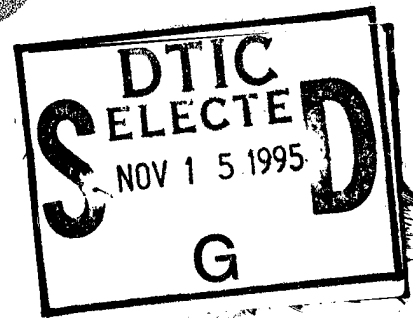


**Achieving
Breakthrough
Improvement**

through

BENCHMARKING & REENGINEERING

a
Symposium



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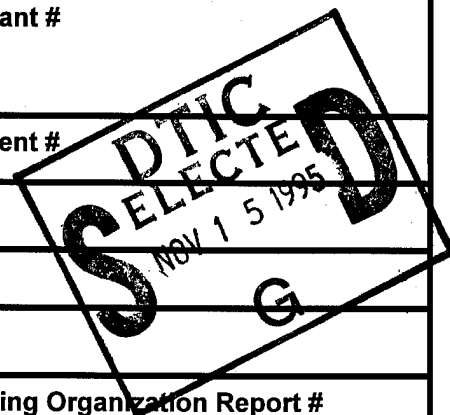
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DRAFT SF 298

1. Report Date (dd-mm-yy) 24-10-95		2. Report Type Proceedings		3. Dates covered (from... to)	
4. Title & subtitle BENCHMARKING & REENGINEERING: A SYMPOSIUM			5a. Contract or Grant #		
			5b. Program Element #		
6. Author(s)			5c. Project #		
			5d. Task #		
			5e. Work Unit #		
7. Performing Organization Name & Address THE UNDER SECRETARY OF DEFENSE (COMPTROLLER) AND THE ASSISTANT SECRETARY OF DEFENSE (COMMAND, CONTROL, COMMUNICATIONS & INTELLIGENCE)				8. Performing Organization Report #	
9. Sponsoring/Monitoring Agency Name & Address SAME AS #7				10. Monitor Acronym	
				11. Monitor Report #	
12. Distribution/Availability Statement Distribution Statement A: Approved for Public Release; Distribution is Unlimited					
13. Supplementary Notes					
14. Abstract This document is the proceedings from the Department of Defense sponsored Benchmarking & Reengineering Symposium, held October 24-25, 1995, at the Radisson Plaza Hotel in Alexandria, Virginia. The document contains slides and biographies for the presenters at the conference. The following is an overview of the Symposium: DoD's changing roles, missions, staffing, and resources require rapid breakthroughs in efficiency and effectiveness. The tools of benchmarking and reengineering, used together with other management approaches, can accomplish those breakthroughs. This conference will explore and explain how these tools work and how they can make possible huge improvements in the near term.					
15. Subject Terms CIM (Collection)					
Security Classification of			19. Limitation of Abstract Unlimited	20. # of Pages	21. Responsible Person (Name and Telephone #) Mary Bennett OSD/C3I 703-604-1484 Mary.Bennett@osd.mil
16. Report Unclassified	17. Abstract Unclassified	18. This Page Unclassified			



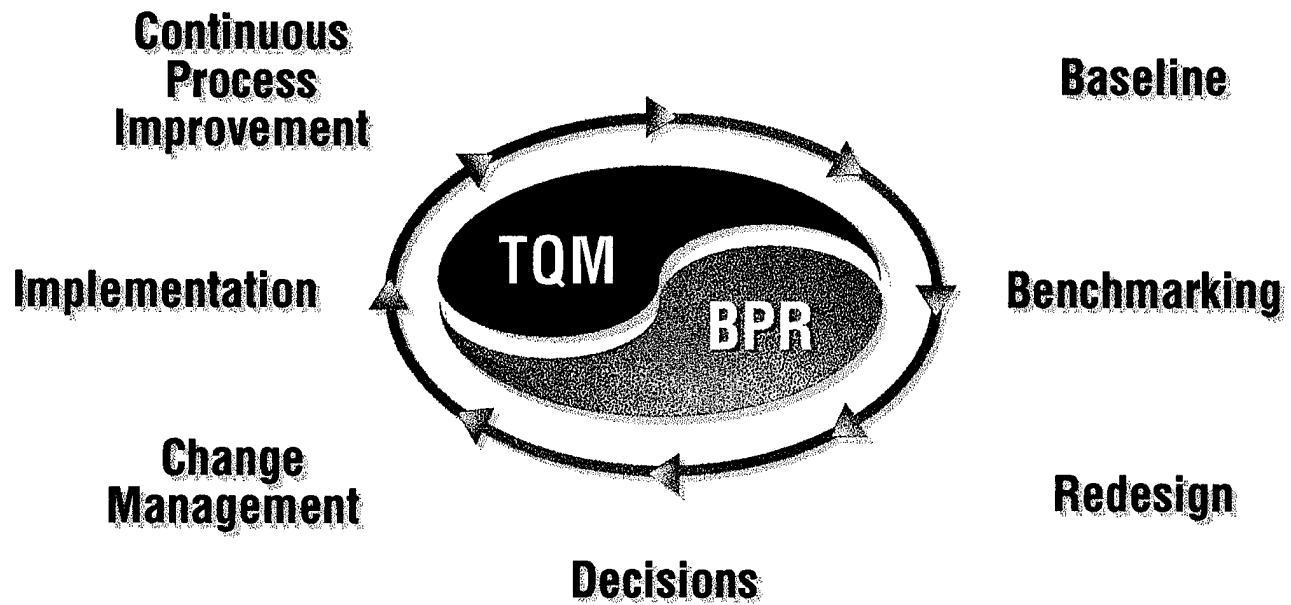
October 24-25, 1995
Radisson Plaza Hotel
Alexandria, VA

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BREAKTHROUGH IMPROVEMENT PROCESS



**Achieving Breakthrough Improvement
Through Benchmarking and Reengineering**

**Radisson Plaza Hotel
Alexandria, VA
October 24-25, 1995**

TUESDAY, OCTOBER 24, 1995

- 7:00 AM** **Registration**
 Continental Breakfast
- 8:10 AM** **ADPA Welcome**
 Lieutenant General Lawrence Skibbie
 USA (Ref) President, American Defense Preparedness Association
- 8:15 AM** **Opening Remarks**
 Moderator
 Blair Ewing
 Director, Chief Financial Officer Support, Office of the Under Secretary of Defense
 Comptroller (OUSD(C))
- 8:30 AM** **Need for Rapid Change**
 Alice Maroni
 Principal Deputy Under Secretary of Defense (Comptroller)
 Emmett Paige
 Assistant Secretary of Defense (Command, Control, Communications & Intelligence)
 (ASD(C31))
- 9:30 AM** **Refreshment Break**
- 10:00AM** **Integrating Change Management Approaches**
 John Davey, Director, Requirements, OUSD (Personnel & Readiness)
 Ann O'Connor, Director, Quality Management, Office of Director For Administration
 and Management (ODA&M)
 Mike Yoemans, Director, Business Process Reengineering, OASD(C3I)
 Blair Ewing, Director, Chief Financial Officer Support, OUSD(C) (Chair)
- 11:30 AM** **Lunch**
 Beyond Reengineering:
 The Management Challenge
 James Champy, Chairman/CEO, CSC/Index Group, Cambridge, MA
-

**1:00 PM How DOD Organizations
Approach Breakthrough**

Linda Doherty, Director, Total Quality Leadership, Department of the Navy (Chair)
Colonel Dan Cleary, Special Assistant for Quality, Department of the Army
Captain Donald Williams, Manager, Benchmarking, Air Force Quality Institute,
Maxwell AF Base, Alabama
Colonel Thomas K. Coghlan., Director, Planning and Analysis, DMA
Major General R. Beale, Jr., Director, Defense Commissary Agency, Ft. Lee, VA
Ruby McMillen, TEam Leader, Process Improvement, Corporate Performance Office,
Defense Logistics Agency

