. The Command receives a comprehensive review and analysis of all the 15 office/directorates (O/Ds), at least quarterly. The top three O/DS conduct an average of seven a year, usually in the respective area in the presence of their area managers. The Commander issues his gold Commander Coins for excellence and the Deputy Commander hands out Bravo Zulu cards, again usually in an employee's work area where most award/reward presentations are held. The Chief of Staff usually dines in the cafeteria and is frequently seen in the hallways and/or classrooms exchanging ideas with employees. The Commander personally conducted numerous sessions of a two-hour Merit Promotion training course for all managers (FY 1989) and seminars on the results of the Penn State Program for managers (FY 1988). Welcoming training and conference attendees or speaking at any of the equal employment program or recognition ceremonies is commonplace for this command group.

The executives of the three primary support offices and the Office of Counsel, the five major line directorates and the Chief of Staff are chaired by the Deputy Commander in forming the DISC Total Quality Management (TQM) Council. This body establishes and ensures that policy, objectives, and responsibilities of the TQM effort are accomplished in accordance with DISC HQ Staff Instruction 5010.15 (enclosure 1). While the executives are most visible in the manner in which they have demonstrated ownership of TQM within their respective areas, they have distinguished themselves by their personal role as instructors in "Your Partnership In DISC" a key training course (see question 5c).

b. Summarize the organizational policy on Quality and Productivity Improvement and describe how "ownership" of the policy by management was accomplished and how it is reinforced.

DISC HQ Staff Instruction 5010.15 for TQM states, "The principle objective of the program is to enhance the quality of DISC work by means of TQM techniques, such as Quality Management (QM) training, quality assists, Statistical Process Control, and employee rewards."

The enclosed policy also ascribes responsibilities and provides definitions for TQM activities. Policy is reinforced through TQM planning, deployment and measurement. Operating plans, such as the recently developed plan (enclosure 2) that details 1989-90 activities and, are developed based on results of measurements outlined and provided in questions 2 and 4 through 8 below. A five-year plan has also been initiated. Ownership is demonstrated in the various initiatives in support of making continuous process improvement an integral part of the DISC culture. In FY 87 the

DISC Commander tasked five Directorates to develop a two (2) to three (3) year Introspective Program designed to review all assigned functions and to improve the related processes through TQM techniques. Each program is designed to surface concerns through process analysis to avoid those same problems festering undiscovered until they become major obstacles to the efficient operation of a process. Whereas the directorates of Engineering, Quality Assurance, Technical, Contracting, and Supply Operations subscribe to the directive, each has devised an approach that is uniquely designed and managed.

For instance, the Directorate of Contracting & Production has titled its program GLASSHOUSE, because all procurement officials live in a fishbowl environment and only by exposing problems and concerns can improvement actions be taken. GLASSHOUSE is built around the concept of PC2F3 which stands for Problem, Cause, Cure, Format, Forum, and Frequency. A GLASSHOUSE project is started by stating the Problem in easily understandable terms. A theorized Cause of the Problem is next developed. Now that the Problem and Cause are understood, a proposed Cure can be developed. Milestone charts detail the steps and the Format describes the progress towards completing the Cure. The Forum shows to what levels of management the data is briefed and the Frequency of the schedule for those briefings (see enclosure 3). To date, 37 processes have been subjected to GLASSHOUSE.

c. Describe how the organization communicates its quality vision to all employees.

A variety of methods are used to communicate the goals set forth by the Command for DISC (see question 3), starting with the Commander distributing "goal cards" at every opportunity. DISC has internalized its formal TQM training and awareness efforts. An electronic bulletin board, SHARENET, was developed not only to disseminate information, but also to encourage the work force to participate in sharing the exchange of ideas. Most of the O/DS have a monthly "quality news bulletin" that conveys quality accomplishments within those areas. The monthly Command newsbulletin, DISC UPDATE, reinforces the quality goals and priorities with newsworthy articles throughout DISC.

d. Describe how quality and productivity management responsibilities are integrated into the organization's planning process and how these plans are managed on a routine operational basis.

The responsibilities section of the HQ Staff Instruction and the introspection programs mentioned above effectively address this element, but there are other current activities and channels that focus on quality and productivity: monthly Quality Council meetings, section quality feedback sessions (see question 4 for definition), DISC and O/D TQM operating plans, weekly TQM staff meetings and quarterly planning sessions.

e. Give specific examples of expenditures on quality and productivity improvement efforts.

Office of Quality Management (DLA prototype)..... \$ 257,390/YR
Assigned to the command staff, this office trains, promotes, facilitates and serves as the DISC focal point for all matters related to TQM

Quality Management Representatives..... \$ 212,696/YR
O/D points of contact for TQM related activities

Quality Campus..... \$ 85,000/YR
State of the art, offsite facility, opened in June 1988, has 1900 square feet divided into five classrooms or meeting areas.

Annual TQM Awards Ceremonies..... \$ 12,900/YR
Awards and rewards are given to those employees who have distinguished themselves in TQM. Formal awards presentations are made at the luncheon. Cups, mugs, buttons, bags and a host of other tokens are informally provided at a separate end-of-the-year event.

Philadelphia Area Council for Excellence..... \$ 10,000/YR
Membership in this group provides a mechanism to give ongoing training to top managers on various TQM-related subjects. Not captured above are the costs incurred for in-house training conducted over the past seven years.

2. QUALITY MEASUREMENT

a. Describe the organization's quality-related measures and indicate the type of information it contains relating to customers, suppliers, internal operations, products or services.

DISC quality measures are of two types; namely, those that evaluate the participative environment and those that measure the effectiveness of our work processes.

Under Type 1 quality measurement, evaluation of the participative environment, DISC has done or is continuing to do the following:

- In 1986, DISC conducted an Environment Assessment to obtain a baseline measure of employee involvement. Approximately 18 months later, a follow-up was conducted. It showed the workforce's perception of DISC as a workplace had not improved. The third assessment is scheduled for April 1990.
- From 1982 until 1986, quarterly reports on each quality circle provided information (such as limitations, pros & cons) that led to inter-directorate circles and eventually to Task Teams.
- Other measures include: percentage of workforce involvement by Directorate; needs analysis of TQM training conducted by Penn State University; and measuring the number of Beneficial Suggestions & Model Installation Proposals received along with the time to process each proposal.

- TQM signaled greater attention to existing measures, including: attrition rate, number of employees working part time, turnover rate, grievance rate and sick leave usage.
- Involvement in/Effectiveness of: Quality Feedback, Community Programs, and raised consciousness issues, Recycling, Day Care, Safety & Health, Weight Watchers and Employee Counseling Services.

Type 2 Measurement is designed to evaluate the effectiveness of the organization of people, procedures, machines and material into work activities needed to produce a specified end result (work product). These measures include:

- Performance Indicators: used to track DISC performance as well as show our performance against DLA goals. These measures are used as a baseline from which all improvement and problem prevention is derived.

- State of DISC: This annual report is given by the Commanding Officer of DISC to the Director of DLA on the condition of the Supply Center in all areas of performance. It is a comprehensive portrayal of DISC initiatives and areas of quality performance and improvement being pursued to meet the goals of the Center and DLA.

- Review and Analysis: a report prepared by each Office/Directorate presented to the Commander indicating the current performance of each major program within their organization. Each Office Chief/Director demonstrates to the Commander how he/she is utilizing TQM practices to eliminate/identify/prevent/resolve problems. This includes updates on the introspection programs such as GLASSHOUSE mentioned above.

- Management Information System: A DLA-wide database system that is reported to HQ DLA monthly on a variety of topics including workload reporting, hours worked/earned, etc.

- System Development: A measure of quality, time and resources being spent on developing systems designed to support our efforts on continuous improvements.

- Audit/Inspection Measures: These are measures that monitor the inspection of our internal and external products, i.e., quality and rates.

- Rework (Internal & External): Measures that track costs Intra and Inter Directorate work costs are being monitored by special unit cost teams that are comprised of Comptroller employees who are co-located with the functional areas.

- Awards/Rewards: Measures that report how many and to whom Incentive Awards are given.

b. State the most significant changes in the types of information the organization collects now compared to the period prior to starting a quality improvement process.

Several recent measures reflect the ever changing focus of our efforts to meet customer satisfaction and reduce costs.

- Surveys (Internal): In the past year alone our Offices of Telecommunications, Policy and Plans and Civilian Personnel asked, "So how do you perceive our service?"

- Surveys (External): Our Technical Data Services Division recently surveyed DISC contractors on the quality of the technical data being provided for solicitations.

- Statistical Process Control: DISC is utilizing SPC as a tool to measure product turnaround time.

- Quality Rates: Performance appraisals, Training Needs Analysis and Goal Setting all result from the formal quality monitoring.

c. Describe how the organization uses the information it collects. Give specific examples.

Performance indicator measures obtained through various management information systems are used to highlight, detect, and monitor key issues and processes in the DISC supply mission. Once a situation has been identified, a quality plan is developed. A series of TQM techniques are employed, depending on the situation, to validate, isolate and research causes; develop solutions and monitor their implementation and impact. SPC studies and management reviews are done continually to improve conditions. A recent example, Supply Operations Office decided that a team was needed to improve the efficiency and effectiveness of its Inventory Accounting Branch. An inter-office team was formed and within a month of the study date the efficiency rate had improved by 40%. In terms of effectiveness, 46 process improvements have been identified and approved to date.

d. Describe how the organization ensures that key data are accurate, timely and available to those who need it.

Principally, DISC ensures that the measurement data is available and accurate through the Review and Analysis Process (previously discussed); the Monthly Management Review (MMR) and the Weekly Performance Indicators. Basically, the MMR is a monthly briefing to Command and the Quality Council that covers the key performance indicators on which DISC mission performance is measured. The Weekly Performance Indicators is a weekly portrayal of the performance indicators shown at Executive Committee meetings on those issues that have been targeted for improvement. The accuracy of the data is ensured by enhanced automation efforts and reviewed by the DISC Quality Council, headed by the DISC Deputy Commander.

3. QUALITY IMPROVEMENT PLANNING

a. Describe the short-term and long-term goals for quality and productivity improvement, the process for establishing these goals, and the means to ensure they are implemented.

DISC's long-term goal can be stated simply: to become a high quality, cost conscious center by taking care of our people and providing responsive, efficient support to our customers. We will achieve this goal by making continuous process improvement in the way we do business.

The past four years have set the groundwork by: breaking down internal barriers; increasing employee participation in idea generation, problem identification and resolution; providing training in TQM techniques using the Quality College; and by formalizing TQM in written policy.

Having passed from the planning stage into the execution stage, our short term goal is to integrate TQM into a coordinated system by mainstreaming TQM tools and techniques into existing management systems and processes. A one-year operations plan has been published and a five-year plan is under development.

b. Briefly summarize specific plans for quality and productivity improvement, identifying key priorities for short-term and long-term improvement.

Specifically, DISC will accomplish our goal by: establishing Office/Directorate Quality Management Boards who will assess TQM structure of O/D, develop operations plans, prioritize major processes for review, designate process analysis or process review teams, and empower/set limitations; developing a process improvement model; providing training in conjunction with the process improvement requirements.

c. Describe specifically how customer requirements and feedback are taken into account in the planning process to improve existing products and services.

Support of our customers is at the very base of all process improvement efforts at DISC. The Commander and the Quality Council use methods detailed in questions 2 & 7 in the planning process.

4. EMPLOYEE INVOLVEMENT

a. Summarize the means available for employees to contribute to quality and productivity improvement, especially as it involves team activity.

Employee involvement is demonstrated and practiced through the following four avenues:

Quality Circles - Currently, 20 circles are active. Membership is voluntary and problem selection is decided by the group. Solutions and recommendations are presented to appropriate levels for approval and implementation.

Task Teams - At present, 48 are active. Teams are management directed and formed to conduct process improvement studies.

Quality Feedback - Weekly/bi-weekly meetings, conducted by the supervisor, designed to elevate ideas/concerns to the highest level necessary until resolved.

Quality Idea Program (quip) - The quip program combines the Beneficial Suggestion Program with the Model Installation Program.

b. Discuss data related to current employee involvement efforts, such as percent participation in each type of involvement described above, number of teams operating during the past year.

Since the inception of Quality Circles in 1982 there have been over 95 circles formed. Currently we have 20 active circles. Task teams are formed and disbanded when the need arises and the tasks are completed. There are 48 active teams. Overall participation, including circles and task teams, involves 24% of the DISC work force. Quality Feedback, according to a survey taken in April 1989, has a participation rate of 78%. The quip program has received over 588 suggestions/proposals during the period of Oct 88 through Jul 89. Of those, 176 were approved, 170 received a modified approval, 45 disapprovals and the balance of 197 are under consideration. In June 1989 we recognized 130 of our top achievers for their contributions to our TQM efforts at the Sixth Annual Quality Management Awards Luncheon. Of those 130 employees recognized, thirteen (13) teams and 33 individuals received 42 certificates of merit and cash awards totaling over \$10,000.

c. Describe plans to expand involvement of employees.

The 1989 TQM Operations Plan enclosed, outlines and describes how we will emphasize process improvement through the integration of all TQM initiatives and employee involvement.

5. TRAINING FOR QUALITY IMPROVEMENT

a. Describe the types of quality and productivity management training provided for senior management.

DISC executives, supervisors and managers receive training in Leadership (24 hrs), Team Based Management (24 hrs), Merit Promotion (2 hrs), Unit Cost (2 hrs), SPC (16 hrs), and Quality Feedback (1 hr). The enclosed chart (enclosure 4) illustrates attendance.

b. Describe the types of quality and productivity improvement training provided for employees. Provide the number of employees who received each type of training and the total number eligible for each.

DISC believes that achieving TQM requires commitment and an intensive training effort at every level. Illustrative of this commitment is the DISC Quality Campus established in 1988, and the core curriculum of the Quality College. A copy of the DISC Training Doctrine, describing courses taught by staff instructors is enclosed. (Enclosure 5)

c. Relate the current and future training program to the planning objectives.

The relationship of training to development of TQM cannot be overstated. Our future plans involve much more concentration on the needs of middle managers, as illustrated by our recent membership in the Philadelphia Area Council for Excellence, DISC's Employee Contribution Model, and the new DISC course "Your Partnership in DISC."

There are forces at work which tend to encourage employees to focus efforts on "local" rather than "global" concerns and objectives. Decisions which favor local productivity but may adversely affect productivity downstream are the result. Our desire to maximize our investment requires overcoming these forces and paradigms. The Employee Contribution Model (ECM), which the "Partnership" course revolves around, dispenses with the traditional view of organization and mission, focuses on the customer, quality and teamwork.

6. EMPLOYEE RECOGNITION

a. Describe how employee contributions to quality and productivity improvement are evaluated and recognized. Indicate whether and how team recognition is used.

The Defense Industrial Supply Center (DISC) uses the Incentive Awards Program to recognize improvements in quality and productivity. Both groups and individuals are recognized for improving, in tangible and intangible ways, quality and productivity.

b. Give the percentage of employees who received rewards and recognition in FY 1988, compared to the period prior to initiating a quality improvement process.

By June 1989, 55% of the workforce had received recognition for helping improve quality and productivity. That June 1989 figure of 55% represents awards given out as of the end of the 3rd Quarter of the Fiscal Year (FY). As of the end of July 1989, 63% of the workforce received recognition. Considering that the entire FY award distribution was 46% in FY 1988, 19% in FY 1987, and only 12% in FY 1986.

Additionally, it should be noted that DISC has been recognizing group achievements. At our 6th Annual TQM Awards Luncheon, 13 groups were given awards totaling over \$8000. As of the end of the 3rd Quarter FY 1989, 30 group awards were given out. In FY 1988, 34 groups were recognized and in FY 1987, only 15 groups were rewarded.

7. CUSTOMER FOCUS

a. Describe the methods used for obtaining customer feedback and a knowledge of customer expectations.

There are five methods that DISC uses to obtain feedback from our customers on their needs and expectations. These are: meetings, written correspondence, phone conversations, user surveys, and training.

(1) Meetings with customers are conducted on-site, at the customer's facility or in a neutral location. For example, DISC's Customer Liaison Critical Item Review Program which has proven to be extremely valuable in identifying problem items and larger areas of incompatibility between the operating systems of the Services, DISC, and private industry. Specifically this program has solved or greatly reduced the supply support problems associated with the following projects: A-4 Constant Speed Drive; T-2 Structural Improvements; and J-52 Engine Repairs.

Over the past four years this team (with representatives from Supply Operations, Procurement, Quality Assurance, and the Military Services) has made regular visits to both Tinker and Kelly AFBs and has met with not only their representatives but those from private industry (e.g., Garrett, Lucas, and Rolls Royce). Due to the success of these visits, this year's travel agenda was expanded to include visits to the Naval Bases at Cherry Point, NC; Norfolk, VA; and Pensacola, FL. Moreover, beginning in FY 1990 these trips will be scheduled every six months and will be further expanded to include the Sacramento Army Depot, Warner Robins AFB, and remaining Naval Aviation Depots at Jacksonville, FL; Alameda, CA; and North Island-San Diego, CA.

(2) Written correspondence takes many forms such as letters, messages, electronic mail, and even telefax. Its primary benefit is the documentation trail.