2:45 PM Refreshment Break

3:15 PM DOD Successes in Benchmarking and BPR(Concurrent Breakout Sessions)

- **C3I Reengineering**

- Records Management**

- Tom Bozek*, Director, Information Technology, OASD (C3I)

- Service Academics**

- Sandy Rogers*, Defense Information Systems Agency

- **Travel Reengineering**

- Pete Poulos*, Performance Measures & Results/Travel Reengineering,
OUSD(C)

- **Best Manufacturing Practices Program - Resources for Rapid Benchmarking
and Transfer of Proven Solutions**

- Rick Purcell*, Special Projects, Department of the Navy

- **Medical Reengineering**

- Stephen McManus*, Director, Pharmaceuticals Group, Defense Personnel Support
Center, Philadelphia, PA

- **Benchmarking Electromagnetic Spectrum Management**

- Major Steve McGee*, Director, Facility & Telephony Services, Air Force

- **Quality for Our Customers - Improvement for Our Future**

- John Ebert*, Total Quality Manager, Naval Undersea Warfare Center Division, Keyport,
WA (1994 President's Quality Improvement Prototype Award Winner)
Gary Gibbs, Comptroller of the Naval Undersea Warfare Center Division

4:00 PM Change Sessions

4:15 PM **DOD Successes in Benchmarking and BPR**
Repeat above sessions

5:00 PM **Adjourn**

**5:15-
7:00 PM** **Reception in exhibition area**

Wednesday, October 25, 1995

7:00 AM **Continental Breakfast**

8:00 AM **Opening Remarks**
Moderator
Mike Yoemans, Director, Business Process Reengineering, OASD(3I)

Marine Corps Reengineering
MG B.D. Lynch, Commanding General, Marine Corps Combat Development Command

8:30 AM **1994 Malcolm Baldrige Winners:**
How They Did It
John Greco, AT&T Consumer Communication Services, Basking Ridge, NJ
Mike Simms, Plant Manager, Wainwright Industries, St. Peters, MI

10:00 AM **Refreshment Break**

10:30 AM **Training Sources & Tools (Concurrent Breakout Sessions)**

BenchNet
Pamela Johnson, National Performance Review
Colonel Dan Cleary, Department of the Army

American Productivity Quality Center
Paul Murphy, Director, Total Quality Management, Houston, TX

Business Process Reengineering Tools
John Tieso, Assistant to Director for Business Process Reengineering, OASD(C3I)
Dave Carter, Defense Information Systems Agency

Training Resources & Networks

Laurie O'Leary, Head, Organizational Management Systems, Department of the Navy

Lieutenant Colonel Dan Porter, Air Force Innovation Center

Lieutenant Colonel Bill Danzeisen, Chief, Army Management Practices Branch

11:45 AM Lunch

Reinvention & Reengineering:

A View from the Hill

Jerome Climer, President, Congressional Institute

1:00 PM Reengineering US Customs Service
Philip Metzger, Director, Office of Trade NCE

1:30 PM Tutorials (Concurrent Breakout Sessions)

Strategy Planning/Performance Measures

Pete Poulos, Performance Measures and Results OUSD(C)

Benchmarking Process

Blair Ewing, Director, CFO Support, OUSD(C)

Business Process Reengineering

Mike Yoemans, Director, Business Process Reengineering, OASD(C3I)

Quality Management

Dr. Archester Houston, Organizational Management Systems, Department of the Navy

Major Bryan Zak, Quality Division, Department of the Air Force

Wayne Wheelock, Director & President, Tank Automotive Research Development Engineering Center (TARDEC)

Pam Watts, Associate Director for Quality & Reengineering, TARDEC

2:30 PM Refreshment Break

3:00 PM Tutorials (Repeat above Sessions)

4:00 PM Concluding Remarks
Mike Yoemans, Director, Business Process Reengineering, OASD(C3I)

4:30 PM Adjourn

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Alice Maroni, Principal Deputy Under Secretary of Defense (Comptroller)

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ADPA Welcome

Lt. General Lawrence Skibbie

USA (Ref) President,
American Defense Preparedness Association



Opening Remarks

Blair Ewing

Director, Chief Financial Officer Support,
Office of the Under Secretary of Defense
Comptroller (OUSD(C))

BIOGRAPHY

BLAIR G. EWING

Director for Chief Financial Officer Support

Blair Ewing is the Director for Chief Financial Officer Support, Under Secretary of Defense (Comptroller) (OUSD(C)). He has held this position since April 1986. The Director is responsible for the development of recommendations for management improvement in OUSD(C), for policy guidance for the Internal Management Control Program for the OUSD and for support to the Comptroller in his role for providing guidance for financial management education and training.

He is also Director of the Office of Performance Improvement and management Re-engineering, which is responsible for the National Performance Review initiatives in DoD.

Until April 1986, Mr. Ewing was a senior management analyst with the U.S. Office of Management and Budget (OMB). He was responsible for the development of plans for implementation of a new government-wide productivity improvement program, designed to bring about major efficiency gains in the way the government delivers products and services. Mr. Ewing was also Project Manager for the Personnel/Payroll Project at OMB, a position he had held since June, 1983.

His professional experience includes 2 years as the Deputy Director of the Office of Management at the U.S. Office of Personnel Management (OPM), 2 years as the Assistant Director of the Workforce Effectiveness and Development Group at OPM for the Office of Productivity Programs, 2 years as the Director of the National Institute of Law Enforcement and Criminal Justice, the research arm of the Law Enforcement Assistance Administration, and 2 years as the Director of Planning and Evaluation for LEAA. Mr. Ewing also was Director of Public Safety for the Metropolitan Washington Council of Governments, Director of the Office of Criminal Justice Plans and Analysis in programs in the Office of the Assistant Secretary for Planning and Evaluation HEW. He has done management consulting on personnel administration, planning and management improvement in both the public and private sectors.

Mr. Ewing taught political science and public administration at the State University of New York for 5 years, and criminal justice administration as an Adjunct Professor at the Georgetown University Law Center. He has been a member of the Montgomery County (MD) Board of Education since 1976, serving as Chairman of the Audit Committee, Chairman of the Research and Evaluation Committee, Chairman of the Strategic Planning Committee, and twice as President of the Board. He was also a newspaper reporter for three years.

In 1990, Mr. Ewing was given the Distinguished Civilian Service Award by the Secretary of Defense. In 1991 he received the Presidential rank award, Meritorious Senior Executive. In 1983, he received the Director's award for Distinguished Service from the OPM Director.

Mr. Ewing has a BA degree from the University of Missouri and a Master's degree from the University of Chicago in political science, and has done advanced work beyond the master's level, at the University of Bonn in Germany and the University of Chicago.

He is the author of a book entitled "Peace through Negotiation" and of many articles on management, public administration, political science and government.



Need for Rapid Change

Alice Maroni

Prinicipale Deputy Secretary
of Defense (Comptroller)



Need for Rapid Change

Emmett Paige

Assistant Secretary of Defense

(Command, Control, Communications & Intelligence)
(ASD(C31))

BIOGRAPHY

HONORABLE EMMETT PAIGE, JR.

Lieutenant General (Retired) Emmett Paige, Jr., has had an extraordinary career since he enlisted in the US Army in August 1947. At that time, he was 16 and a high-school dropout. After spending approximately five (5) years as an enlisted soldier and a Non-Commissioned Officer, he was accepted to and completed the Signal Corps Officers Candidate School. In July 1952, General Paige was commissioned a 2nd Lieutenant.