(3) Telephone communication is without a doubt the most popular and frequently used form of feedback.

(4) User Surveys as described in questions 2 above and 7b below.

(5) Training, such as "Partnership in DISC" (see question 5c).

b. Describe how the organization analyzes customer feedback and complaints and translates them into corrective action.

While circumstances usually determine the type of analytical methodology and problem-solving techniques selected, the following identifies some of those commonly used at DISC. They include:

Meetings with the Customer. Promotes immediate resolution or, at a minimum, a plan of action designed to address concerns.

Task Teams. A select group of individuals investigate and make recommendations on a specific issue based on customer input.

Work Teams. This method is similar to the preceding one with the major difference being the makeup of its members and the longevity of the team. That is, unlike the earlier approach, this team's membership tends to be comprised of individual specialists from a variety of different fields. They generally focus on those problems or issues which cut across functional lines and therefore require special treatment. Furthermore, these teams are more structured and permanent than task teams. A fine illustration of this procedure is our Special Management and Review Team (SMART).

c. Describe the organization's service goals, how they are set and modified.

The goal of the Defense Industrial Supply Center is to support our customers by being responsive and efficient, take care of our people, and be a high quality cost-conscious center. To support the command goals there are also command priorities; depending on the situation, the order of the priorities may shift.

(1) support the procurement process - this involves all aspects of smart buying, especially timely obligations, reduction of ALT (administrative lead time), and enhanced competition.

(2) support readiness - this means hitting the target on objectives, especially supply availability and backorders. Cleaning up data bases comes under this priority. An attitude of quality is essential to the way we do business.

(3) take care of our people - this includes building pride through recognition, productivity, fairness, a good working environment, and maximum use of the chain of command. Be more than a supervisor--be a leader.

(4) increase our use of automation - this involves acquiring the appropriate hardware and software, providing training, and using the capabilities and output products to the maximum.

d. Summarize the results of the past year or two indicating quantitatively the level of customer satisfaction with the quality of services.

The efforts we have made to meet our customers' needs are as follows:

Environment Assessment by Air Force Institute of Technology: as mentioned above (question 2), two of three have been conducted to date. In order for DISC to better serve its customers, the DISC workforce, employees were asked to evaluate 16 areas including working conditions, chain of command, supervisory practices and the like. After the second survey, eight areas showed significant improvement. Next, Pennsylvania State University was called upon to provide training for all first-line supervisors. Part of this training consisted of a feedback session wherein the supervisors were asked to rate their superiors. Results of this survey were reviewed and many changes were made. In April 1989, half of the DISC workforce participated in a survey to review how well QF was being received throughout the center. The purpose of the survey was to determine 1) if QF was working, and 2) what the weaknesses were where it was not working. The results of that survey have been tabulated and reviewed. The Quality Management Representatives of DISC, in coordination with DISC-DQ, have prepared a plan of action to improve the QF sessions held at DISC. Another survey used to determine our organization's effectiveness in meeting our customers' needs was a user survey conducted by the Office of Telecommunications and Information Systems. This survey asked if the various users of services were satisfied with both the quality and the quantity of the services they have been receiving from this office. The results have been reviewed and the Office of Telecommunications and Information Systems is addressing the problem areas that were identified as a result of this survey.

Newsletters: Several DISC Directorates have initiated newsletters covering various topics of interest to the customers. For example, the Office of Telecommunications and Information Systems, DISC-Z, publishes a newsletter on computer-user related issues on a quarterly basis. This publication, Byte-Line, is distributed throughout DISC.

Sharenet: A computer bulletin board available to all DISC employees with DMINS access. It is used for disseminating information, answering questions, and discussing topics related to the quality of work life here at DISC. Information regularly posted to Sharenet includes: The Excom minutes of the weekly meeting between the Commander and the Directors; Job Announcements, a listing of open job announcements and registers posted on a weekly basis; Project Royal Flush, information on the efforts to improve the restrooms, posted on a weekly basis; and Training Classes, a listing of the classes being offered to DISC employees on a monthly basis.

Training Programs Evaluation: Within the last few years, DISC has made a significant effort to ensure that the training programs used by the DISC workforce are effectively meeting the needs of this center. There has been an increased use of evaluation sheets to review both the instructor of the course and its content. In addition, the supervisors are now also asked to complete a follow-up evaluation on such points as whether the employees who have attended training have put it to use within their jobs and how effective it has been in improving the quality of the work produced by that employee.

Quality Council: Several of the DISC Directorates have initiated the use of an Internal Quality Council or Board to address Directorate concerns. The Quality Councils/Boards have been used as a policy setting vehicle and an instructional vehicle and have been quite effective in bringing Quality Management into the mainstream within the respective organizations.

The Inventory Review Team: An inter-directorate effort which was established to investigate, analyze, and take corrective actions with regard to counterfeit bolts. This team has several specific goals that were set and modified through group interaction. Among them there are: keeping all concerned parties constantly updated with the latest information; maintaining current, accurate, and detailed records of all essential information; modify existing, or design new procedures for the testing and purging of all nonconforming material.

While the first two of these goals are not readily measurable, it is significant to mention that during a Congressional investigation of counterfeit bolts, DISC was praised for the manner in which we kept external customers informed and for the internal documentation that was maintained. To determine the success of the last goal - that of cleaning the system of unissuable material - this team decided to measure the number of backorder lines for their target population.

The Weapon Systems Support and Provisioning Management Branch is DISC's primary office for assuring the availability of spare parts for approximately one thousand DoD weapon systems. The goal is to insure that all weapon system items receive the appropriate levels of intensive management and funding necessary to achieve and maintain a 90% availability. Attachment B shows that this goal was achieved.

Visits to Key Contractors: DISC has taken a pro-active stance in efforts to improve the process of contracting with Original Equipment Manufacturers who supply many weapon system items on a single source basis. Two contractors visited by DISC are Sundstrand Corporation and General Electric Company.

Sundstrand Corporation had a backlog of items due to a temporary suspension of contracting with the firm. This backlog was resulting in downed training aircraft for the Air Force. When contracting resumed, Sundstrand was visited to formulate a plan of action to resupply the stock positions in the most critical state. All Sundstrand items that had an open requisition were categorized by priority to mission and presented to the contractor. Contact points for negotiations and pricing matters were established. Responsible parties for the Government and the contractor were identified to handle any extraordinary problems. As a result of this action, timely awards of the most needed parts were made and resupply of repair lines was accomplished. The Air Force provided positive feedback that our actions were instrumental to the success of their goal of filling the repair pipeline for their trainer aircraft.

General Electric Co. (GE) is another company that supplies jet engine parts to DISC. GE was contacted to explore non-traditional avenues of doing business. The DISC Deputy Commander and other executives met with GE upper management and laid the framework for various initiatives. GE items will be categorized for similar manufacturing processes and grouped in order to take advantage of quantity pricing methods. It is planned that a catalog of high demand items will be negotiated on an off-line basis. Contractual documents to extend more than one year will be established. These initiatives are aimed at improving the process of putting items on contract.

8. RESULTS OF QUALITY IMPROVEMENT EFFORTS

a. Using all key measures for assisting in the quality, timeliness and cost-effectiveness of products/service, summarize results of the past two years (longer, if available). Include in-process (e.g., percent rework) as well as end-item measures.

Results of DISC's quality and productivity efforts using TQM techniques can be described by: innovation through automation and system initiatives; and continuous improvement of processes.

INNOVATION THROUGH AUTOMATION

PC Advisory Group (PCAG)--Wider application of PC software capabilities to the workforce Download/Upload

Upload/Download Task Team--SAMMS reports are now managed and viewed at the PC level.

Forms Team--Forms have been identified to be automated; PC software purchase is in process.

Scrap Team--reduced paper consumption by 24,597,067.

SYSTEM INITIATIVES

In two of the largest Directorates, DISC has been established as the lead DLA activity to develop new ADP system prototypes for the agency. Those systems relate to the computation of customer requirements and inventory management, and to the procurement of those requirements from an external supplier. Just to illustrate the volume of transactions being automated, DISC generates over 400,000 recommended buys (computations of requirements) and places over 175,000 contracts yearly. The following systems have already improved or will improve the productivity rates as well as the quality of requirements calculations and procurements awarded. In both cases, interdirectorate task teams were used to determine what and how the systems would operate.

DLA PREAWARD CONTRACTING SYSTEM - DPACS

A comprehensive electronic contracting system handling all stages of the procurement process from the creation of a solicitation to the award of a contract to a supplier. It incorporates a number of expert system applications to aid the buyer in comparing bids, evaluating prices, considering quality history of suppliers, etc. All such processes were previously done by the manual methods of handwriting and typing individual documents, manual spreadsheet comparisons, off-line data collection from other data bases, etc. DISC is the prototype activity for the design, development, and implementation of DPACS. It is deployed to 50% of the Directorate at this writing and will be deployed to 100% of the Directorate by November, 1989. DPACS has enhanced contract quality, reduced processing time for contract awards by 21%, and increased labor productivity by 20%.

AUTOMATED INVENTORY MANAGEMENT SYSTEM - AIMS

An automated system for the generation and processing of recommended buys as a result of changes in inventory levels compared to future customer requirements. All documents are generated, processed, modified, reviewed, and approved on-line. The system eliminates paper documents which were hand processed, involving manual calculation, physical distribution from point to point, and required numerous iterations of data base updates before they were completed. DISC is the prototype center for AIMS as well. AIMS is currently deployed in a prototype section with full deployment scheduled for FY 1990. The prototype has validated the following projections: enhanced quality and timeliness of work products, 10% increase in labor effectiveness, and reduction in total inventory levels worth \$5 million.

Pre-Recommended Buy Acquisition Planning (PRBAP)

A system designed by a DISC interdirectorate task team to improve lead times by planning for the buy of an item before the recommended buy is generated by the system. Savings of \$2.2 Million and 33 days Administrative Lead Time.

Tracking of Pre-Award and Post-Award Referrals (TRASR/TRACR)

A management information system developed to identify processing delays contributing to extended ALT/PLT during the procurement process. System tracks all referrals and their movement within the various Offices/Directorates. Reduction in ALT and PLT.

Requisition Optimization

A unique requisition processing system designed and programmed by DISC to control issues based on the Average Requisition Quantity size to optimize supply availability. Office of Secretary of Defense approved the system for a two-year test in September, 1988. So far a 2.7% improvement in supply availability and \$95 million cost avoidance has been realized.

Base Operations Support System (BOSS)

A standard automated system for the management of the supplies, equipment, and services utilized for base operation support. DISC is currently under a manual operations support system. Projected savings of \$100,000.

PLANNED PROCESS IMPROVEMENT INITIATIVES

Cataloging Tools On Line (CTOL)--Automating Technical documents currently in hard copy and microform. Tools to be integrated on line include: Federal Item Identification Guide, Master Cross Reference Handbook, Federal Item Name Directory, and DIDS Procedures Manual. Target Date: December, 1990.

Modernized Parts Control Automated Support System (MPCASS)--DLA Modernization effort of the Parts Control Automated Support System (PCASS) that provides engineering evaluation services.

Engineering Data Management Information and Control System (EDMICS)--to Develop an optical disc system with the Navy that will provide high density digital image storage of technical data.

IMPROVEMENT OF EXISTING CHANNELS

QUALITY CIRCLES - As was mentioned previously circles kicked off the participative program at DISC in 1982. Over 500 DISC employees have been involved at one time or another and intangible benefits are too numerous to mention. In terms of tangible benefits, tracked up to 1986, the savings exceeded \$3 million; approximately \$2 million was attributed to one of our cataloging circles in 1985, whose efforts were rewarded with the Productivity Excellence Award.

QUALITY IDEA PROGRAM (QUIP) - Turnaround time for processing ideas is approximately 20 days (well under the DLA average). Submittals have increased 300% in the last two years.

RECOGNITION EFFORTS - Formal Awards Program - 48% of our work force received a formal award in FY 88 which is up from 12% in FY 85. Informal Rewards Program complements our formal incentive awards program and includes: the annual TQM Awards Banquet, our sixth was held this past June, where over 2500 people have been recognized; the informal End of Year Rewards Presentation, held in December, is an added attempt to recognize as many people as we can to foster a "win-win" environment. The attrition rate has fallen by 10% over the past year.

COMMUNICATION - Monthly DISC UPDATE, regularly published Executive Committee & Quality Council meeting minutes, a quarterly Quality Management news bulletin, O/D Quality Management news bulletins, SHARENET, and Praise-a-Peer. Today, it would be difficult to find a DISC employee who did not know what was happening organizationally.

Moreover, all of the above channels combined have expanded employee involvement from an average of 11%, between 1982 & 1986, to an estimated 40% today. The accomplishments of these channels are reported throughout this nomination, let alone the response these results question.

INITIATIVES directed toward supporting the Procurement Process:

Administrative Lead Time Evaluation and Reduction Team (ALERT) - Administrative lead time has since dropped from a system average of 175 days to a system average of 147 days, equates to a dollar savings in stock fund, dollars of approximately \$50 million.

Black Hat - This multi-directorate team followed up on referrals and reduced the number of preaward referrals over 30 days old from 1519 in August 1987 to 381 in March 1989.

Production Lead Time Team (PLT) - This team was established in June 1988 to reduce production lead time. RESULTS: PLT data is now available for buyers to consider in obtaining best possible delivery on buys over \$100,000.00.

Project Push/Pull - This was a coordinated effort within the Directorate of Contracting and Production to reduce the backlog of unobligated commitments on hand. RESULTS: As a result of the formal, structured effort, the backlog was reduced by 39% over the period FY 87 to FY 89.

INITIATIVES directed at supporting Readiness:

Customer/Depot Complaint System Task Team - This multi-directorate team, formed in FY 89, has reduced a large backlog by over 25% due to several process improvements.

Inventory Accounting Branch Task Team - This multi-directorate team has reduced costs in inventory accounting through 46 approved improvement recommendations.

Test and Evaluation Labs - This involved a formal study to establish a nationwide laboratory network that would test DISC material according to established criteria. Sixteen Support Agreements have reduced turnaround time required to test the product from 120 days to 3 weeks. This can be translated into a Production Time savings of 100 days.

Backorder Task Team - Since the team was formed in FY 87, it has decreased backorders by 11% and supply availability is higher than it has been in 5 years.

INITIATIVES aimed at Taking Care Of People include:

New Office Furniture: 1700 new personal computers, building renovations, flexible work schedules and numerous housekeeping improvements. The results and status of these efforts appear regularly on SHARENET for all DISC to read and comment.

A Day Care Center and a Fitness Center are planned for 1990.

Project EXPO - Personnel Office project which began in FY 88 and has resulted in shorter turnaround times on requested personnel actions, and the streamlining of a number of employee/labor relations/staffing procedures.

b. Summarize briefly five projects that illustrate the breadth and effectiveness of the organization's quality improvement activities. These projects should illustrate the techniques and methods used by the organization to achieve continuous improvement, and should have demonstrable results.

PROJECT 1. AMI (Automated Message Interchange) Task Team

The team was tasked to implement an automated system to process all unclassified incoming/outgoing narrative message traffic, while at the same time eliminating all hard copy comeback copies. Through their efforts the DAMPS (DMINS Autodin Message Preparation System) has been installed on DISC's Distributed Minicomputer System (DMINS). DISC's Telecommunications processes between 6,000 to 14,000 outgoing narrative messages a month and receives between 33,000 and 47,000 narrative messages per month. DISC's Telecommunication Center manages the narrative message traffic for the entire Aviation Supply Office (ASO) Compound. Therefore, any process to automate the narrative message transmission and receipt process must incorporate the different ADP technologies employed at the different compound activities. The manual processing system requires that the message be typed and handcarried to the Message Center, where the message was manually inserted into the Optical Character Reader (OCR). A limited number of messages were transmitted on an automated system, but the host computer is obsolete and scheduled for removal.

The Task Team members modified and implemented the DAMPS automated message transmission system to meet the unique needs of DISC. The use of the system has eliminated hard copy printing of all messages transmitted by DISC personnel. The number of messages transmitted has grown from 434 a month in May 1989 to 1825 a month in August 1989. The system is being expanded to the other activities on the compound.

To effectively implement DAMPS, the members of the AMI Task Team have conducted training sessions for approximately 230 of the DISC work force. Every DISC secretary was given an overview of how the system operates. The sessions were limited to the number of available terminals to ensure that each person had the direct hands-on experience. Although this required increased additional classes, DISC has a commitment to quality and this was determined to be the best alternative.

Hard copy comeback copies have been eliminated, and in the long run 1,000,000 sheets of printed pages will be saved per annum. The previous manual system required that all messages be manually filed. The customers of the Message Center can retrieve all messages through the DMINS. The productivity of the message Center is enhanced by the elimination of filing copies, use of the OCR and retrieving archived messages for our customers. The productivity of the customers is enhanced by eliminating the time required to manually walk the messages to the Message Center and the time to retrieve a previously transmitted message.
(enclosure 6)

PROJECT 2. PAPERWORK REDUCTION

To support paperwork reduction, the SCRAP (Selective Curtailment of Reports and Paperwork) Team and the DU (Download/Upload) Team were established. These teams are spearheading efforts to give the customers of the Office of Telecommunications and Information Systems only the information that they require to perform their duties in the most accessible format.