During his career as an officer, General Paige commanded the 361st Signal Battalion in Vietnam and the 11th Signal Group at Ft. Huachuca, AZ. In 1976 he was promoted to Brigadier General and given command of both the US Army Communications-Electronics Engineering and Installation Agency at Ft. Huachuca and the US Army Communications Systems Agency at Ft. Monmouth, NJ. General Paige received his second star in 1979 and took command of the US Army Communications Research and Development Command at Ft. Monmouth, NJ. In 1981, he took command of the US Army Electronics Research and Development Command, a worldwide organization headquartered in Adelphi, MD. LTG Paige was promoted to Lieutenant General in 1984 and took command of the US Army Information Systems Command, a worldwide organization headquartered at Ft. Huachuca, AZ; he remained in this assignment until his retirement in 1988. One of General Paige's most challenging military jobs was as the Project Manager of the Integrated Wide Band Communications System he installed in Southeast Asia; it was the largest communications system ever installed in a combat environment. While in the Army, General Paige received the Distinguished Service Medal with one oak leaf cluster, the Legion of Merit with two oak leaf clusters, the Bronze Star for Meritorious Service, the Meritorious Service Medal and the Army Commendation Medal.

Following his retirement from the Army in 1988, General Paige became the President and Chief Operating Officer of OAO Corporation, an Aerospace and Information Systems Company in Greenbelt, MD.

General Paige was confirmed by Congress and appointed by the President as the Assistant Secretary of Defense for Command, Control, Communications and Intelligence in May 1993.

General Paige has an undergraduate degree from the University of Maryland, University College and received his advanced degree from the University of Penn State. He has been awarded an honorary Doctor of Law degree from Tougaloo College, Tougaloo, MS and an honorary Doctorate from the University of Maryland, Baltimore County and an honorary Doctorate of Science Degree, Honoris Causa from Clarkson University in May 1995. Both the University of Maryland and Penn State have honored General Paige as a Distinguished Alumnus. Penn State also selected him as an Alumni Fellow in 1993.

General Paige has received numerous awards from both the military and the civil sector. The following are but a few of those awards: *Information Week Magazine* selected him as the **Chief Information Officer of the Year** in 1987; in 1988, the Armed Forces Communications-Electronics Association presented General Paige the **Distinguished Service Medal**; the Data Processing Management Association selected him for the coveted **Distinguished Information Sciences Award** for outstanding service and contributions internationally to advancements in the field of Information Sciences; University of Maryland, Baltimore County selected him as **Engineer of the Year** in February 1995; and he was given the Black Engineers **Lifetime Achievement Award** in February 1995.

General Emmett Paige, Jr. is married to the former Gloria McClary and has three children, Michael, Sandra, and Anthony.



Integrating Change Management Approaches

John Davey

Director, Requirements,
OUSD(Personnel & Readiness)

BIOGRAPHY

John Davey

John Davey has worked for seven Secretaries of Defense during his service on staff of the Office of the Secretary of Defense. He started his federal service in 1971 as a Presidential Management Intern and then budget analyst at the Defense Logistics Agency headquarters. In 1980, Mr. Davey moved to the OSD staff as a budget analyst in the OSD Comptroller's office and then transferred to the predecessor of the current Office of the Under Secretary of Defense (Personnel and Readiness). He currently serves as the Director of Requirements in the Requirements and Resources Deputate.

In August 1992, John Davey completed a 13 month assignment as an integrated officer on the staff of the Australian Secretary of Defense in Canberra, Australia. On his return to the Office of the Secretary of Defense in Washington, John was appointed Director of Plans and Resources in what was then the Force Management and Personnel organization and now is Director of Requirements. His principal day-to-day duties involve management and supervision of military and civilian manpower requirements determination, management headquarters issues, and management and organizational development issues.

Mr. Davey had worked as the DoD manpower representative on the implementation of the Goldwater-Nichols DoD Reorganization Act of 1986, and in 1988 he was a member of the study team which produced the "Review of Unified and Specified Command Headquarters Organizations," now known as the Vander Schaaf Report. For his service on these two management and organizational improvement initiatives, Mr. Davey was awarded the Secretary of Defense Meritorious Civilian Service Medal in February, 1989.

Subsequently, Mr. Davey was assigned to the Stevens Committee working group, which produced the Secretary of Defense Management Report (DMR) in July, 1989. He also served as one of the members of the Defense Management Report Implementation Coordination Committee in the Office of the Secretary of Defense. This committee was responsible for coordinating all facets of the DMR recommendations throughout the Defense Department.

Mr. Davey was one of the OSD representatives on the DoD study group which prepared the "Report on the Consolidation and Improvement of Financial Operations within the Department of Defense." This study group made recommendations on consolidating accounting and finance operations throughout the Defense Department.

Mr. Davey has a Bachelors degree from Clemson University, a Masters degree from The George Washington University, and in 1988, he completed the Executive Program for Senior Officials in National Security at the John F. Kennedy School of Government at Harvard University. He is a former National Merit Scholar.

Mr. Davey, his wife Anne, and their two sons, Peter and Patrick, live in Oakton, Virginia. In his spare time, Mr. Davey is an amateur cabinetmaker and is learning three different forms of Tai Chi.



Under Secretary of Defense (Personnel and Readiness)

DoD STREAMLINING PLAN



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Under Secretary of Defense (Personnel and Readiness)

STREAMLINING PLAN OBJECTIVES

- **NPR DIRECTED (GOVERNMENT BACK TO BASICS):**
 - CUTS UNNECESSARY SPENDING
 - SERVES ITS CUSTOMER
 - EMPOWERS EMPLOYEES
 - FOSTERS EXCELLENCE
- **DESCRIBES STRATEGIES, INITIATIVES, AND GOALS FOR STREAMLINING DOD WHILE ACCOMPLISHING NPR OBJECTIVES**

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Under Secretary of Defense (Personnel and Readiness)

DOD STREAMLINING PLAN

- **RIGHTSIZES WORKFORCE BASED ON MISSION AND WORKLOAD**
- **DESCRIBES AVENUES FOR ACHIEVING SAVINGS IN CIVILIAN PERSONNEL AND INFRASTRUCTURE**
- **IDENTIFIES ACCOMPLISHMENTS TO DATE:**
 - SUPERVISORY RATIOS
 - MANAGEMENT HEADQUARTERS REDUCTIONS
 - HIGH GRADE REDUCTIONS
 - PRIMARY OCCUPATION AREAS (FINANCE, PERSONNEL, AND PROCUREMENT)

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Under Secretary of Defense (Personnel and Readiness)

NPR IMPLEMENTATION

- **REQUIRES:**
 - TOP LEVEL COMMITMENT
 - BUDGET INTEGRATION
 - ANNUAL STREAMLINING PLANS:
 - NUMBER OF FTE REDUCTIONS
 - KINDS OF FTE REDUCTIONS
 - HOW FTEs WILL BE REDUCED
- **DISCOURAGES "SALAMI SLICE" APPROACH**
- **RELIES ON MINIMAL INVOLUNTARY SEPARATIONS**

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Under Secretary of Defense (Personnel and Readiness)

NPR REDUCTION GOALS

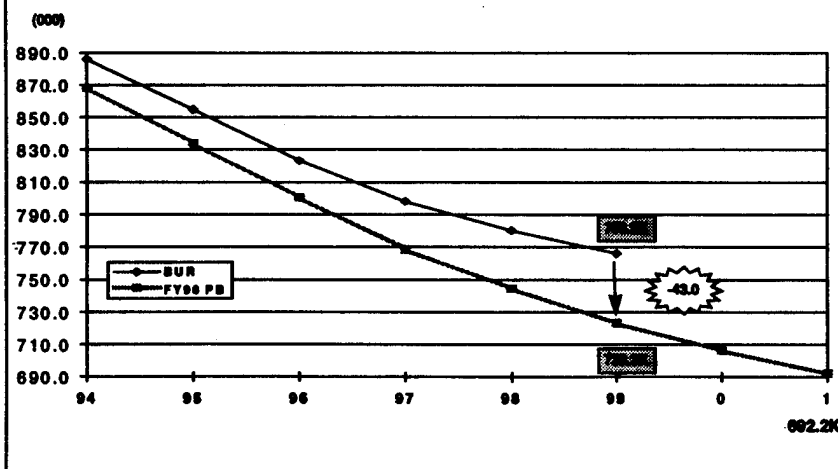
- **REDUCE CIVILIANS BY 252K (12%) BY FY 99**
- **DIRECT HIRE FOCUS**
- **PRIMARY REDUCTION TARGETS:**
 - SUPERVISORS, MANAGERS, AND HEADQUARTERS
 - PERSONNELISTS
 - BUDGETEERS
 - ACCOUNTANTS AND AUDITORS
 - ACQUISITION SPECIALISTS
- **DOD BUR/NPR CONTRIBUTION: 165K/(18%)**

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Under Secretary of Defense (Personnel and Readiness)

DOD DIRECT HIRE (NPR) DRAWDOWN



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Integrating Change Management Approaches

Ann O'Connor

Director, Quality Management, Office of Director
For Administration and Management (ODA&M)

BIOGRAPHY

ANNE L. O'CONNOR

Director of Quality Management

Anne O'Connor is Director of Quality Management, Directorate of Administration & Management, Office of the Secretary of Defense, Washington D.C.

A native of Chicago, Illinois, she earned a Bachelor's Degree in History and Political Science from Roosevelt University, and a Master's Degree in Business Administration from DePaul University.

Anne joined the Department of Defense in 1983 as a Contracts Specialist at the San Antonio Air Logistics Center, Kelly Air Force Base, Texas. In 1985, she became Deputy Commander of Detachment 9, 7000th Contracting Squadron, Hellenikon Air Base, Greece, with the responsibility for providing contracting expertise in support of the United States Air Force in Europe. In 1986, she moved to the United Kingdom as Chief of Base Acquisition at Detachment 7, 7000th Contracting Squadron, RAF Upper Heyford.

In 1988, Anne became a Systems Acquisition Management Inspector for the Air Force Logistics Command. In this position, she led the team that developed a new oversight strategy, focused on continual process improvement, for the AFLC Inspector General. As the Air Force's only trained evaluator for the Presidential Quality Awards Program, she worked as a team member to develop AFLC's award-winning 1991 Presidential Quality Award application.

In 1991, she became the Special Assistant to the Deputy Under Secretary of Defense (Acquisition) for Quality, with the responsibility of implementing Quality Management practices within the Acquisition community.

Anne assumed her current position in 1992. She has been a Presidential Quality Awards Program Evaluator for the past five years, and is a member of the Board of Directors of both the American Society for Quality Control Public Sector Network and the Washington Deming Study Group.

Quality Management (QM)

“both a philosophy and a set of guiding principles that represent the foundation of a continually improving organization. QM is the application of quantitative methods and human resources to improve the material and services supplied to an organization, and the degree to which the needs of the customer are met, now and in the future. QM integrates fundamental management techniques, existing improvement efforts, and technical tools under a disciplined approach focused on continual improvement.”

**“A PRODUCT OR SERVICE POSSESSES
QUALITY IF IT HELPS SOMEBODY
AND ENJOYS A GOOD SUSTAINABLE
MARKET”**

--W. Edwards Deming

DoD Quality Management

- History
- Definition
- Current Status
- Policy



Integrating Change Management Approaches

Mike Yoemans

Director, Business Process Reengineering,
OASD(C31)

BIOGRAPHY

MICHAEL S. YOEMANS

Director of Business Process Reengineering

Mr. Yoemans is the Director of Functional Process Improvement, Office of the Deputy Assistant Secretary of Defense for Information Management, ASD (C3I). Mr. Yoemans is a recognized national leader in the area of Business Process Reengineering (BPR) and is one of the early pioneers in this field, having been involved in establishing two BPR programs at both the Office of the Secretary of Defense and Army Major Command levels. Mr. Yoemans has been a member of the Senior Executive Service (SES) since 1992.

In his current position, Mr. Yoemans designed and implemented the DoD Business Process Reengineering Program. This program has produced thousands of improvement opportunities, over \$10 billion in documented savings, and won several national awards. Moreover, many of the techniques created by this program are now being extensively used throughout the Federal, state and local government levels.

During his 12 year tenure with the US Army Corps of Engineers, Mr. Yoemans helped to establish a model Army Information Management Program to include the creation of a \$35 million process improvement program, which produced \$300 million in savings and provided modern decision support systems, project and financial software applications and corporate databases at 260 locations world-wide.

Mr. Yoemans holds a Bachelor of Science degree in Accounting from Maryland University, and a Master of Science degree in Information Science from American University.

Over the past 24 years, Mr. Yoemans has held positions as systems accountant, operating accountant, budget analyst, and auditor. He is the recipient of the Distinguished Civilian Service Award from both the Army and Secretary of Defense. He is also winner of the 1994 Federal "100" Award, which recognizes him as one of the top 100 Federal IRM executives.

Business Process Reengineering (BPR) within DoD



**A Presentation to
The Symposium on Achieving Breakthrough Improvement
through Benchmarking & Reengineering
by
Michael S. Yoemans
Director Functional Process Improvement
Office of the Assistant Secretary of Defense for Command, Control,
Communications and Intelligence (C3I)**

October 24, 1995

BPR Implements Administration's Government-wide Goals in DoD

- "Business organizations in many sectors have found that automating existing work processes based on a tradition of processing paper does not always provide the greatest benefits from investments in automation.
- Efficiency gains from the new technology often can only be captured if changes are made in the structure of their organizations and the way they are managed."

**Source: President Clinton and Vice President
Gore Technology and America's Growth
February 1993**

WHITE HOUSE Goals



Implemented



through CIM



Preparation and Submission of Budget Estimates

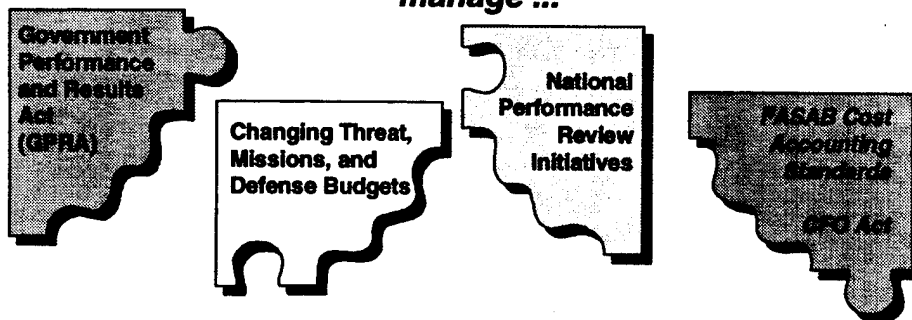
OMB Circular A-11 (June 1995)

New Guidance on IT Investment Budget Requests (Section 43)

- **Business/mission analysis.**-Task needs to be done by the organization
- **Reengineering.**-Process is the most efficient and cost-effective ...
- **Planning and requirements.**-(OMB Circular No. 130)
 - *Benefit-cost* analyses for IT investments
 - *Link* information system plans to *strategic business plans* to budget requests.
 - In addition,
 - Identify and *manage* information systems *investments* as a *portfolio*, comparing quantifiable measures of benefits, risks, and cost across projects.
 - Develop management, cost, schedule, and mission *goals and measures using GPRA* and Acquisition Streamlining.
 - Include continuous *monitoring*
- **Acquisition strategy.**-
 - *Short-term modules* that can be evaluated and *allow change in direction*
 - Use COTS technology & *consult with industry* on technology and alternative approaches.