The SCRAP Team is of all organizational units of DISC. The members are the functional experts on information required to perform the various tasks to ensure the completion of DISC's mission. The SCRAP Team strives to eliminate unnecessary reports, punch cards, microfiche and multiple copies of required reports.

Since its inception, in November 1987, the SCRAP Team has eliminated 24,097 report copies and reduced paper consumption by 24,597,067 sheets. This amounts to \$336,241 in paper and printing costs. The DU Task Team (pronounced "DO Team") was assembled to determine "a better way" to provide SAMMS data to and from the Host computer using PC's in DISC. A limited number of SAMMS reports, SAMMS files, and SAMMS data entries were exchanged with The Host computer using PC diskette media. The primary concern by many was the growing number of diskettes required to transfer data. Some files required as many as forty diskettes to house the data. PC diskette and disk drive failures caused frustration at all levels of operation throughout DISC. Tape backup units were not readily available to expedite the process. The process required seemingly endless phone calls and messenger services to get the diskettes to their destinations.

The team tackled SAMMS (Standard Automated Material Management System) reports first, since there was a distinct possibility to eliminate paper products as well as diskettes. Office/Directorate accounts have been established on the DMINS system as a repository for Host computer data. Data is exchanged between the HOST computer and Office/Directorate PC's through the DMINS account system as required. Several PC programs have been developed to view and manage Host computer data at the PC level. The programs are easy and fun to use and require little or no additional training and are in use throughout DISC. A report file can be displayed on any PC screen with the ability to pan right, left, up, down, and includes data search and data base conversion options. The team members represent a cross section of DISC data processing and functional application expertise.

SAMMS PROCUREMENT BY ELECTRONIC DATA EXCHANGE (SPEDE) provides electronic interface with SASPS I (SAMMS Automated Small Purchase System) vendors. Through SPEDE, a SASPS I vendor call/order is issued electronically and the response is received electronically. SPEDE enables DISC to communicate daily with participating vendors concerning Blanket Purchase Agreements (BPA's). Benefits to DISC and vendors: Data is transferred daily - no mailing lag time; responses are received in a more timely manner; reduction of paper output from the mainframe; data base established to monitor the BPA's, current buys, historical information and reduced errors in transmissions from vendors.

DISC canvasses BPA vendors for inclusion to SPEDE; provides vendors with hardware and software; provides vendors with a diskette to set computer path and establish SPEDE directory; provides vendor with documentation and data entry screen, which prevents data input errors; establishes communication parameters. All paper output is eliminated.

PROJECT 3. IMPROVEMENTS IN ADMINISTRATIVE/PRODUCTION LEAD TIME IN THE CONTRACTING PROCESS

The Administrative Lead Time Evaluation and Reduction Task Team was formed to define directorate impact on administrative and productive leadtimes, identify areas for improvement, establish goals, and review progress. This inter-directorate group, comprised of Directorate level managers and chaired by the Commanding Officer, analyzes specific measures effecting leadtimes and develops strategies to improve any problem areas. The plan was to have each Office/Directorate decrease their processing time. This would ultimately decrease DISC's overall administrative leadtime. As a result of this team's efforts the following initiatives and sub-teams were instituted:

A multi-directorate task team titled BLACK HAT was formed with the Directorate of Contracting and Production chairing the group. Their main objective was to follow up on referrals and reduce the total number of preaward referrals that were over 30 days old. The total number of these aged referrals has gone from 1519 in August, 1987 to 381 in March, 1989. There is a written Memorandum of Understanding (MOU) regarding the policies and procedures to be followed by each directorate for referrals labelled for the Black Hat Committee. (see enclosure 7)

A Production Lead Time (PLT) task team was formed in June, 1988 to reduce DISC's production lead time. PLT data is now available for buyers to consider in obtaining best possible delivery on buys over \$100,000.

Tracking Systems for preaward and postaward referrals were established. These databases are instrumental in reducing leadtimes by providing visibility for intensive actions when necessary. These databases are titled TRACR (tracking contract referrals) and TRASR (tracing system for referrals). A Pre-Recommended Buy Acquisition Planning (PREBAP) multi-directorate team was formed to establish a procedure to prepare a buy in procurement prior to the reorder point. Forecasting was required in order to identify the stock numbers for use by the various technicians. Certain parameters were set by this task team and the results have been significant. (See Results, question 8)

Administrative Lead Time (ALT) based on awards has been reduced from a quarterly average 129 days to a projected quarterly average of 116 days.

PROJECT 4. INVENTORY ACCOUNTING BRANCH

A six-person team was formed in March, 1989, to conduct a study of the DISC Inventory Accounting Branch. Prior to the initiation of the team, management had been briefed on the intent of the study. The team had their first meeting and decided that the following areas would be addressed: Branch labor effectiveness percentage, costs, and major branch processes. (These included Intransits, Violations, DBTR's, (Depot Balance and Transaction Register), Customer RODs (Report of Discrepancy), Depot RODs and Requests for Samples).

The team's objective was to improve the branch's percentage. They decided to review all the standards (six of them) with each of the section supervisors. They identified the way each supervisor was doing their reporting. They then decided to hold a class for these supervisors to teach them how to read their section LAPER (Labor and Product Effectiveness Report). Finally they got the supervisors together and had them brainstorm for problems they were encountering with the standards. As a result of this meeting, some problems were able to be corrected by the group and the remaining concerns were forwarded to DPSSO (DLA Performance Standards Support Office for consideration. They will also have DPSSO P200 come to DISC for a visit to address some of these concerns. As a result of the above the Branch's labor effectiveness rate since April has never failed to exceed 100%. Other objectives were to identify and isolate costs and to flowchart and streamline the major branch processes. In order to meet these objectives the team asked the six first-line supervisors for their perceptions of the way things were being done in their areas. A supervisory brainstorming session was held at the DISC training facility. They identified not only problems but also things that were going well. The first-line supervisors provided the team with a series of subject-matter experts to interview for each process.

PROJECT 5. QUALITY CATALOGING TASK TEAM (QCTT)

The team was formed in 1988 to review and analyze Item Identification Cataloging rejects. The following eight areas were addressed: problem definition, plan of action, possible causes, data collection process, collection of data, evaluation of data, develop recommendations and presentation of findings. QCTT successfully identified six types of cataloging item identification rejects that cause 75% of all rejects. A Force Field Analysis was completed for each to determine if restraining problems could be eliminated by increasing motivating factors. In each of the six major reject types identified, the team found quality improvement recommendations falling in four categories: Systems, Methods, Training, and Accountability. The team presented 44 consolidated recommended solutions in these four categories for the six major rejects identified. (see enclosure 8)

c. Summarize the findings of the organization's most recent program evaluation, and when it occurred, to provide information on whether the program's missions are being achieved.

The last State of DISC presentation (see question 2a) was 16 June 1989. At that time, accomplishments as a result of the DISC TQM initiative were shared, including a majority of the following:

DISC has increased the supply availability for customer orders by almost 3% since 1987. Our average in 1987 was close to 86% and it now hovers around 89% on a monthly basis. The percent of time we meet established timeframes for filling and shipping customer orders has increased from 97% in 1987 to an average of 98.4% in FY 89. Our investment in inventory has declined by approximately \$80 million due to decreases in administrative and production lead time (49 days). Our backlog of customer complaints is down 25% and continues a steady decline. At the same time we have reduced our work years by 10%, increased employee recognition by 100%, and have over 75% of all employees engaged in some formal method of employee participation in improving our work processes. The dollar value of our procurements in process has declined from \$370 million to \$230 million as of this writing. Finally we have spent over \$6 million in improvement to our facilities (cafeteria, work spaces, heating and air conditioning, etc.) to provide our employees with an appropriate physical environment in which to improve our total mission performance. The enclosed charts portray our results in key areas. (enclosure 9)



DEFENSE LOGISTICS AGENCY
DEFENSE INDUSTRIAL SUPPLY CENTER
700 ROSSING AVENUE
PHILADELPHIA, PA 19111-5000

DISC-HSI
5010.15

DISC-DD

DISC HQ STAFF INSTRUCTION
NO. 5010.15

15 February 1989

DISC TOTAL QUALITY MANAGEMENT PROGRAM

I. PURPOSE AND SCOPE

- A. To prescribe the policy, objectives, and responsibilities of the Total Quality Management (TQM) Program, hereafter referred to as the program.
- B. To maintain the program and improve operations.
- C. This HSI is applicable to all Offices/Directorates (O/Ds) and Personal Staff of the Defense Industrial Supply Center.

II. POLICY

- A. The principal objective of the program is to enhance the quality of DISC work by means of TQM techniques, such as Quality Management (QM) training, quality assists, Statistical Process Control, and employee rewards. TQM techniques motivate employees, and provide for systematic examinations of operations and procedures, with the goal of achieving optimum quality.
- B. The implementation and the success of the program is a management responsibility. DISC supervisors are inherently responsible for the application of QM principles on a continuing basis. QM principles include the following: that every action by every employee should be taken with the customer in mind, whether that customer is internal or external to DISC; that teamwork is an essential ingredient in every well-run organization; that participative management and employee recognition enhance employees' motivation to do the job right the first time; and, that improving the quality of work will reduce the cost of doing business.
- C. Performance appraisals of supervisors and managers will include an evaluation of QM efforts.
- D. QM training courses will be available to all DISC managers, supervisors, and employees.

III. DEFINITIONS

- A. Quality Management Representative (QMR). A Quality Management Representative is a person who serves as an O/D point of contact for all QM subjects.
- B. Quality Assists. A quality assist, like an audit, is a mechanism to provide feedback on the strengths and weaknesses of organizational QM efforts.
- C. Costs of Poor Quality. Quality costs are the costs associated with failing to "do it right the first time."

IV. RESPONSIBILITIESA. OFFICE OF QUALITY MANAGEMENT (DISC-DQ)

1. Formulates Command policy guidance. Serves as DISC's central point of contact on TQM matters. Publicizes new QM concepts and techniques. Provides technical advice and assistance to O/Ds through the O/D QMRs.

2. Reviews O/D quality plans. Apprises Command of the effectiveness of each O/D QM Program, as well as the DISC-wide program as a whole, through regular quality assists. Evaluates the program results and recommends changes to enhance its effectiveness.

3. Manages the DISC TQM Program. Maintains surveillance and conducts causative analyses on programs/operations with identified problems concerning quality. Monitors specific program indicators, such as:

a. Hours/type QM training received by managers, supervisors, QMRs, QC leaders and facilitators to recommend areas for improvement and prioritize course development. Develops QM training courses based on determination of need by Chief, DISC-DQ, and/or O/D.

b. Monitors type/number of rewards/recipients to ensure a viable far-reaching employee reward program.

c. Monitors the number/status/projects/progress of Quality Circles/Task teams, and conducts follow-up assessments to project implementation.

d. Monitors O/D progress in reducing Costs of Poor Quality.

4. Administers Command-wide QM reward program.

5. Administers the Quality Campus. Schedules space in Quality Campus as requested.

6. Provides O/Ds with a tentative schedule of QM course offerings and dates on which O/D can base training requests. Prepares final schedule based on total requests, and notifies O/Ds of available spaces.

7. Confirms attendance with training coordinators for upcoming classes to ensure classes are filled to maximize training resources. Works with training coordinators to reschedule in the event that a class is over/under capacity.

8. Ensures a roster of well-qualified DISC employees is available for assignments as instructors in QM courses. Coordinates with Directors to establish an instructor roster to meet course schedule.

9. Publishes the Command QM Operations Plan.

10. Maintains this HSI in a current status and reviews it annually.

B. DIRECTORS

1. Allocate the necessary resources to ensure that the O/D TQM responsibilities are accomplished in an acceptable manner to include appointment of a QMR, regularly assembling task teams/Quality Circles, performing quality assists, providing QM trainers, scheduling employees to attend QM training, and conducting Quality Feedback.

2. Review and approve O/D quality plan prior to submission to DISC-DQ. Review and approve O/D plans for implementation, resources, and timetables. To ensure goals are met. Ensure subordinates fully understand their roles and responsibilities under the quality plan.

3. Recognize subordinate employees, supervisors, managers, and organizational units demonstrating outstanding QM accomplishments.

4. Ensure that all subordinate supervisors are taking appropriate action in support of the DLA/DISC objective to optimize quality outputs through a quality conscious workforce.

C. INTERMEDIATE AND FIRST LINE SUPERVISORS

1. Utilize QM techniques to improve operations and establish a total quality environment.

2. Identify subordinate QM training needs. As appropriate, include QM training on Individual Development Plans (IDPs). Using DISC-DQ tentative course dates, schedule training to minimize workload disruption.

3. Encourage subordinates' QM efforts, and recommend employees for QM rewards.

D. OFFICE OF CIVILIAN PERSONNEL (DISC-K)

1. Review class rosters to verify employees' attendance at scheduled training.

2. Ensure that O/Ds submit properly executed DD Form 1556.

3. Establish and maintain training records.

4. Coordinate with Office of Comptroller to ensure payment of vendor invoices for contractor-sponsored training, approved in advance by Training Officer.

5. Lend available audiovisual equipment and supplies to instructors.

6. Schedule space in DISC-K Training Room, as requested.

7. Solicit functional training requirements of DISC-DQ, on an annual basis, as part of the DISC budget.

E. QUALITY MANAGEMENT REPRESENTATIVES

1. Provide guidance and assistance in matters related to the Quality effort to employees, managers, and supervisors within the respective O/D.

2. Assist in the development and implementation of O/D quality plans. Quality plans will include training goals, quality assist goals, performance/recognition goals, and may include subjects to be addressed by Quality Circles/Task Teams.

3. Collect, monitor, compile and evaluate O/D quality data, track progress, present reports and/or briefings as requested by Command; Chief, DISC-DQ; O/D management.

4. Keep the Chief, DISC-DQ, and Director current and aware of trends, accomplishments, problems, and activities.

5. Coordinate evaluation and implementation of Quality Circle, Task team, SPC team proposals.

DISC-HSI
5010.15

F. O/D TRAINING COORDINATORS

1. Circulate tentative QM course schedule to all managers and supervisors.
2. Ensure training requests are prepared in a timely and accurate manner.
3. Receive scheduling confirmation from DISC-DQ for upcoming courses to ensure optimum attendance.
4. Coordinate with intermediate and first line supervisors to provide alternate dates/employees in the event that DISC-DQ advises a class is over/under desired capacity.
5. Ensure the prompt preparation of course completion certificates based on verification by DISC-K.

BY ORDER OF THE COMMANDER



RICHARD J. HOFFMAN
Director
Office of Policy and Plans

Distribution

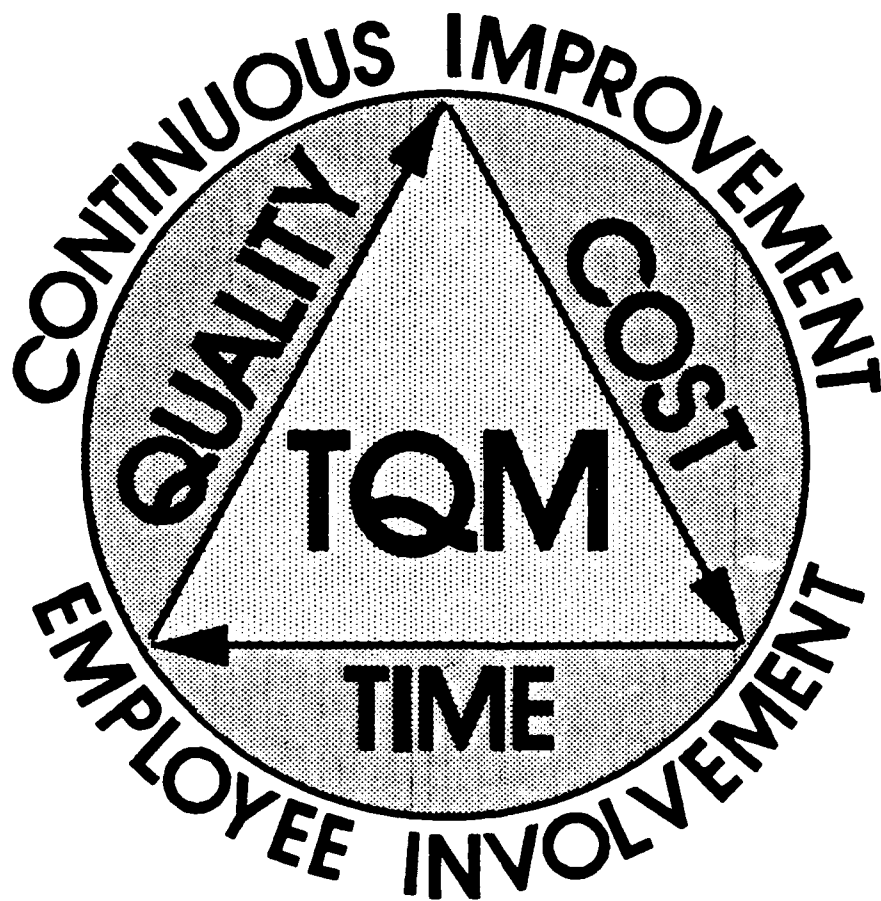
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Coordination: All Offices/Directorates/Personal Staff



DEFENSE INDUSTRIAL SUPPLY CENTER

TOTAL QUALITY MANAGEMENT

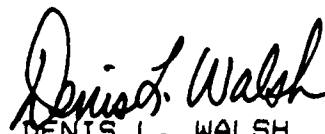


OPERATIONS PLAN

Message from the Commander

Since implementing TQM in 1986, DISC has actively pursued improved customer support and care for our people. We have fostered an environment where management can focus on quality first. In order to achieve total quality, a coordinated effort capitalizing on past successes and integrating strong future concepts is essential.

I commend those who have brought us to where we are and further challenge our managers to execute the TQM policy and objectives outlined in this plan. In so doing, our goals of improved customer support and taking care of our people will become the standard for all. This plan prescribes direction over the next five years which can ensure improvement of our products and services, reduced costs and an enriched environment... If we all get involved.



DENIS L. WALSH
Brigadier General, USAF
Commanding

FOREWORD

The enclosed operating plan represents the continuance of the DISC implementation of TQM which began in 1986. This plan outlines how we intend to emphasize process improvement through the integration of all TQM initiatives (i.e. quality circles, task teams, quality feedback etc.). This plan in no way limits, restricts or defines all of our efforts consistent with the principles of quality management and or process improvement. The degree to which this effort succeeds will depend on the extent that ownership and responsibility for TQM is accepted by all levels of DISC management and is supported from the DoD and DLA headquarters.

Our structure and approach to TQM comes from three levels of the organization: the Command exemplifies constancy of purpose by continuing to alter the DISC culture, thereby providing the environment that will support a participative management philosophy; the Offices/Directorates integrate and incorporate past, present and future TQM initiatives with FSE objectives by promoting the team approach and introspection towards process improvement; and, employees through channels and aspects that provide TQM training, performance and recognition, continue to be the catalyst for the improvement and well-being of the Defense Industrial Supply Center.

Through our combined efforts, meeting the objectives of this plan will not only be something that we do, it will be something that we enjoy.

1989 TQM Operations Plan

DISC TQM has evolved into a comprehensive approach designed to alter the DISC environment, culture, tools, techniques and organizational practices. TQM is not a program. Quality Management at DISC is described as that effort towards continuous incremental process improvement that prescribes:

- defining quality through (internal) customers expectations
- eliminating rework (doing it right the first time)
- data driven decision making (statistical thinking/SPC)
- total employee involvement (participative management)

Most importantly, TQM should be perceived as a journey rather than a destination. It is the commitment to the long term improvement of this Center's efficiency, competitiveness and well-being. Our efforts are designed to improve processes by building quality in and enhancing communication and effectiveness through training, performance and recognition initiatives.

This plan is segmented into three parts. The first part details the initiatives DISC has undertaken in relationship to and in support of DLA Core Goals. The second part describes the commitment necessary to move forward and meet our goals and objectives. The third part outlines deployment initiatives, identifies both short and long term goals and plans for measurement of the quality management efforts outlined below.

I. Command Support of DLA Core Goals

The DISC HSI 5010.15 (DISC Total Quality Management Program) establishes the policy, responsibilities and commitment of our efforts to reach and surpass these goals. Some specific examples of initiatives in support of those goals are described below.

A. Core Goal: Develop a Trained Workforce

Initiatives: Quality Campus, Training Doctrine, Quality College, Memberships in Phila. Area Council for Excellence and Ben Franklin Partnership.

B. Core Goal: Harmonize Directives

Initiatives: DISC HSI 5010.15, Command Goals and Priorities, Office/Directorate TQM Operating Plans and TQM Boards.

C. Core Goal: Integrate Existing Initiatives

Initiatives: Support Quality Circles, Quality Feedback, Task Teams, and suggestion programs, and ensure their continued success through additional training and periodic internal reviews.

D. Core Goal: Demonstrate Uncompromising Commitment to Quality

Initiatives: Pilot process improvement studies, Your Partnership in DISC.

E. Core Goal: Enhance Recognition and Reward System

Initiatives: TQM rewards luncheon, Praise a Peer, promote alternate work schedules, establish day care and fitness facilities, increase use of incentive awards; i.e., On the Spot Awards, and the Commander's gold coin.

F. Core Goal: Develop Feedback and Communication Skills

Initiatives: Quality Feedback, Sharenet, periodic Command Review and Analysis, publish Executive Committee meeting minutes, quality newsletters, and the monthly DISC Update.

II. Methodology:

In order for this plan to succeed, the following characteristics must be demonstrated:

A. Top management commitment and involvement: participation in an education program designed to develop those competencies required to play the role of mentor in improving TQM practices, procedures and processes.

B. Top management commitment to continuous improvement of processes: this requires the ability to recognize and describe a system; the ability to analyze the system and identify areas for improvement; the ability to draw subordinates into the improvement process; the ability to monitor changes and separate signals from noise; and, the ability to delegate aspects of the system improvement process while remaining accountable for the success of the changes.

C. All management levels commitment to Total Employee Involvement: employees working together with management as partners in achieving quality goals is an integral part of the systematic approach to continuous process improvement. Management must recognize that improving individual responsibility for quality is accomplished through employee involvement.

III. Deployment, Implementation and Measurement:

Having developed a TQM policy/strategy plan the three remaining objectives are policy deployment, implementation and measurement. The following initiatives, including short term and long term goals will assist in achieving these objectives. Short term goals would be implemented within two (2) years. Long term goals are targeted for a pilot study within five (5) years.

A. Deployment Initiatives:

1. Establishing office/directorate Quality Management Boards. Sets the vision, reviews progress; at a minimum, is chaired by director or deputy; and meets at least monthly.

2. Developing an O/D Quality Management Plan. Outlines direction and responsibility; includes milestones for implementing process improvement teams, defining processes for study and defines the communication network.

3. Pilot process improvement study. Each Office/Directorate to identify their top processes for review. Flow-chart the processes and apply SPC on those processes capable of using this statistical analysis method.

B. Implementation Initiatives:

Integrate and mainstream existing initiatives throughout each office and directorate.

1. **Quality Newsletter.** Have each directorate publish a quality oriented newsletter to provide information, improve communication and act as an educational tool for all quality issues. These newsletters will publicize TQM to the workforce and show positives advances in the DISC work environment.

2. **Quality Feedback.** Improve current system by providing follow-up training. Publish success stories to demonstrate the effectiveness of quality feedback. Ensure meetings are scheduled regularly in all areas. Monitor program to ensure its success.

3. **Quality Circles and Task Teams.** Improve and increase participation through training and publicity. Renew emphasis on management support and employee involvement by fostering an atmosphere for success.

4. **Internal Customer Awareness.** Provide training (Your Partnership in DISC) to all managers and supervisors to demonstrate the effect of DISC's three (3) major processes (acquisition, cataloging and materiel management) on the internal customer relationship and responsibilities.

5. **TQM training.** Continuous training will be provided to all employees covering such topics as communication, problem solving techniques, team building skills, flow charting and analysis.

6. **Expansion of visits to DISC's external customer facilities.** A training initiative to develop and increase awareness in supporting our customers and improving readiness.

7. **Supervisor development program.** Initiate a training program to develop the TQM-minded supervisor. This program will target potential candidates for supervisor/manager positions.

8. SPC training. Operator level training will be conducted for all managers, staff employees and selected functional area employees.

9. In addition to the above short term goals the following long term goals have been identified.

- a. Pay for Knowledge
- b. Work Teams
- c. External Barrier Removal
- d. Numerical Goal Elimination

C. Measurement:

Quality Assists. Research and report annually the organization-wide impact of DISC's quality management efforts outlined in this plan. These reports will be used by management to identify and respond to strengths and weaknesses with respect to all training, performance and recognition initiatives undertaken by each Office and Directorate.

MILESTONE CHART

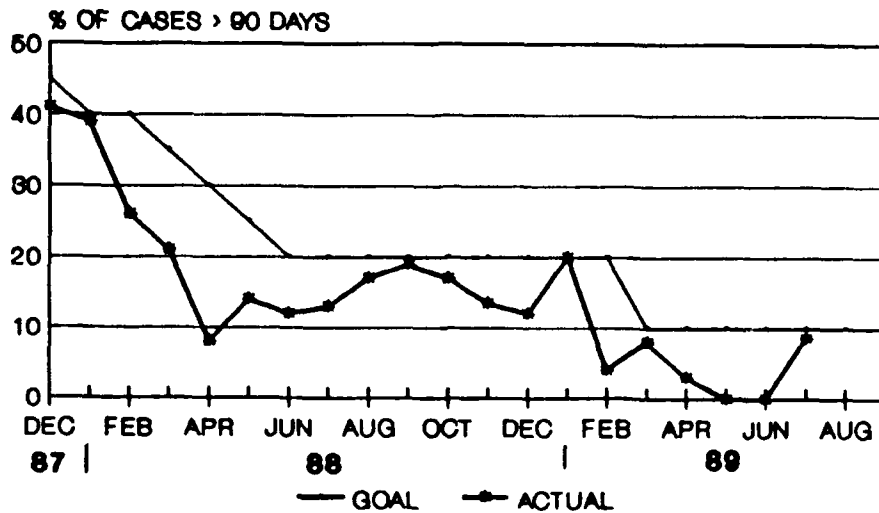
DEFENSE INDUSTRIAL SUPPLY CENTER	89				90				91		
	4	1	2	3	4	1	2	3			
SHORT TERM GOALS											
O/D QUALITY MGT BOARDS		X									
O/D QUALITY MGT PLANS		X									
PROCESS IMPROVEMENT STUDIES			X								
QUALITY NEWSLETTER		X									
QUALITY FEEDBACK	X										
QUALITY CIRCLES/ TASK TEAMS	X										
INTERNAL CUSTOMER AWARENESS	X										
TQM TRAINING	X										
DISC CUSTOMER FACILITY VISITS				X							
SUPERVISOR DEVLPMT PROGRAM			X								
SPC TRAINING		X									

PROBLEM: TOO MANY PRE-AWARD CASES > 90 DAYS

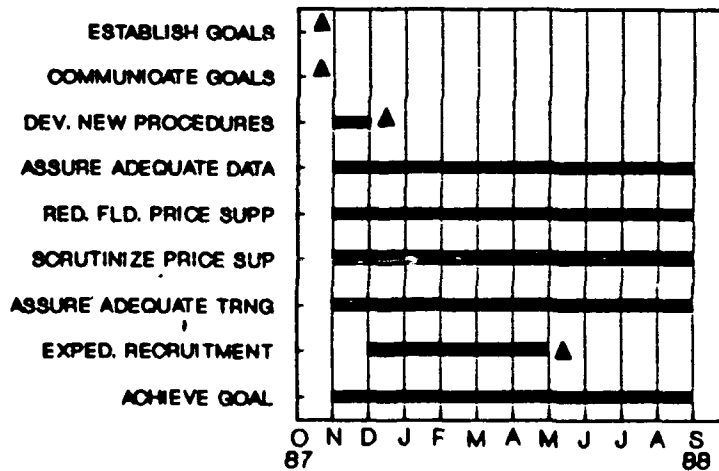
**CAUSES: INADEQUATE SUPPORTING COST DATA
TOO MUCH RED TAPE IN PROCESSING
FIELD PRICING REQUESTS
DELAYS IN RECEIPT OF FIELD PRICING
SUPPORT
CONCENTRATED TRAINING IN SHORT
TIME FRAMES**

**CURES: ASSURE ADEQUACY OF COST/PRICING DATA
REDUCE REQUESTS TO DCAS/DCAA
FOLLOW-UP WITH FIELD OFFICES
SPREAD OUT TRAINING
EXPEDITE RECRUITMENT ACTIONS**

PRE-AWARD PRICING CASES AGING - FY88-89
GOAL: MAINTAIN % OF CASES > 90 DAYS
HOLD AT 10%



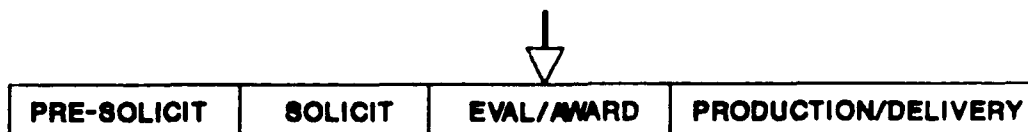
PRE-AWARD PRICING CASES
MILESTONES FOR FY 1988



FORUM/FREQUENCY

DIRECTOR

MONTHLY



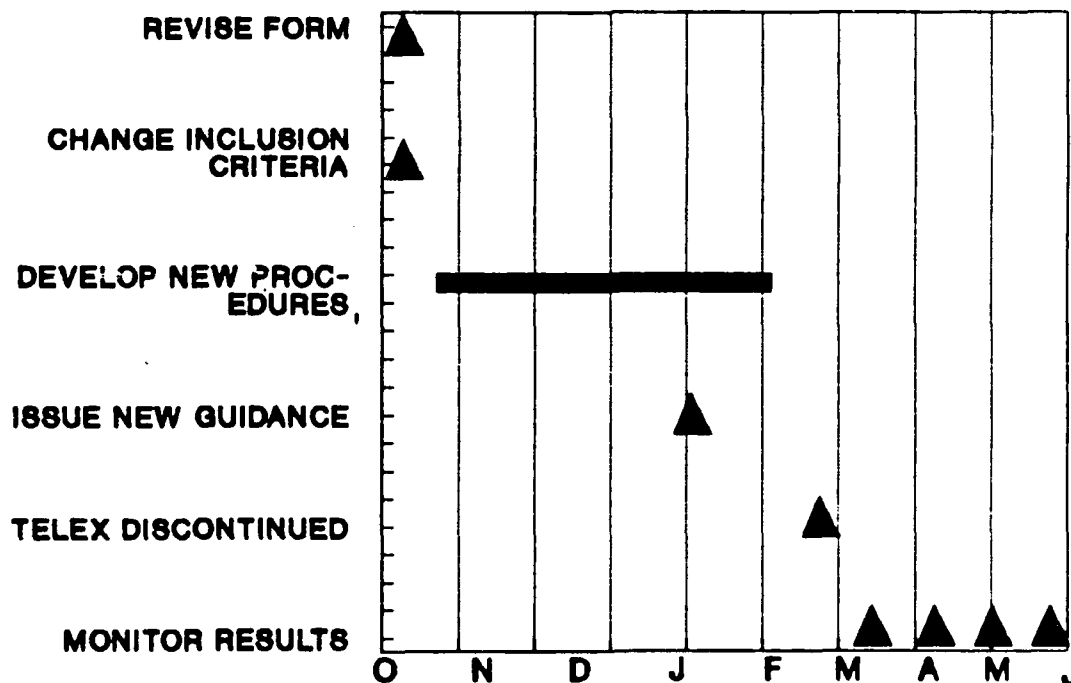
PROBLEM: **NEED TO INCREASE NUMBER OF
NSNs COVERED BY BDRFQ SYSTEM**

CAUSE: **LACK OF EMPHASIS, VAGUE
INSTRUCTIONS, COMPLEX FORM**

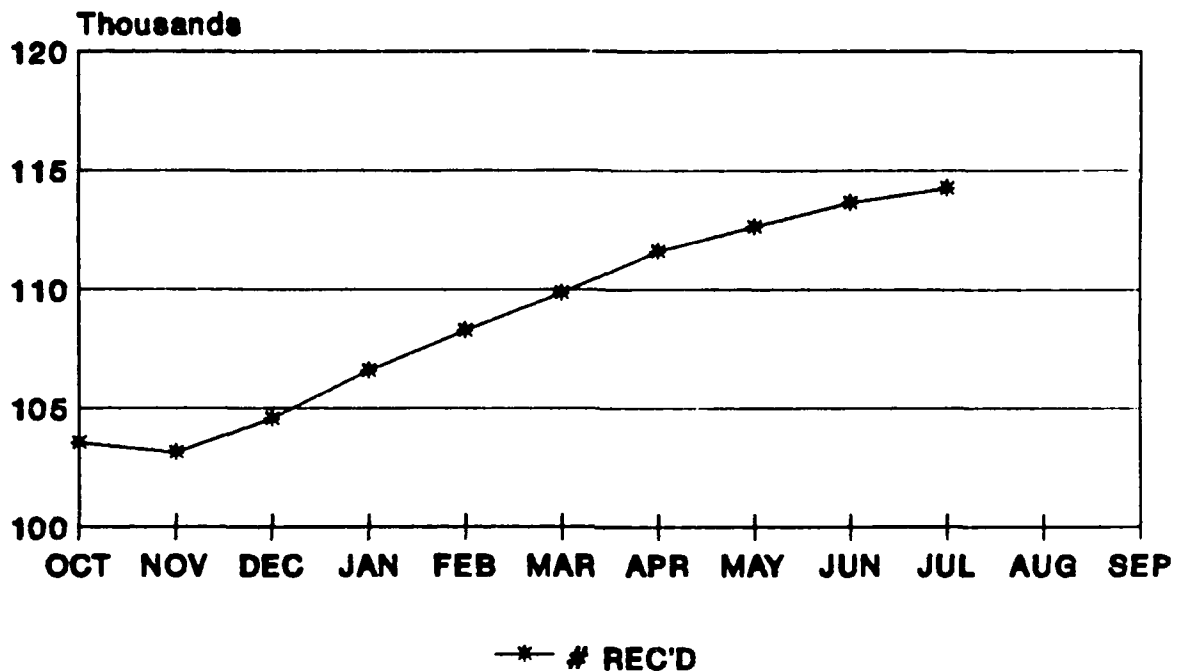
CURE:

- **MANDATE INPUT OF NSNs INTO
BDRFQ**
- **REVISE INSTRUCTIONS AND FORM**

MILESTONES



NSNs IN BDRFQ BASE FY 1989



FORUM/FREQUENCY

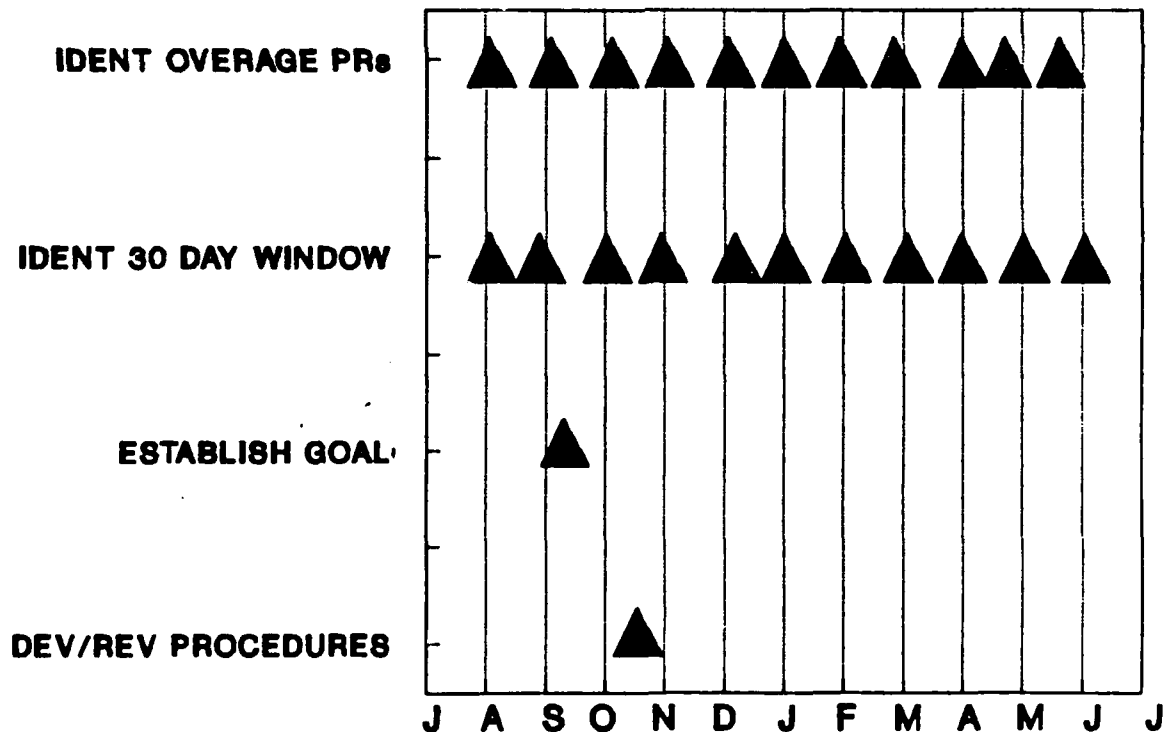
DIRECTORATE
DIVISIONS

MONTHLY
MONTHLY

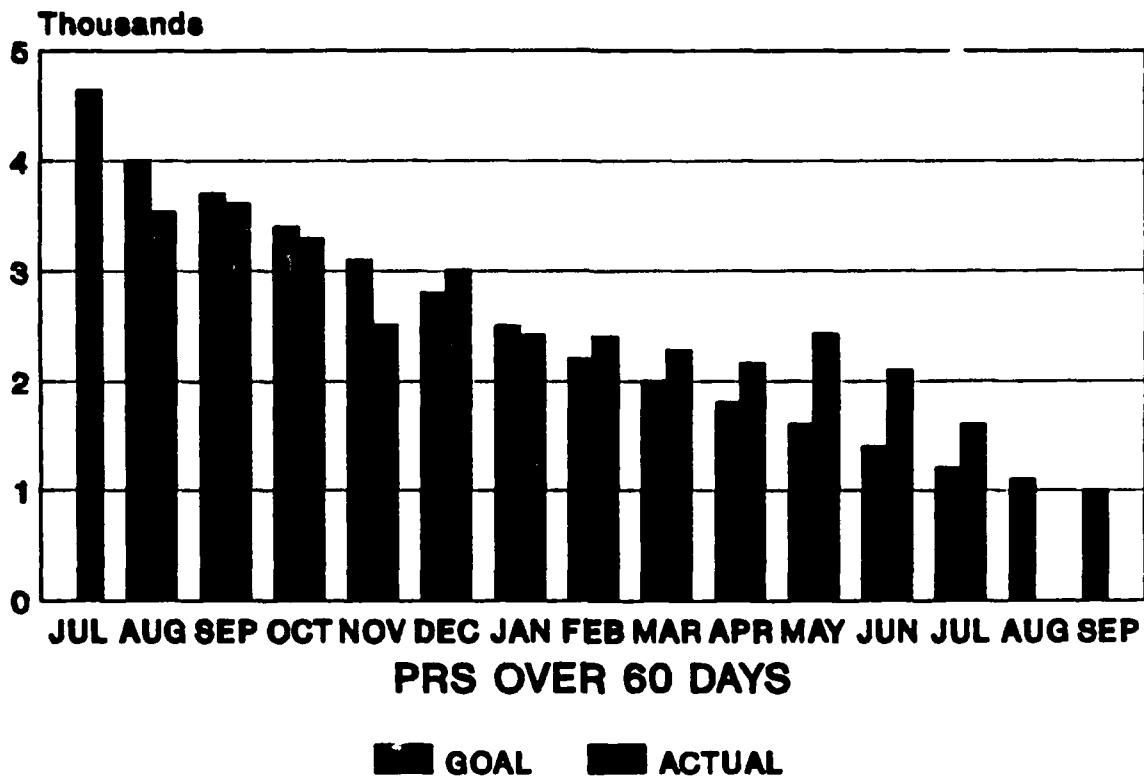
PROBLEM: LARGE AMOUNT OF OVERAGE SASPS I BUYS

**CAUSE: LACK OF MANAGEMENT VISIBILITY/
EMPHASIS/MANPOWER**

**CURE: INCREASE AWARENESS AND EMPHASIS ON
AWARDING OVERAGE SASPS I PRs
ESTABLISH SASPS I BRANCH**



FORMAT: REDUCTION IN OVERAGE SASPS I PRs



FORUM/FREQUENCY

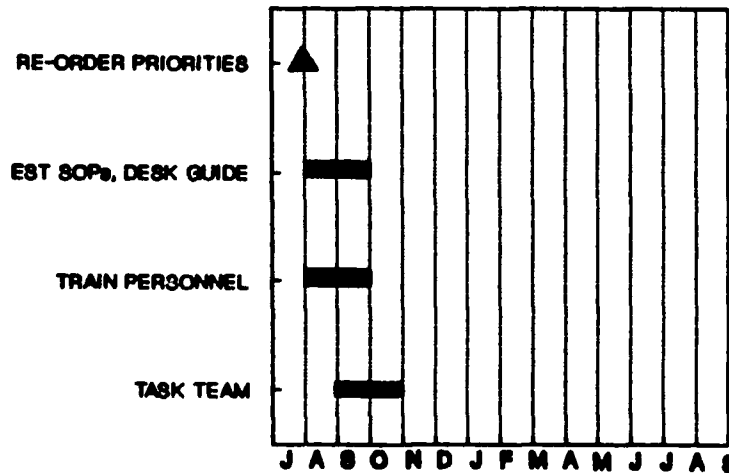
BRANCH CHIEF
DIVISION CHIEF
DIRECTOR

WEEKLY
MONTHLY
MONTHLY

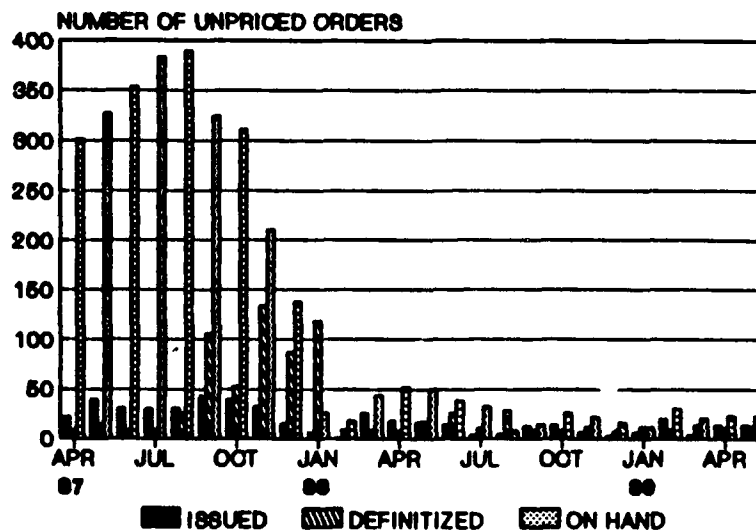
**PROBLEM: UNTIMELY DEFINITIZATION OF UNPRICED ORDERS
ISSUED BY THE SMART TEAM**

**CAUSE: INADEQUATE OPERATIONAL PROCEDURES AND
FAILURE TO TAKE AGGRESSIVE DEFINITIZATION
ACTION**

**CURE: ESTABLISH TIGHTER CONTROL, SOPs, TRAIN AND
DISPATCH TASK GROUP TO REDUCE BACKLOG**

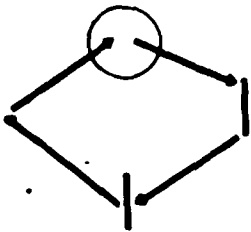


FORMAT: VOLUME/STATUS OF UNPRICED ORDERS

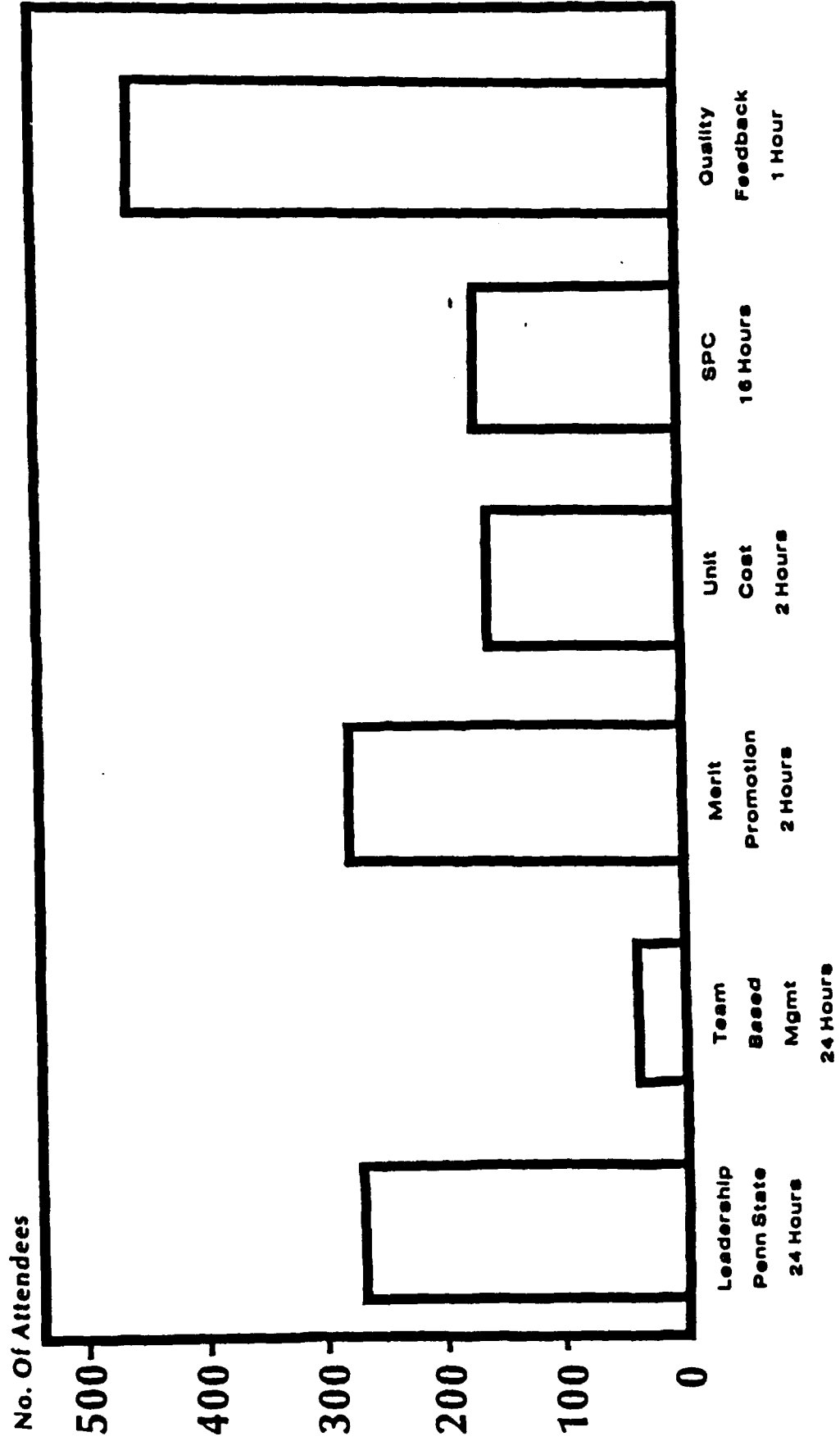


FORUM/FREQUENCY

SECTION CHIEF	MONTHLY
BRANCH CHIEF	MONTHLY
DIVISION CHIEF	MONTHLY
DIRECTOR	MONTHLY



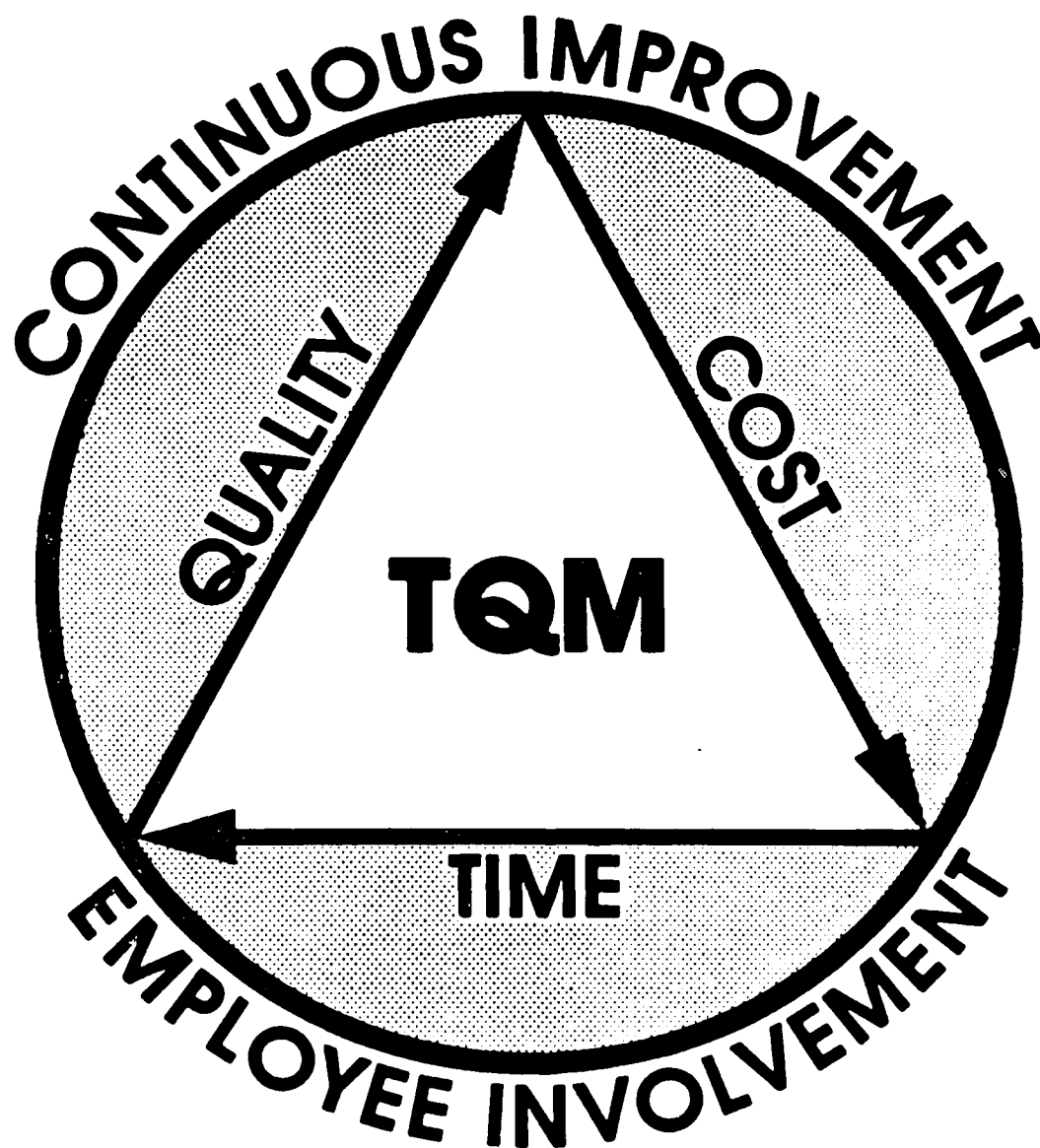
Leadership Training - Examples



Executives - Supervisors - Managers

End of

TOTAL QUALITY MANAGEMENT TRAINING DOCTRINE



CALENDAR YEAR 1989

"THE PATH TO QUALITY BEGINS WITH *EDUCATION*,
REQUIRES INTENSIVE *EDUCATION* TO MAKE IT HAPPEN
AND ENDS WITH *EDUCATION* TO MAKE IT PERMANENT."