The Management Environment

***New initiatives are changing the way we must
manage ...***

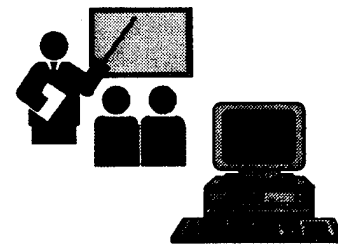
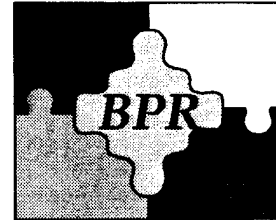


***How can managers "put the pieces together" to
improve readiness and reduce cost?***

BPR Helps Fit the Pieces Together

BPR uses:

- An integrated perspective
 - » Links strategic planning, operations analysis, and project evaluation
 - » Core concepts validated by DoD managers from different functions
- Information technology used to facilitate the planning process
 - » Identify *essential* planning elements
 - » Assist with cost and performance calculations
 - » Provide on-line reference materials
 - » Generate formatted reports



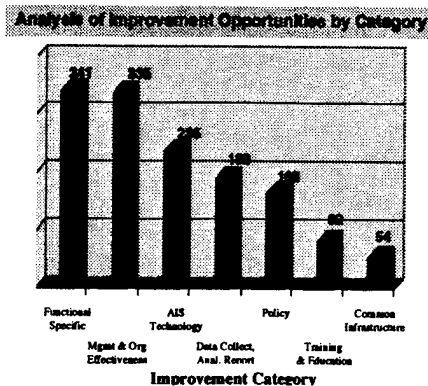
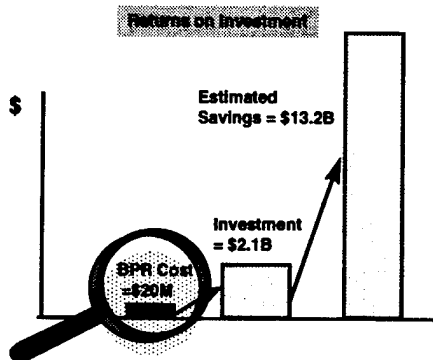
BPR: Achieving Dramatic Breakthroughs

- ***BPR is a DoD-wide program for improving all types of processes to eliminate no-value added activities and exploit new technologies***
- ***148 projects covering all DoD functions for OSD, JCS, Services, and CINCs***
- ***Examples of significant breakthroughs***
 - ▷ ***Marine Corps Combat Development: Provided military leaders improved ability to generate, field, and sustain combat-ready Marine Air-Ground Task Forces***
 - ▷ ***Air Force Wing Level Base Reengineering: Streamlining processes to have "one wing, one base, one boss"***
 - ▷ ***Navy Reengineering: Initiating NAVSEA, NAVAIR, Shore Installation process improvement projects***
 - ▷ ***Civilian Personnel Reengineering: From a form-driven, base level mainframe process to an on-line regionally distributed, job action process with dramatic civilian personnel reductions***
 - ▷ ***Defense Investigative Service: Dramatic decrease in time to process security clearances***
 - ▷ ***Medical Logistics: Order-ship time in hours rather than weeks with significantly reduced inventory maintenance requirements***
 - ▷ ***Management of Consumables: Reduced cycle time for small purchases from 100 days to 4 days***
 - ▷ ***Frequency Management: Reduced frequency assignment time from 3-6 months to three weeks***
 - ▷ ***Telemedicine: Easier, more rapid access to full range of health care services at reduced cost***

The continued involvement of the DepSecDef is central to success

BPR Payoffs are Substantial and Cross the Department

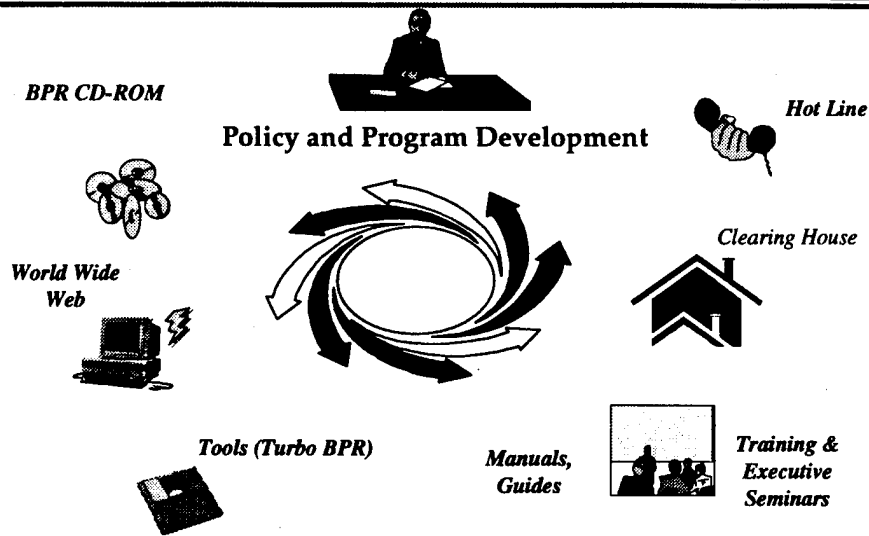
- Over 148 reengineering projects completed through the analysis phase recommending 1300 Improvement Opportunities
- Forecast of over \$13.2 Billion in savings estimated on 44 projects that have progressed through business case analysis
- Implementation depends on timely decisions, effective change management, and appropriate investment funding



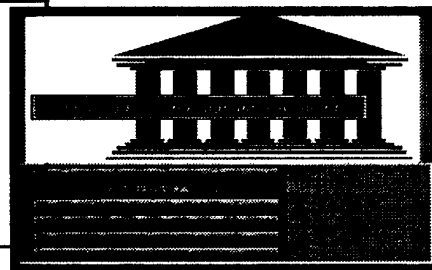
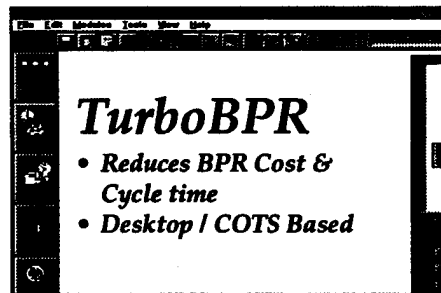
Responsibilities

	DEPSECDEF	All PSAs, Services, & CINCs	ASD [C3I]
Top Management Commitment	X	X	
Guiding Principles	X		X
Directives			X
Leadership [Change Agent]	X	X	X
Project Identification		X	
Business Process Improvement Execution		X	
Program Review and Oversight	X	X	
Cross-Functional Integration	X	X	X
Technical Elements			X
Budget		X	X

Department-wide BPR Support



DoD's State of the Art Toolset



- Extensive Loaner Toolset
- Repository
- Access to Groupware
- Toll Free Help Lines

"Electronic" University

- Over 200 documents and Tools
- On CD-ROM and World-wide Web

Management and Technical Barriers

- ***Lack of managerial commitment and buy-in***
- ***Focus on current operations***
- ***Difficulty in identifying customers and customer-based performance measures***
- ***Functional and technical stovepipes***
- ***Aversion to job elimination, risk, and change***
- ***Policies on job descriptions, training, and reassignment***

Management Issues

- ***Timely completion of cost benefit analysis and selection of improvement initiatives for implementation***
- ***Investment funds to support implementation***
- ***Rapid response "change management" approach with aggressive functional implementation plans***
- ***Overcoming barriers and resistance to implementing change***
- ***Synchronizing reengineering and migration***
- ***Increased management accountability and effective method for DepSecDef to monitor progress***

Conclusion

- ***BPR is a Department-wide initiative that establishes a new breakthrough mindset.***
 - ◆ ***Strategic Plans are the performance foundation***
 - ◆ ***Treat Government like a business for improvement purposes***
 - ◆ ***Focus on outcomes targeted at the warfighter***
 - ◆ ***Quantify products and services***
 - ◆ ***Total Product/Service life cycles***
 - ◆ ***Benchmark with best practices***
 - ◆ ***Leverage results for improved performance***
 - ◆ ***Build simple business case***
- ***Personal involvement of senior officials is critical***



Integrating Change Management Approaches

Blair Ewing

Director, Chief Financial Officer Support,
OUSD(C) (Chair)

BIOGRAPHY

BLAIR G. EWING

Director for Chief Financial Officer Support

Blair Ewing is the Director for Chief Financial Officer Support, Under Secretary of Defense (Comptroller) (OUSD(C)). He has held this position since April 1986. The Director is responsible for the development of recommendations for management improvement in OUSD(C), for policy guidance for the Internal Management Control Program for the OUSD and for support to the Comptroller in his role for providing guidance for financial management education and training.

He is also Director of the Office of Performance Improvement and management Re-engineering, which is responsible for the National Performance Review initiatives in DoD.

Until April 1986, Mr. Ewing was a senior management analyst with the U.S. Office of Management and Budget (OMB). He was responsible for the development of plans for implementation of a new government-wide productivity improvement program, designed to bring about major efficiency gains in the way the government delivers products and services. Mr. Ewing was also Project Manager for the Personnel/Payroll Project at OMB, a position he had held since June, 1983.

His professional experience includes 2 years as the Deputy Director of the Office of Management at the U.S. Office of Personnel Management (OPM), 2 years as the Assistant Director of the Workforce Effectiveness and Development Group at OPM for the Office of Productivity Programs, 2 years as the Director of the National Institute of Law Enforcement and Criminal Justice, the research arm of the Law Enforcement Assistance Administration, and 2 years as the Director of Planning and Evaluation for LEAA. Mr. Ewing also was Director of Public Safety for the Metropolitan Washington Council of Governments, Director of the Office of Criminal Justice Plans and Analysis in programs in the Office of the Assistant Secretary for Planning and Evaluation HEW. He has done management consulting on personnel administration, planning and management improvement in both the public and private sectors.

Mr. Ewing taught political science and public administration at the State University of New York for 5 years, and criminal justice administration as an Adjunct Professor at the Georgetown University Law Center. He has been a member of the Montgomery County (MD) Board of Education since 1976, serving as Chairman of the Audit Committee, Chairman of the Research and Evaluation Committee, Chairman of the Strategic Planning Committee, and twice as President of the Board. He was also a newspaper reporter for three years.

In 1990, Mr. Ewing was given the Distinguished Civilian Service Award by the Secretary of Defense. In 1991 he received the Presidential rank award, Meritorious Senior Executive. In 1983, he received the Director's award for Distinguished Service from the OPM Director.

Mr. Ewing has a BA degree from the University of Missouri and a Master's degree from the University of Chicago in political science, and has done advanced work beyond the master's level, at the University of Bonn in Germany and the University of Chicago.

He is the author of a book entitled "Peace through Negotiation" and of many articles on management, public administration, political science and government.



INTEGRATING CHANGE MANAGEMENT APPROACHES

PANEL MEMBERS

- ◆ **Blair Ewing, Director of Chief Financial Officer Support Directorate, and Director of Performance Improvement and Management Re-Engineering, Office of the Under Secretary of Defense (Comptroller) (Chair)**
- ◆ **Anne O'Connor, Director, Quality Management, Office of Director for Administration and Management**
- ◆ **John Davey, Director, Requirements, Office of the Under Secretary of Defense (Personnel and Readiness)**
- ◆ **Mike Yoemans, Director, Business Process Reengineering, Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence)**

INTEGRATING CHANGE MANAGEMENT APPROACHES

OUTLINE OF PANEL DISCUSSION

- ◆ **Describe change management approaches**
 - ◆ **Show relationship among approaches and tools**
 - ◆ **Allow commanders and line managers**
 - ◆ **Flexibility to select foster integration and synergy**
 - ◆ **Encourage use of best business practices**
-
-

WHERE DOD IS HEADED WITH MANAGEMENT IMPROVEMENT

- ◆ **Embrace National Performance Review principles**
 - ◆ **Attain quality results**
 - ◆ **Achieve efficient and effective performance**
 - ◆ **Streamline operations and infrastructure**
-
-

NPR THRUSTS

- Rewarding results, not rules
- Putting customers first
- Getting our money's worth

OVERVIEW OF CHANGE MANAGEMENT APPROACHES

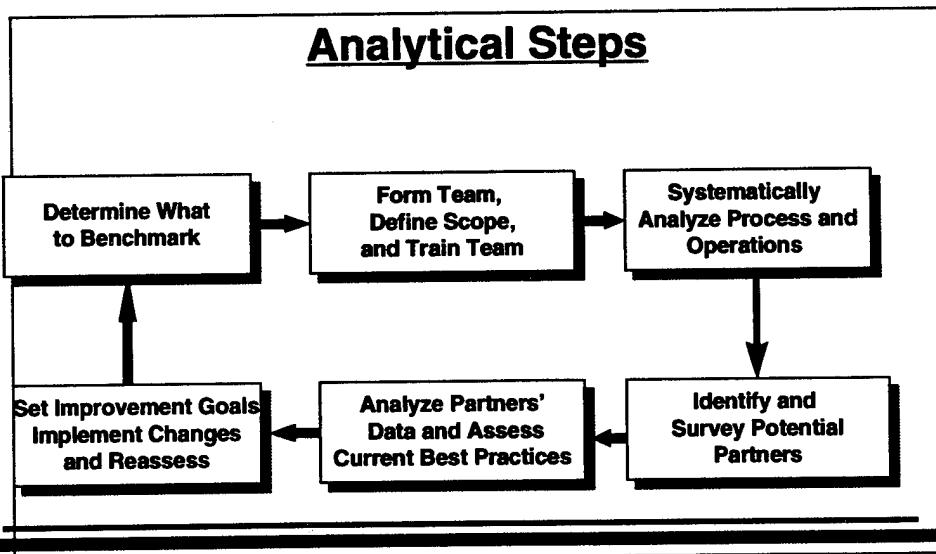
	<u>BENCHMARKING</u>	<u>BPR</u>	<u>TQM</u>	<u>OUTSOURCE</u>	<u>CONSOLIDATE</u>
FOCUS	BEST PRACTICE	PROCESS	ORGANIZATION	FUNCTION	ORGANIZATION
LEADERSHIP COMMITMENT	TOP LEVEL	TOP LEVEL	TOP LEVEL	TOP LEVEL	TOP LEVEL
EMPLOYEE PARTICIPATION	MODERATE	MODERATE	HIGH	LOW	LOW
PRIMARY PERSPECTIVE	EXTERNAL	INTERNAL*	INTERNAL/ EXTERNAL	EXTERNAL	INTERNAL
CHANGE	MASSIVE	RADICAL	CONTINUAL	COMPETITION	STRUCTURAL
PRINCIPAL SUCCESS MEASURES	EFFICIENCY/ CUSTOMER SATISFACTION	EFFICIENCY/ CUSTOMER SATISFACTION	CUSTOMER SATISFACTION	SAVINGS PRODUCTIVITY	SAVINGS PRODUCTIVITY

*Benchmarking is frequently done in conjunction with BPR

BENCHMARKING

Benchmarking is the systematic analysis of an organization's process or output against superior performers for the purpose of identifying and using current best practice to improve performance and customer satisfaction.