Dr. Myron Tribus
Massachusetts institute of Technology

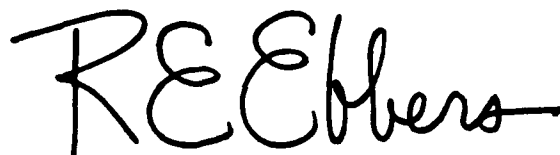
INDEX

Foreword by Captain Ebbers.....	i
Introduction by DISC-DQ.....	ii
The Quality College; Quality Management Awareness Training.....	1-2
Team Based Management.....	3-4
Process Analysis Workshop (Team Based II).....	5
Statistical Process Control (SPC) for Operators.....	6
Principles and Techniques of Group Problem Solving.....	7-8
Interpersonal Management Skills.....	9-10
Employee Contribution Model/Cross Training.....	11-12
Team Facilitation.....	13-14
Team Member Training.....	15-16

FOREWORD

Total Quality Management holds great promise for the future of the DISC organization and its people. By taking the TQM approach to improving our work processes we not only have the opportunity to improve the quality of service to our customers but we keep our people happy and productive as well.

The road to TQM is a proven one, but the journey is by no means easy. Achieving TQM takes commitment and intensive training at every level. The Doctrine you have before you, the staff instructors available to you and the Quality Campus established for you, all signal Command's commitment to make TQM a reality at DISC. As managers and supervisors with much to gain from Total Quality Management I urge you to get yourself and your people to training at the earliest opportunity.

A handwritten signature in black ink, reading "REEbbers". The letters are stylized and cursive, with a long horizontal stroke at the end.

Captain R. E. Ebbers, SC, USN
Deputy Commander
Defense Industrial Supply Center

FROM THE DQ STAFF

Scheduling training for employees is many times a difficult thing to do. Managers need to know where and when they can get training for people and they need that information well in advance so that the employees need for training can be balanced with the demands of a busy workday. One useful tool that can assist managers in planning and scheduling training is the Individual Development Plan (IDP). By having an IDP for each employee with courses and dates, supervisors can avoid conflicts and ensure their people get the training they need and deserve.

The Quality Management Training Doctrine was created to eliminate many of the problems managers face as they attempt to get the right people, to the right training, at the right time. If you have questions about scheduling employees for the enclosed courses please contact your area training coordinator or quality management representative.

DISC Quality Management

Training Today for a Better Tomorrow

Course Title: The Quality College; Quality Management Awareness Training

Target Audience: All Supervisors and Managers up through Division Level

Frequency/Duration: Monthly, 2-4 hours on various subjects

Instructor(s): Command, QM Staff, Guest Lecturers

Class Size: To Be Determined

Location: To Be Determined

Course Description/Background: As Alvin Toffler so aptly states in his book "Future Shock"; "Change is the only constant". The only thing that we can be certain of with regard to the future is that we will change. Management in America has changed dramatically over the last decade in response to rampant inflation, oil shortages, high interest rates, and recently huge budget and trade deficits. More and more gyrations in the private sector are impacting on the public sector and dictating changes in the way we operate. Merely coping with these changes will not be enough. As managers we have a responsibility to manage for change.

Implied in all of this however, is the fact that we too must change. Changing our management style requires a "shift" in our management thinking or "Paradigm". Having a vision of the future is central to bringing about this "Paradigm Shift". Understanding DISC's role in the future and how management will operate in that future requires insight into what is taking place in the present. The Quality College is an ambitious attempt to bring DISC into line with current management thinking in the way of quality, productivity, employee involvement and organizational development.

The College is an opportunity for managers to learn more about the directions DISC is taking in seeking new ways to improve our organizational effectiveness and create an atmosphere that keeps our people challenged. There are no short cuts to Quality Management and the principles and skills necessary to manage change are not bestowed by decree. The Quality College will meet on a monthly basis, cover various topics of interest within DISC specifically and DLA in general. These sessions will be supplemented by the QM training offered in the remainder of this Bulletin. It is Commands belief that upon "Graduation" our Quality Managers will be prepared to move DISC into the 1990's and beyond as we become a truly "Model Installation" within the Defense Logistics Agency.

The Quality College is entering its second year. Core courses given and to be offered again include:

- The Individual Development Plan (IDP)
- Team Based Management
- Employee Counseling, Awards and Appraisals
- Environmental Assessment
- Customer Vendor Perspective
- Quality Costs/Unit Cost
- Quality Audits
- Safety, Security and Standards of Conduct

Course Title: Team Based Management

Target Audience: Mid-Level Managers (Branch Level) through
First Line Supervisors

Frequency/Duration: Monthly, 3 Day Class (24 Hours)

Instructor: QM Staff

Class Size: 25

Course Description/Background: "Management is getting work done through others" so states a popular definition on the subject of managing. Team based management is the foundation upon which quality efforts are built. American management is evolving from one-way authoritarian supervision to two-way employee support functions. Given this evolution managers must acquire skills in developing and managing teams. This course will introduce managers to team building techniques useful in bring about group approaches to improved work performance.

Course Objectives:

Impart an understanding of Total Quality Management.

How to become customer oriented/customer driven.

Understanding of Group problem solving processes including team approaches to Statistical Process Control (SPC).

Overview of the operation of Task Teams, Quality Circles and Quality Feedback sessions.

Specific actions management must take to bring about a team effort.

Leading effective meetings and effective listening techniques.

Dates and Locations:

25-27 January	Quality Campus
22-24 February	" "
29-31 March	" "
24-26 May	" "
21-23 June	" "
19-21 July	" "
13-15 September	" "
18-20 October	" "
20-22 November	" "

Course Title: Process Analysis Workshop (Team Based Management II)

Target Audience: First Line Supervisors through Mid-Level Management (Branch Level)

Frequency/Duration: Monthly, 3 Day Class (24 Hours)

Instructor: QM Staff

Class Size: 25

Course Description/Background: This is a follow-on course to Team Based Management and is a more in depth review of the skills needed to continuously build quality into work processes. The course involves lecture and practical exercises in team approaches to problem solving including profiling internal customers and vendors, employing statistical thinking, Pareto analysis, problem stratification, pert analysis, system flow charting, frequency distribution and cause and effect analysis.

Course Objectives:

Learn techniques to improve internal customer/vendor relations.

Group problem solving (scientific method).

Analytical approaches to improving processes.

Statistical thinking in problem solving.

Dates and Location:

To be announced

Course Title: Statistical Process Control (SPC) for Operators

Target Audience: First Line Supervisors and key Office/Directorate Personnel

Frequency/Duration: Quarterly, 5 Days (40 Hours)

Instructor: Dr. Virgil Rehg, Air Force Institute of Technology (AFIT)

Class Size: 30

Course Description/Background: The quality of a product/process is said to be controlled if future quality can be predicted. SPC is a statistical tool that can be used to predict and improve quality. SPC helps to highlight the causes of output variation (one product is good while the next is defective) so that these causes can be quantifiably described, graphically displayed, and ultimately eliminated. If your section, branch, or division produces or adds value to a document (output Product) you have a process that can be better understood and controlled through SPC.

Course Objectives:

Reintroduce students to the statistical concepts of sampling, central tendency, standard deviation, and area under the curve.

Show how SPC is used to measure and chart process variation.

Step by step instruction in using the above statistical concepts to develop control charts.

Class project in relating SPC to a service environment.

Dates and Locations: To be announced

Course Title: Principles and Techniques of Group Problem Solving

Target Audience: First Line Supervisors, Task Team Leaders, Quality Circle Leaders and Alternates

Frequency/Duration: Bi-Monthly, 5 Days (40 Hours)

Instructor: QM Staff

Class Size: 25

Course Description/Background: This course is built around the proven problem solving process developed by the renown Quality Control Circles of Japan. The group problem solving process is a systematic use of various analytical techniques including: brainstorming, cause and effect analysis, nominal group technique, force field analysis, data collection and charting, Pareto analysis, and effective presentment techniques. The course is concerned with training leaders of teams how to utilize the problem solving process and to recognize and respond to the vagaries of group dynamics.

Course Objectives:

Introduce students to the analytical techniques used in the group problem solving process.

Provide guidance on how leaders should maneuver teams through problem solving.

Develop an understanding of group dynamics and interpersonal management skills.

Ensure understanding through simulation.

Leading effective meetings.

Dates and Location:

30, 31 Jan - 1, 2, 3 Feb

Quality Campus

6-10 March

" "

8-12 May

" "

24-28 July

" "

25-29 September

" "

6-10 November

" "

Course Title: Interpersonal Management Skills

Target Audience: First Line Supervisors, Task Teams and Quality Circle Leaders

Frequency/Duration: Monthly, 3 days (24 hours)

Class Size: 12

Instructor: QM Staff

Course Description/Background: Teamwork is an essential ingredient of every well run organization. As much as teamwork is emphasized however, management must not lose sight of the fact that work groups are basically a collection of individuals. For work groups to function well the leader-team member relationship must be a good one. This course provides specific interpersonal techniques that can be used to avoid problems of a personal nature that may impede the progress of teams or reduce the efficiency of work units.

Course Objectives:

Be understanding of the need to sharpen listening skills including clarifying and confirming individual statements and comments.

Know how and when to give constructive criticism and how and when to give praise.

Know how to manage conflict.

Recognizing and avoiding zero-sum solutions (win-lose) and how to work toward common ground (win-win).

Dates and Locations:

February 22, 23, 24	Quality Campus
March 1, 2, 3	" "
March 20, 22, 23	" "
April 5, 6, 7	" "
May 23, 24, 25	" "
June 6, 7, 8	" "
August 8, 9, 10	" "
August 29, 30, 31	" "
October 11, 12, 13	" "
October 31, November 1, 2	" "

Course Title: Employee Contribution Model/Cross Training

Target Audience: All Employees

Frequency/Duration: Monthly, 4 days (32 hours)

Instructor(s): Various Directorate Instructors
and QM Staff

Class Size: 25

Course Description/Background: This is a version of the highly successful DISC Cross Training updated to emphasize the importance of individual employee contributions. The class attempts to relate the students role and impact on our three major processes; Acquisition, Material Management and Catalog Management, in the hopes of making individual actions more meaningful. An overview of Total Quality Management concepts is also included. New employees stand to benefit the most from this course.

Course Objectives:

Overview of Total Quality Management.

Describe the DISC mission in terms of the three major processes Acquisition, Material Management and Catalog Management.

Establish the three process concept as the framework for the course.

Have instructors from the various Offices and Directorates present their respective segments within the three process framework.

Dates and Locations:

February 6, 7, 8, 9	Quality Campus
March 13, 14, 15, 16	" "
April 10, 11, 12, 13	" "
May 15, 16, 17, 18	" "
June 12, 13, 14, 15	" "
July 10, 11, 12, 13	" "
August 14, 15, 16, 17	" "
September 18, 19, 20, 21	" "
October 23, 24, 25, 26	" "
November 14, 15, 16, 17	" "
December 11, 12, 13, 14	" "

Course Title: Team Facilitation

Target Audience: Those individuals charged with advising and assisting problem solving groups.

Frequency/Duration: Quarterly, 2 Days (16 hours)

Instructor: QM Staff

Class Size: 15

Prerequisite: Principles and Techniques of Group Problem Solving

Course Description/Background: Assembling a group to solve organizational problems is easy. Keeping problem solving groups progressing toward finding and implementing solutions is difficult. Many times an independent party schooled in group problem solving techniques can be the difference between an outstanding success and a wasted effort. Trained facilitators provide group leaders with expertise, guidance, and the confidence to maneuver a group toward problem resolution. Building on the concepts learned in the 40 hour problem solving course, facilitator candidates will be trained to assist leaders in managing teams.

Course Objectives:

Understand the role of facilitator as instructor, guide, and coach.

Be aware of group dynamics in problem solving teams.

Develop interpersonal management skills.

Learn group intervention techniques.

Introduce administrative aspects of facilitation (coordination)

Dates and Location:

April 11 & 12

September 19 & 20

November 14 & 15

Quality Campus

" "

" "

Course and Title: Team Member Training

Target Audience:

- All members of problem solving teams (Task Teams, Quality Circles, Ad Hoc Committees).
- Can be used as a refresher for group leaders.

Frequency/Duration: Bi-Monthly, 1 day (8 hours)

Class Size: 25

Instructor: QM Staff

Course Description/Background: This course is an abbreviated version of the 40 hour principles and techniques course. The class is designed to help team members build and sharpen analytical skills. Students are walked through the problem solving process which includes; brainstorming, cause and effect analysis, force field analysis, data collection and charting, Pareto analysis, and presentment techniques. The course encourages teams to take a systematic approach to problem solving.

Course Objectives:

Introduce students to analytical techniques used within the group problem solving process.

Provide guidance on how groups are expected to use the techniques.

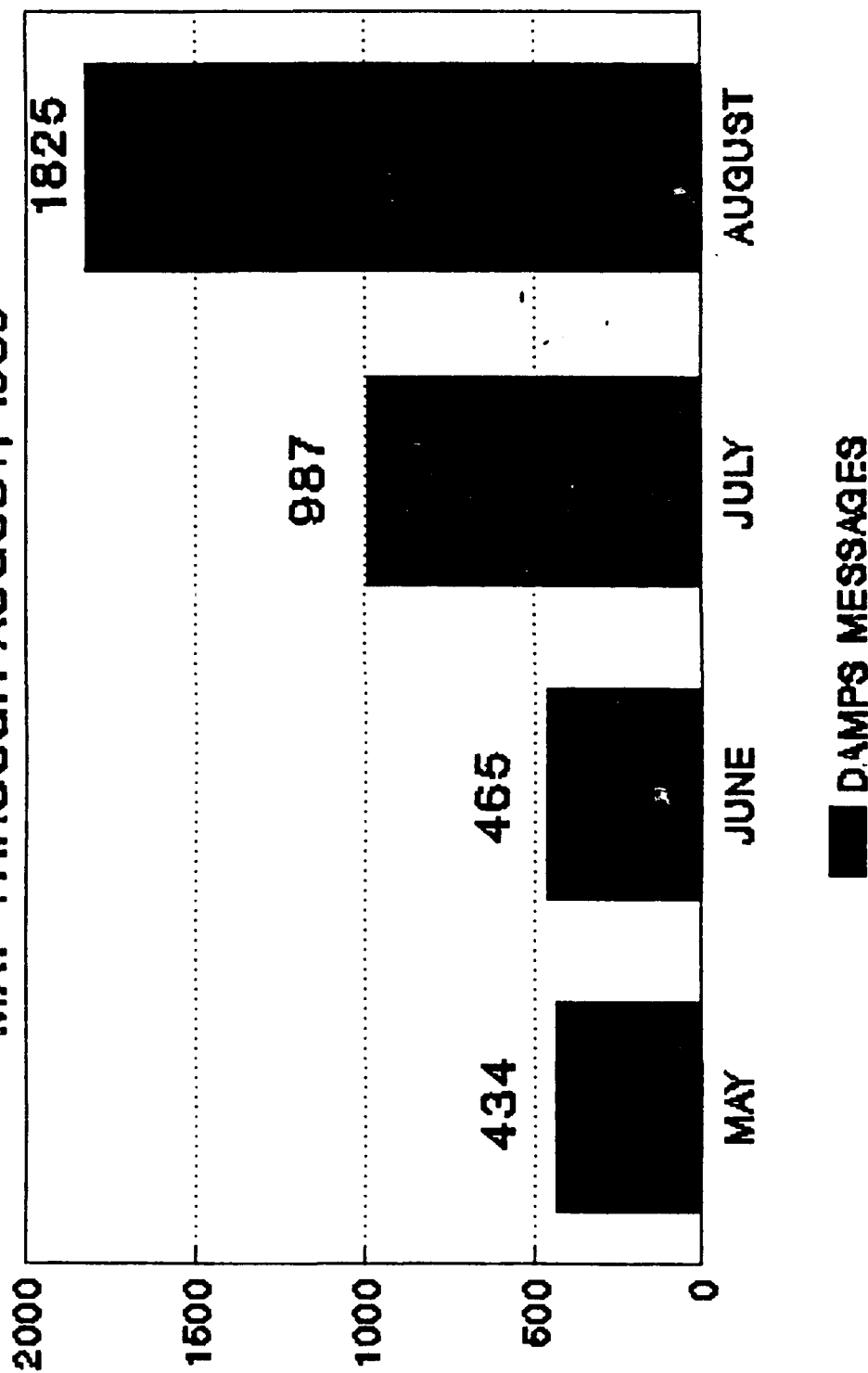
Provide examples of how and why the techniques are used.