BENCHMARKING PROCESS



BENCHMARKING: USING RESULTS

- Strategic Goal Setting
 - Adopting Best Practices
 - Business Process Reengineering
 - Process Improvement
 - Assessment
-
-

BENCHMARKING SUCCESS

Critical Factors

- Top level commitment
 - Process owners involvement
 - Multidisciplinary team
 - Systematic approach
 - Realistic timetable
 - Continuous improvement
 - Two-way communication
-
-



The Management Challenge

James Champy

Chairman/CEO, CSC/Index Group, Cambridge, MA

BIOGRAPHY

JAMES A. CHAMPY

Chairman and Chief Executive Officer of CSC Index

James A. Champy, Chairman and Chief Executive Officer of CSC Index, is the leading authority on the management issues of business reengineering.

He is co-author of "Reengineering the Corporation", which has sold more than two million copies, been translated into 15 languages and has been on *The New York Times'* best-seller list for more than a year. His work on the leadership issues of reengineering is recognized globally. His book on this topic, "Reengineering Management", is also a best-seller.

Based in Cambridge, Massachusetts, CSC Index is the management consulting arm of Computer Sciences Corporation, with practices involving business strategy, business reengineering, and organizational change. Mr. Champy was one of the founders of Index in 1969. The company was acquired by CSC in 1988. From 1988 to 1993, Mr. Champy led CSC Index to international prominence and rapid growth.

Most recently, Mr. Champy was Chairman of CSC's Consulting Group, overseeing the development of business services that support management consulting, including systems integration. But with CSC Index growing at more than 25% a year and creating new practice areas, he was asked to guide the development of a new group-level CSC Index organization.

Mr. Champy has been featured in such publications as *Fortune*, *Business Week*, *The Wall Street Journal* and has appeared on the BBC, CNBC and CNN.

He consults extensively with chief executive officers, presidents and senior executives of multinational companies seeking to improve business performance in the dimensions of cost, quality, capital, service and speed. His approach centers on helping leaders achieve business results through four distinct, yet overlapping areas - business strategy, management and operations, organizational development and change, and information technology.

Mr. Champy received a J.D. from Boston College Law School and both his bachelor's and master's degrees from the Massachusetts Institute of Technology. Among his civic activities, Mr. Champy is a member of the Corporation to MIT, the school's board of trustees, and serves as co-chairman of a capital campaign for the Massachusetts College of Art.



How DOD Organizations Approach Breakthrough

Linda Doherty

Director, Total Quality Leadership,
Department of the Navy (Chair)

BIOGRAPHY

LINDA M. DOHERTY, Ph.D.

Director, Department of the Navy Total Quality Leadership Office

Linda M. Doherty received her doctoral degree in quantitative psychology from the University of Southern California. She has taught statistics, measurement, and psychological testing at universities in both Los Angeles and San Diego.

She joined the Navy Personnel Research and Development Center in 1973 as a research psychologist, directing research efforts in the areas of management, training, productivity, program evaluation, and the design and administration of organizational and customer surveys using microcomputers. Later, she became senior scientist for Total Quality Leadership (TQL), in charge of research and development for quality-based concepts and methods in Department of Navy organizations.

Since June 1990, Linda has served as the Director of the Department of Navy's Total Quality Leadership Office, reporting to the Under Secretary of the Navy. Dr. Doherty's office is responsible for the technical content of the Department of the Navy's TQL curriculum, sponsors research, and assesses TQL implementation activities. Her role is to assist Navy and Marine Corps leaders and policy makers in their quality transformation efforts by providing education and consultation. She has written and delivered numerous presentations on strategic planning and organizational change to prepare leaders for the next century.

In 1992, Linda received the Distinguished Civilian Service Award for her work in the implementation of quality concepts and methods throughout the Navy and Marine Corps.



How DOD Organizations Approach Breakthrough

Colonel Dan Cleary

Special Assistant for Quality,
Department of the Army



How DOD Organizations Approach Breakthrough

Captain Donald Williams

Manager, Benchmarking, Air Force Quality Institute,
Maxwell AF Base, Alabama

BIOGRAPHY

Captain Donald L. (Donnie) Williams, United States Air Force, is the Benchmarking Manager at the Air Force Quality Institute, Operational Consulting Group, Maxwell Air Force Base, Alabama. Captain Williams is the institute's designated representative to the International Benchmarking Clearinghouse. As such, he is the government representative to their member advisory board and has served as an examiner for their prestigious benchmarking award program. Captain Williams is also a member of the Benchmarking Subcommittee of the American Society of Quality Control. He holds a Bachelor's Degree in Business and Management from the University of Maryland and a Master's Degree in Public Administration from the University of Wyoming.

BENCHMARKING BEGINNINGS IN THE UNITED STATES AIR FORCE

by

Captain Donald L. Williams
Benchmarking Manager, Air Force Quality Institute (AFQI)
Maxwell Air Force Base, Alabama

INTRODUCTION

Senior Air Force leaders are becoming restless--they're pushing the organizational performance envelope--they want their processes to attain unparalleled performance in terms of reduced cycle time, lower cost, and the highest quality possible. Benchmarking has become recognized by many Air Force commanders and team leaders as a sound change management strategy to help meet this challenge. This paper describes a few significant points we have learned about institutionalizing this integral quality tool within the Air Force..

A BIT OF AFQI HISTORY

In December 1991, the Air Force Chief of Staff established the Air Force Quality Council (commanders of major commands) to develop and deploy Quality Air Force, our version of Total Quality. Subsequently, the Air Force Quality Council directed the integration of quality education into all formal schools and established the Quality Air Force Criteria as the guide organizations would use to measure their progress along individual organizational pursuits.

The Council established the Air Force Quality Institute (AFQI) at Maxwell Air Force Base, Alabama, as part of the Air University. The Institute receives its financial and other logistical support through the Air Education and Training Command (immediate higher headquarters) and its policy direction from the Air Force Quality Council. A headquarters staff office at the Pentagon (called AF/PEQ) assists the Council in the development and deployment of policy.

AFQI was given the following charter by the Air Force Chief of Staff:

- Be a center of quality improvement *expertise*.
- Provide quality leadership *consultation* for Air Force commanders and their organizations.
- Be a distribution center for *crosstell* of quality information, ideas, experiences, and information.
- Develop and promote *commonality* in quality language and methodology.

- Develop *architecture* for integrating quality training and education throughout the Air Force.

As such, AFQI is now comprised of three directorates: Operational Consulting, Education and Research, and Resources. The consulting directorate is responsible for process consultation and customized training in strategic planning, unit self-assessment (using Baldrige-based criteria), and benchmarking. It is also charged with administering the Quality Air Force awards programs. The education and research directorate develops the basic courseware taught by Quality Air Force Instructors, to include courses in benchmarking, metrics, strategic planning, unit self-assessment, the Quality Air Force Instructor's course, etc. The resources directorate provides extensive support to commanders and AFQI personnel with the tools necessary to promote and sustain Quality Air Force. Resources include the *Q-Vision* (the quarterly Quality Air Force newsletter), symposium management, and other quality resource innovations. In total, AFQI is a hard-working team of 80 hand-picked officer, enlisted, and civilian members.

ORGANIZING AND MANAGING BENCHMARKING--GETTING STARTED

To say Air Force benchmarking began when the Institute stood up is like saying the Air Force never studied war until December 1991:

*If you know the enemy and know yourself,
you need not fear the result of a thousand battles.*

Sun Tzu, *The Art of War*

The truth is that the Air Force and the other uniformed services have been benchmarking for years. We have systematically identified where our adversaries were strong and where our warfighting performance lagged. We studied our enemy's "machine" and combined this knowledge with the wisdom of our commanders to develop action plans to resist and easily defeat our opponents.