Ensure understanding through simulation.

Dates and Locations:

April 18	Quality Campus
June 19	" "
August 2	" "
October 16	" "
December 5	" "

**AUTOMATED OUTGOING MESSAGES
CREATED AND TRANSMITTED VIA DAMPS
MAY THROUGH AUGUST, 1989**



End G

BLACK HAT MEMORANDUM OF UNDERSTANDING (MOU)
DISC-O, P, Q, S

1. This MOU covers only preaward referral actions that are initiated by a contract specialist (buyer) in one of the DISC-P buying divisions. It does not cover up-front referrals to DISC-SD for bid set drawings or purchase requests referred to ESOC for SMART procurements. This MOU also does not cover transportation referrals to DISC-OT or any post award referrals.
2. DISC-O, S, P and Q will assign at least one full-time member and one alternate member to the Black Hat Committee:

Black Hat Committee

<u>Directorate</u>	<u>Primary Member</u>	<u>Alternate Member</u>
DISC-O	Jim Gallagher	Pat Murphy/Steve Farb
DISC-P	Dorothy Fort	Anthony D'Avella/Brenda Isaac
DISC-Q	Ellie Felton	Meridel Peterson
DISC-S:		
SD	Mike Hughes	Rick Gillespie
ST	Harry Sands	Les Jones

3. All referral actions will be handcarried to their destination (Black Hat station in O, P, Q, S). DISC-P will provide primary courier service and DISC-S will provide backup service.
4. SAMMS updates to record the action date, reason code, and destination of a referral will be centralized in the DISC-P Black Hat Control Center. All updates will be done on the day the action is received in the DISC-P Black Hat Control Center. All updates will be accomplished by direct access to SAMMS vice YPW cards.
5. SAMMS updates of actions being routed among action directorates (O, Q, S) will also be accomplished by the DISC-P Black Hat Control Center. Notification by DISC-O, Q, S will be given to the DISC-P Black Hat Control Center by use of a daily routing sheet.

Encl 7

6. In accordance with the "Three Ring Circle" proposal, telephone referrals will be processed by the Black Hat Team along with normal referrals. Telephone referrals do not require SAMMS updating since actions should be completed no later than the working day following the telephone conversation.

7. Requests for referral status will be accomplished through the Black Hat Committee. Committee members will also screen received and completed referrals for correct address and reason codes, completeness, and legibility.

8. The following standard turn-around times are established:

<u>Organization</u>	<u>Type</u>	<u>Days</u>
DISC-O	Internal	12
DISC-O	Customer	45
DISC-S	Internal	20
DISC-S	External	45
DISC-Q	Internal	30
DISC-Q	External	45

9. The following escalation procedures will be utilized:

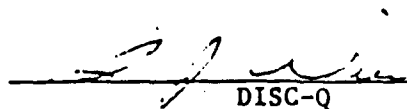
Suspense date plus 5 days - Black Hat Committee Members

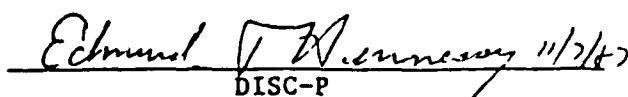
Suspense date plus 10 days - Section Chief Level

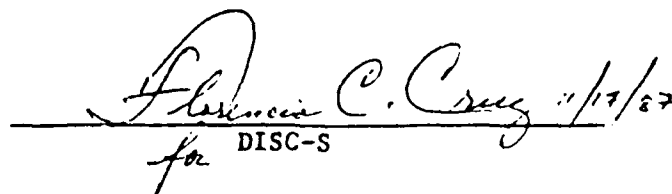
Suspense date plus 15 days - Branch Chief Level

Suspense date plus 20 days - Division Chief Level

 11/12/87
DISC-O

 11/12/87
DISC-Q

 11/12/87
DISC-P

 11/17/87
for DISC-S

QUALITY CATALOGING TASK TEAM

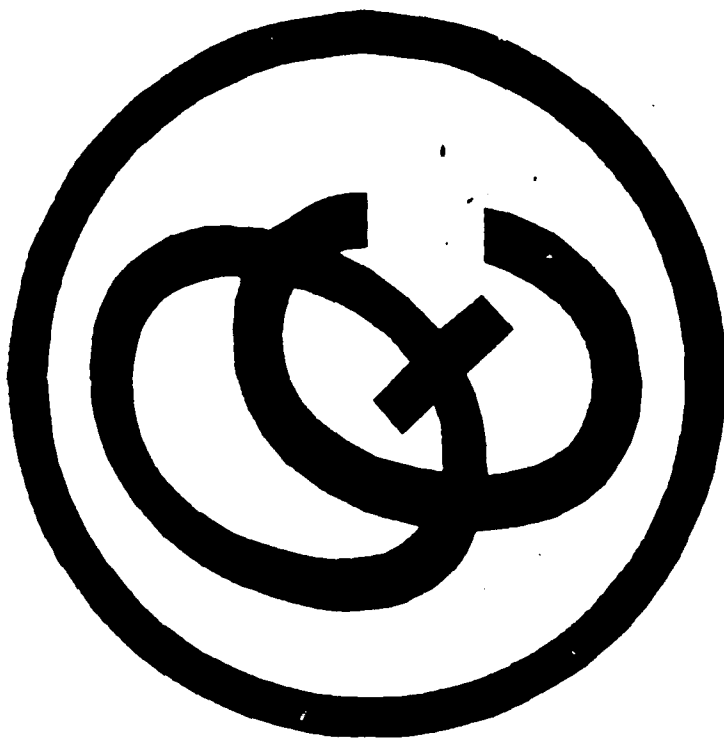
Wendy Americo

Richard Amme

Joseph D'Amore

Robert McInnis

George Schaffner

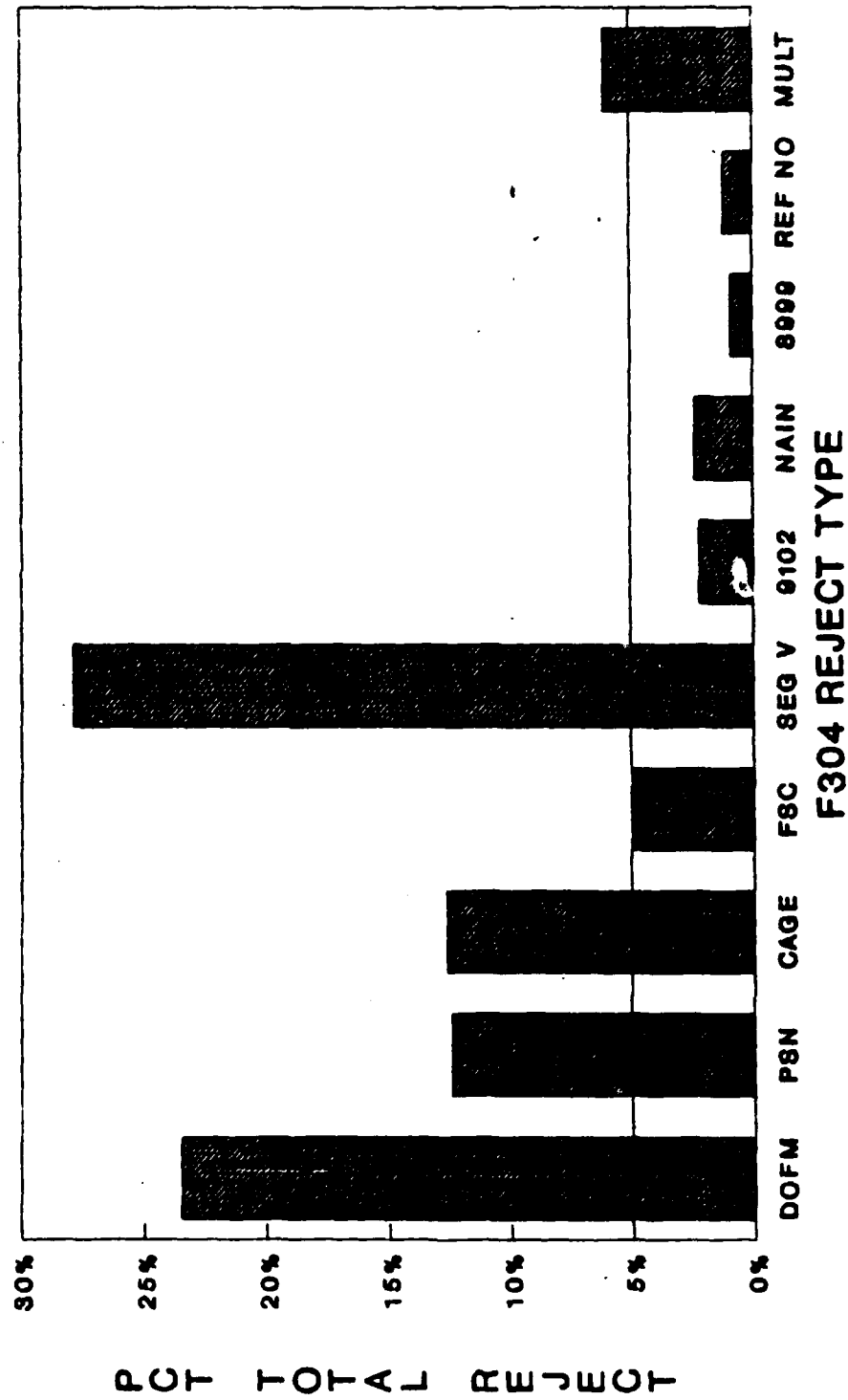


QUALITY CATALOGING TASK TEAM

Introduction and Background

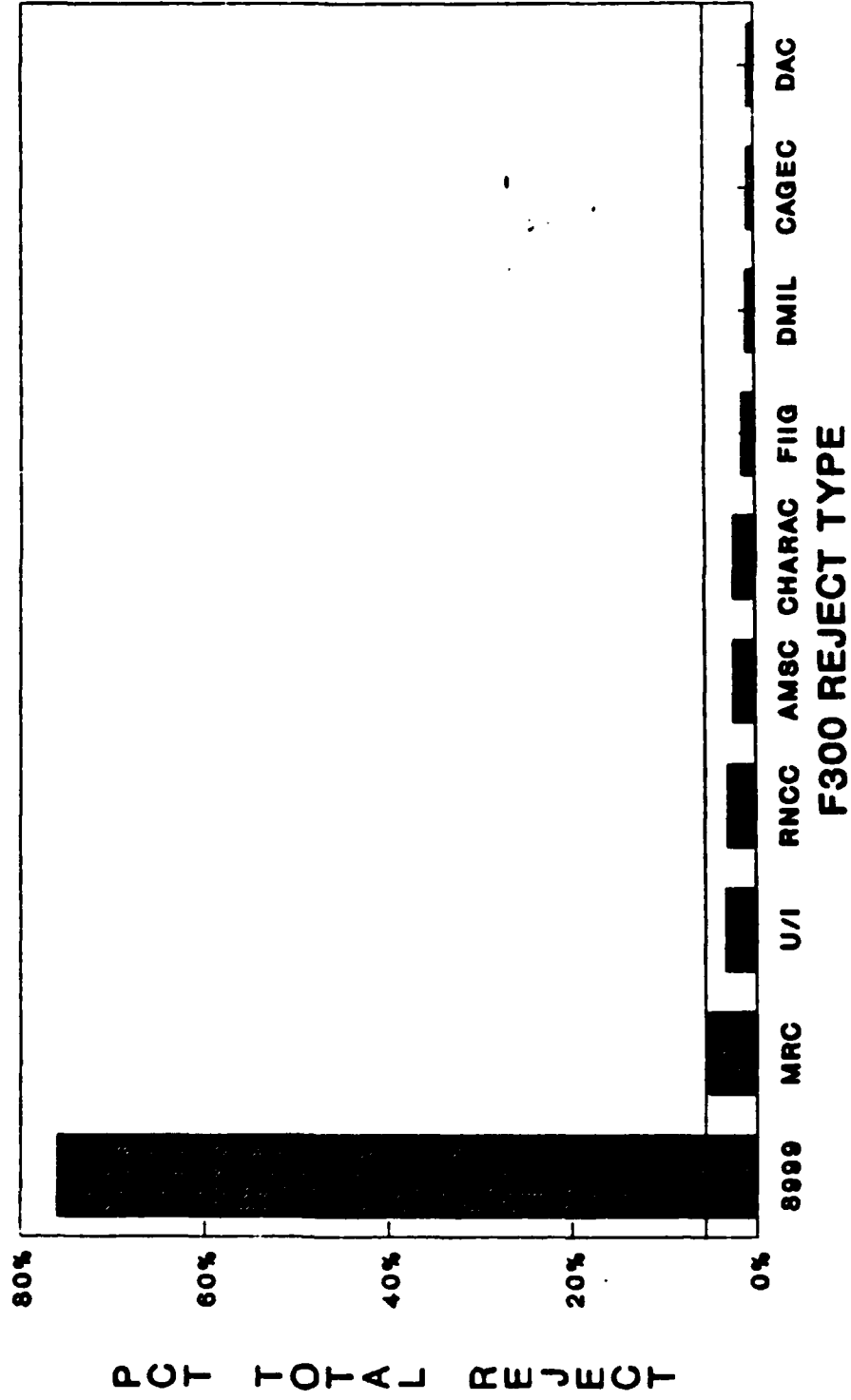
- Reject Analysis For Period April-December 1988
- Overall DLSC Rate - 11.6%
SAMMS Rate - 7.1%
- DISC-SCAD "In-House" Statistics Not Included In Study
- DISC-SI Clerk-Discovered Rejects Not Included
- Six Reject Types Comprise 75% Of Total Rejects
- Lifesavers Quality Circle Also Working On 8999 UW Rejects
- Bill Schofield's Database Information Used In This Analysis

QUALITY CATALOGING TASK TEAM ***F304 DLSC REJECTS***



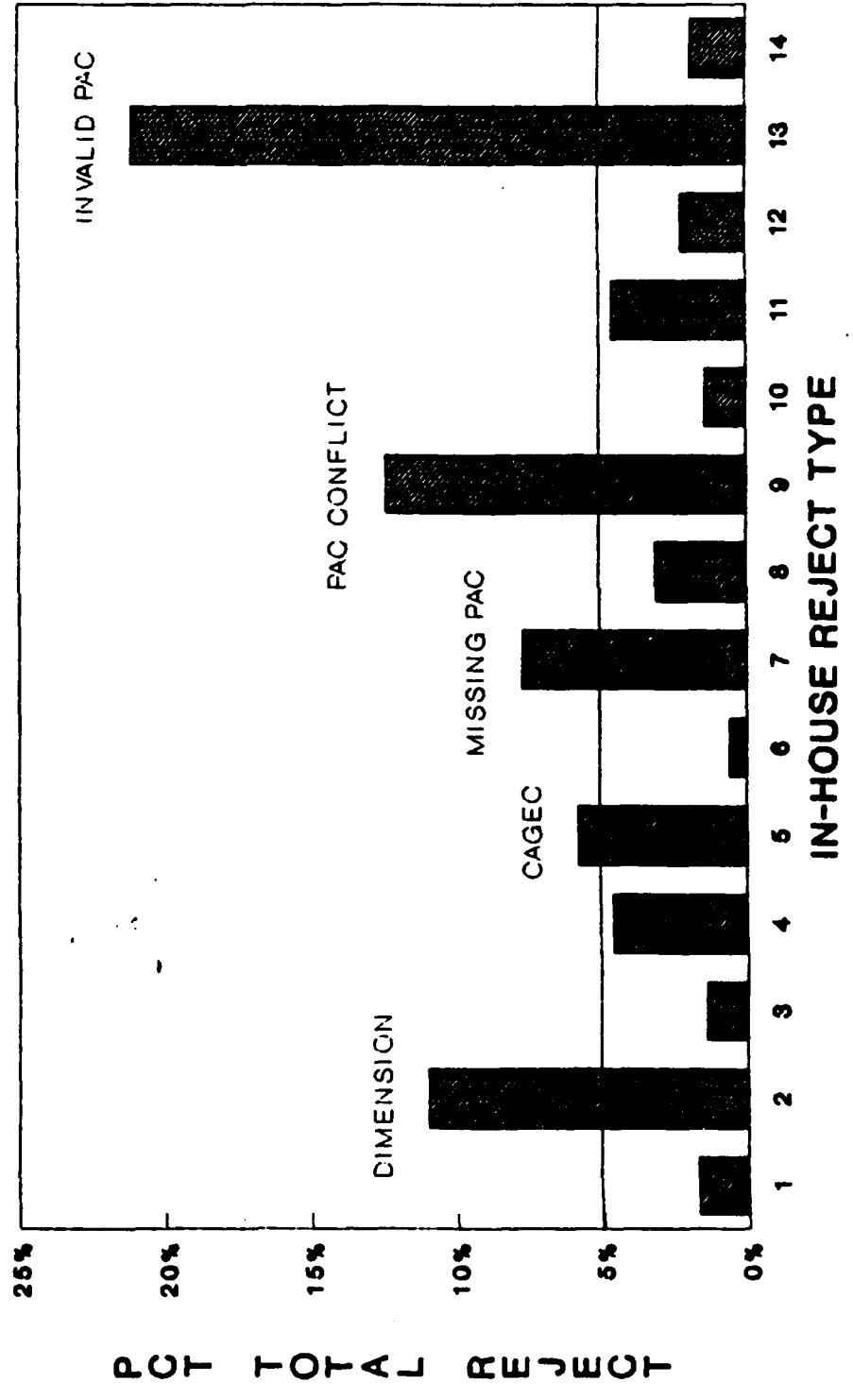
APRIL-DECEMBER 1988

QUALITY CATALOGING TASK TEAM *F300 SAMMS REJECTS*



APRIL-DECEMBER 1988

QUALITY CATALOGING TASK TEAM **DISC-SCAD 426 FORM REJECTS**



APRIL-DECEMBER 1988

QUALITY CATALOGING TASK TEAM

Item Identification Characteristics Errors (Seg V)

Primary Causes

1. Item Identification Preparation Error
2. Supply Cataloger Training Deficiency
3. Supervisors Not Held Accountable To Improve Quality
4. Improper/Inconsistent Use Of Cataloging Tools and Procedures

Represents 34% of F304 Rejects

QUALITY CATALOGING TASK TEAM

Item Identification Characteristics Errors (Seg V)

Recommended Solutions

SYSTEM

- Standardize FIIG Nomenclature

METHOD

1. Semi-Annual Purge/Update All Cataloging Tools, References, and Procedures
2. Use Reject Statistics To Improve Quality
3. Develop Standardized Transcripts For Applicable FSCs and INCs
4. Require Mandatory Adherence to the LRN Correction Re-Entry Procedure

QUALITY CATALOGING TASK TEAM

Item Identification Characteristics Errors (Seg V)

Recommended Solutions

TRAINING

1. Develop Pass/Fail Cataloger Technical Drawing and Materials Course
2. Develop Pass/Fail Cataloger Procedures Course to Include Rules, Tools, DIDS, and SAMMS
3. Hold Supervisors Accountable To Administer Structured Commodity Oriented OJT

ACCOUNTABILITY

1. Supervisors should use Reject Statistics
2. Establish Section/Branch Quality Product Goals
3. Require Catalogers to study FIGs/LNDGs
4. Create GS-2050-10 Senior Cataloger
5. DISC-SI primarily responsible for improvement

QUALITY CATALOGING TASK TEAM

Item Identification Degree of Match Rejects

Primary Causes

1. Item Entry Control Screening Not Uniformly Enforced and Verified
2. Fifteen Day Purge and Re-Entry of Item Identification Documents
3. Military Services Submit Duplicate Part Numbers and SSRs At The Same Time
4. DMINS and SAMMS Automated Screening Process Only Uses Primary Part Numbers

Represents 23.5% of F304 Rejects

QUALITY CATALOGING TASK TEAM

Item Identification Degree of Match Rejects

Recommended Solutions

SYSTEM

1. Secondary P/N SAMMS/DMINS Screening
2. Develop "DOFM" MRC

METHOD

1. Develop Mandatory Commodity Screening
2. Hold Military Services Accountable to IEC Screening Procedures
3. Verify RMII P/Ns
4. Commercial Cross Reference by Telecon
5. Eliminate 15 Day Purge and Adhere To Output Processing Procedures

QUALITY CATALOGING TASK TEAM

Item Identification Degree of Match Rejects

Recommended Solutions

TRAINING

- Develop Specific Degree of Match Related Training For Provisioning and Item Identification Supply Catalogers

ACCOUNTABILITY

- Hold Supervisors Accountable To Improve Quality Using Reject Statistics
As A Tool

QUALITY CATALOGING TASK TEAM

Package Sequence Number (PSN) Missing/Invalid

Primary Causes

1. Item Identification Supply Cataloger
Writing Error
2. Data Transcriber Typing Error

Represents 12.5% of F304 Rejects

QUALITY CATALOGING TASK TEAM

Package Sequence Number (PSN) Missing/Invalid

Recommended Solutions

SYSTEM

- Develop A System That Automatically Enters PSNs or Does Not Accept Missing or Invalid PSNs

METHOD

- Develop Quality Goals For Data Transcription Section Using PSN Reject Statistics

QUALITY CATALOGING TASK TEAM

Package Sequence Number (PSN) Missing/Invalid

Recommended Solutions

TRAINING

- Develop Training For Transcription of Cataloging Actions

ACCOUNTABILITY

- The Data Transcription Section Designated As The Primarily Responsible Area For Improvement Of PSN Quality

QUALITY CATALOGING TASK TEAM

Invalid Combinations of FIIG/INC/FSC

Primary Causes

1. Item Identification Supply Cataloger Error
2. Data Transcription Typing Error
3. Criteria Changes While Work Is In Process

Represents 5% of F304 Rejects

QUALITY CATALOGING TASK TEAM

Invalid Combinations of FIIG/INC/FSC

Recommended Solutions

SYSTEM

- Develop A System Edit That Automatically Enters 2 of 3 or Does Not Accept Invalid Combinations

METHOD

1. Use LOGRUN To Research The Acceptable Combinations
2. Blackout FIIG Space On RMII Transcripts

QUALITY CATALOGING TASK TEAM

Invalid Combinations of FIIG/INC/FSC

Recommended Solutions

TRAINING

- Emphasize The Importance Of Proper Combinations During OJT and Formal Supply Cataloger Training

ACCOUNTABILITY

- The Quality Control Section Is The Designated Area Primarily Responsible For Improvement

QUALITY CATALOGING TASK TEAM

Invalid CAGECs

Primary Causes

1. IEC Screening Procedure Weakness
2. Writing and/or Typing Error
3. CAGEC Microfiche Outdated

Represents 12.5% of F304 Rejects

QUALITY CATALOGING TASK TEAM

Invalid CAGECs

Recommended Solutions

SYSTEM

- Develop Lines Of Communication From
DLSC To DISC-SC & SI Supervisors For
Immediate CAGEC Change Notification

METHOD

1. Develop Mandatory IEC Screening Procedure
Using Computer For CAGEC Validation
2. Annotate 1173 and Transcript Upon
Verification Of All CAGECs
3. Incorporate CAGEC Validation in GS-5
Supply Clerk Evaluations and PD

QUALITY CATALOGING TASK TEAM

Invalid CAGECs

Recommended Solutions

TRAINING

- Supervisor Provides OJT For CAGEC Validation

ACCOUNTABILITY

- DISC-SI Supervisors Should Be Primarily Accountable For Improvement In This Category

QUALITY CATALOGING TASK TEAM

Transcript B & H Segments Are Incomplete

Primary Causes

1. Initial Advice YDH Card Is Not Processed
2. Transcript Is Processed Before The YDH Card
3. The Transcript Document is Written Or Typed Incorrectly

Represents 76% of F300 Rejects



QUALITY CATALOGING TASK TEAM

Transcript B & H Segments Are Incomplete

Recommended Solutions

SYSTEM

1. Store YDH Information For Document Number Match-Up Before Transaction Typing
2. Have YDH Information Loaded At Time Of 1173 Printing - Eliminating Card Drop

METHOD

1. Standardize And Consolidate YDH Card Processing Procedure
2. Reconcile YDH Card Receipts With Number Of Documents Received From DISC-SI

QUALITY CATALOGING TASK TEAM

Transcript B & H Segments Are Incomplete

Recommended Solutions

TRAINING

- Develop Instruction On The Procedure
Emphasizing The Importance Of Control
And Proper Processing Of YDH Cards

ACCOUNTABILITY

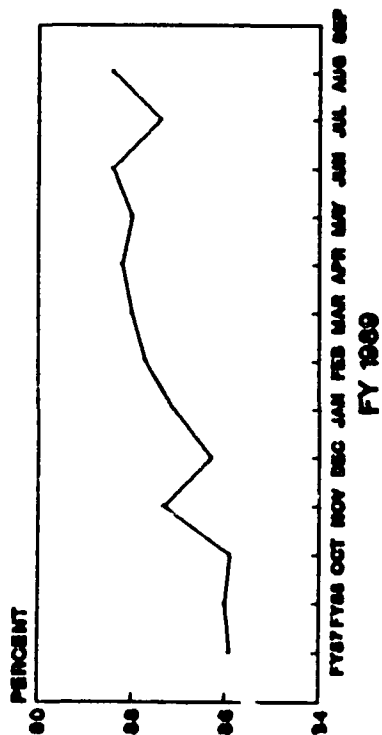
- Hold Section Supervisors Accountable
For YDH Card Processing

QUALITY CATALOGING TASK TEAM

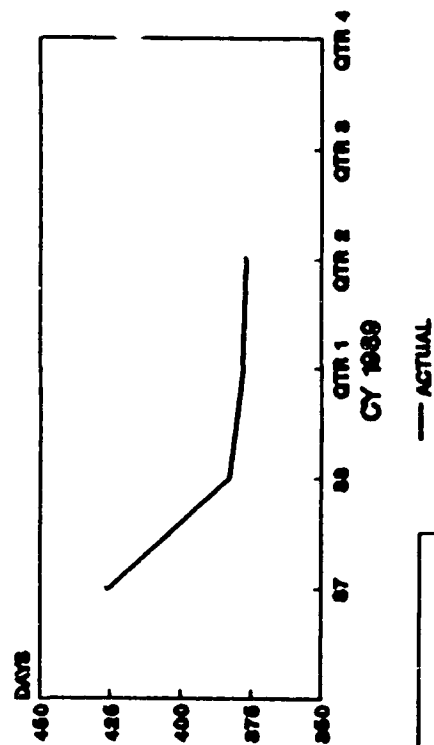
Presentation Summary

- ***Establish Group Quality Goals***
- ***Assign Quality Improvement Responsibility To Specific Areas***
- ***Supervisors Required To Produce Monthly Quality Reports***
- ***Develop The Quality Mindset With Training And Active Management Support***
- ***Employee OJT Is A Supervisor's Responsibility***
- ***Cataloging Tools On Line (CTOL)***

**SUPPLY AVAILABILITY
PERCENTAGE**

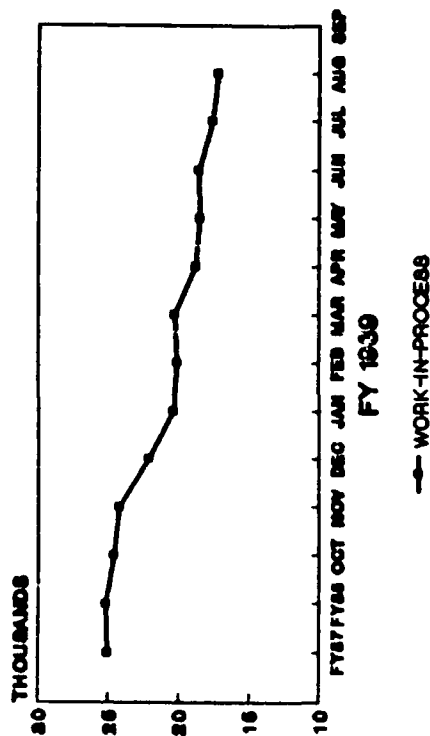


**TOTAL LEADTIME
(STRATIFICATION)**

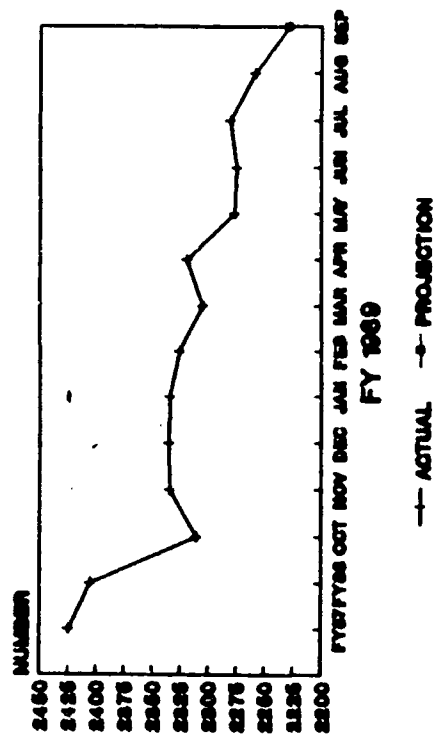


TQM RESULTS

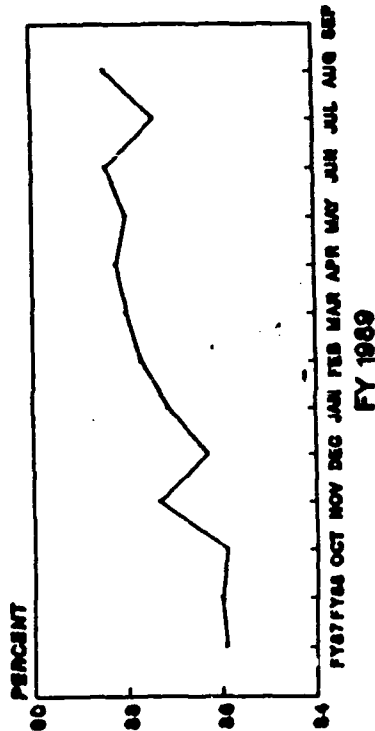
CUSTOMER COMPLAINTS WORK-IN-PROCESS



WORKYEARS LABOR CONSUMPTION

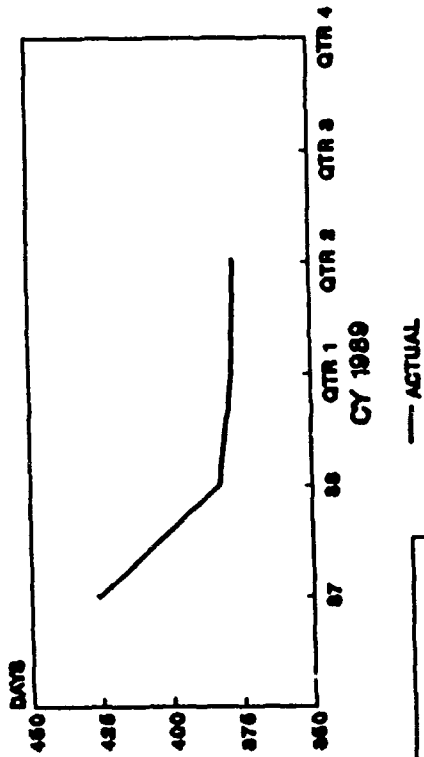


SUPPLY AVAILABILITY PERCENTAGE



— ACTUAL

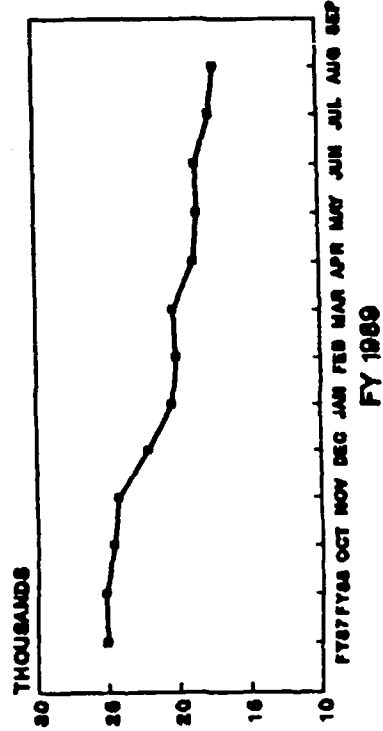
TOTAL LEADTIME (STRATIFICATION)



— ACTUAL

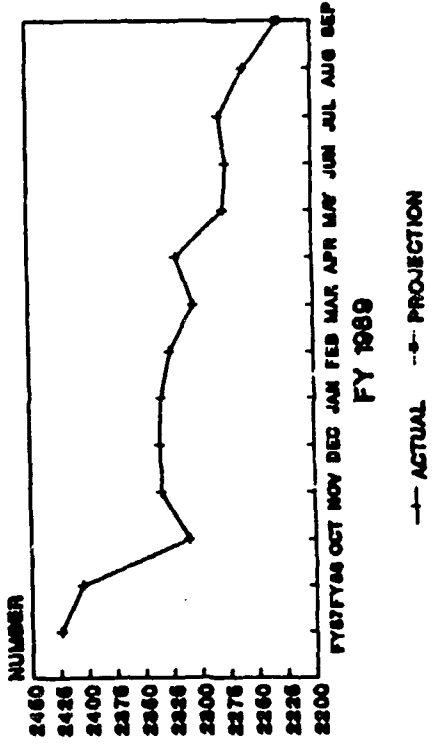
TQM RESULTS

CUSTOMER COMPLAINTS WORK-IN-PROCESS



— WORK-IN-PROCESS

WORKYEARS LABOR CONSUMPTION



— ACTUAL - - - PROJECTION