The Air Force Quality Institute began its benchmarking journey during the fall of 1992 by appointing a benchmarking focal point (Maj Bryan Zak--now with HQ USAF/PEQ) and by developing a profitable relationship with the International Benchmarking Clearinghouse (IBC) in Houston, Texas. Maj Zak's primary role during this early period was to develop a competent curriculum and consultant group vital to integrating this new methodology into the Air Force quality mainstream. The decision to use the IBC meta-model of four phases (plan-collect-analyze-adapt) was important to the success of deploying a model all Air Force major commands and field operating agencies would later appreciate. Much to Maj Zak's credit, he called attention to the promising future of benchmarking within the Air Force.

Since 1992, much has happened.

BENCHMARKING CHAMPIONS--CREATING MOMENTUM

The inspection process, led by Air Force Inspectors General (IG) offices, also took on a different face as a result of the Quality Air Force Criteria. The IG began to conduct Quality Air Force Assessments (QAFA--pronounced "cafe") and realized what they had previously identified as "outstanding performers" during inspections were easily translated into "benchmark candidates" or "best-in-class" process examples. Being experts or having access to experts in the functional areas they inspected, Air Force inspectors are in a unique position to collect best practices for crosstelling across the force. The design of this information system is complex and the system won't be realized for many months.

To prepare for the human side of the information sharing in the Air Force, AFQI recognized the necessity to develop a network to facilitate the sharing of best practice information. Within AFQI, we established a benchmarking team to put more minds on the subject. We also requested, through a world-wide electronic message, that each major command and field operating agency appoint an Air Force benchmarking champion. No grade or position prerequisites were suggested--the word "champion" was a sufficient cue and left to the interpretation of each organization. The only requirements were for basic benchmarking training and a willing interest to promote this new methodology. (The number of benchmarking champions is now at thirty-seven.) We provided each champion with a guide to their role as benchmarking champion for their command:

- Encourage integration of benchmarking data into strategic planning.
- Recognize benchmarking teams for their efforts.
- Promote benchmarking to the entire organization.
- Define the organization-specific approach to process benchmarking.
- Develop the resources necessary to support benchmarking.
- Train organizational members in benchmarking (or provide access to training).
- Ensure the benchmarking code of conduct (discussed later) is followed.
- Monitor and encourage progress of benchmarking projects.
- Facilitate development of an implementation plan, if required.

Several benchmarking champions have developed policy directives, instructions, and handbooks to sustain benchmarking programs within their respective commands. The Air Force Reserve prepared a handbook based on the Xerox 10-Step benchmarking methodology; the Air Force Materiel Command has developed a major command policy directive and instruction for "benchmarking and organizational comparison"; and General John Michael Loh, former commander of the Air Combat Command (ACC), signed a command directive on benchmarking and approved an integrated product team to establish a benchmarking competency center within ACC. Several commands are identifying champions (or focal points) at the wing level to facilitate the sharing of best practices and benchmarking learnings.



Figure 1. Attendees at the first Air Force Benchmarking Champions' Workshop and Networking Meeting, May 1995, Maxwell Air Force Base, Alabama

THE BIG CHALLENGE--SUSTAINING THE MOMENTUM

Benchmarking requires networking. To accomplish this, benchmarking organizations (not unlike "learning" organizations) recognize the importance of meeting on a regular basis to discuss lessons learned, share best practices, receive training, etc. While Texas Instruments conducts benchmarking meetings monthly and Xerox conducts them quarterly, Air Force benchmarking champions decided to conduct seminannual meetings.

In May 1995, AFQI hosted the first formal meeting of the benchmarking champions (Figure 1). Col Hank Fiumara, AFQI commander, informed the attendees of the meeting objectives:

"We have two basic goals for this meeting. They are: (1) provide a deeper understanding of benchmarking to enable attendees to advise and direct their command benchmarking teams' activities; and, (2) assist the benchmarking champions plan the Air Force's approach to developing a sustainable benchmarking architecture."

We contracted with Mr. Gregory H. Watson, Managing Partner of Business Systems Solutions, to provide an advanced two-day benchmarking course. Mr. Watson injected a high degree of credibility to our benchmarking methodology and demonstrated the integration of benchmarking with other methodologies like strategic planning and reengineering. This provided a validity check to the AFQI benchmarking courseware and introduced suggestions to better integrate benchmarking--especially with the strategic planning process.

Early benchmarking successes are important. In an open forum at the workshop, Mr. Watson critiqued one such success story: the Benchmarking for Best Spectrum Management Practices study led by the Air Force Frequency Management Agency (Maj Steve McGee, Team Lead--now with AFPCA). This review acknowledged the importance of following a sound benchmarking methodology, how benchmarking can be a joint effort between services, and also how benchmarking can be successfully integrated into a reengineering effort.

Also, the champions, with other attendees, conducted break-out sessions to address the following:

1. Mission statement of the Air Force Benchmarking Champions' Network.
2. Sustaining benchmarking in the Air Force.
3. Assessing the value of technology to share best practice information.
4. Determine requisites of a benchmarking champion.

Each topic was reported by each group with the majority of interest hovering around the technology piece. Representatives from the Air Force Inspection Agency were on hand to assure the integration of the IG collection efforts and any database development to share best demonstrated practices from the field. Due to the complexity of this topic and the importance of technology as the enabler of sharing best practices, this area will remain fertile for some time (see Figures 2 and 3 for planned information flows).

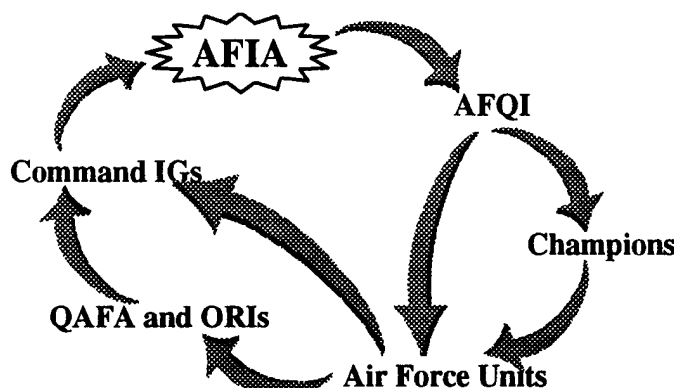


Figure 2. Air Force inspection is integral to capturing "benchmarking candidate" and "best practice" information.



Figure 3. Shows AFQI linkage to external sources.

SOME TOOLS OF THE TRADE

Benchmarking resources are vital to a benchmarking program. AFQI acquired or developed the following tools to help benchmarking champions do their job:

- a. *Executive overview/script.* With the assistance of IBC, we prepared an executive overview briefing which could easily be customized by each champion using Microsoft PowerPoint®. Additionally, we prepared a script to accompany the charts with verbiage for the champions to incorporate into their briefings if they so desired. The basic briefing was less than thirty minutes and enabled the champions to somewhat educate their commanders/directors on this new thing called benchmarking.
- b. *Champion directory.* AFQI compiled a listing of all benchmarking champions into a directory which included the individual's name, rank/grade, address, phone (DSN and commercial), fax number, E-mail address, and duty title. This facilitated networking between champions.
- c. *Benchmarking bibliography.* The Air University library provided us an outstanding service by compiling a well-rounded bibliography of sound benchmarking articles and books. Each champion could then request the desired publications through his/her librarian.
- d. *Planning assessment tool.* We provided a paper written for the Quality Air Force Symposium in October 1994 titled "A Planning Assessment Tool for Benchmarking Teams." This paper was written in a checklist format to encourage the champion to review the applicability of each planning element. Much emphasis was placed on planning benchmarking studies up front--false starts are known killers of any new methodology introduced to an organization.
- e. *Disk.* One of the champions suggested we provide a disk of relevant benchmarking correspondence, newsletters, etc., so he could upload it onto his organization's local area network (LAN). Other champions eagerly shared this information by incorporating this material into their own benchmarking communications to their subordinate organizations, i.e., information letters.
- f. *Brochure.* The publishing office of the AFQI Resource directorate developed and published a brochure distributed to champions and attendees of the 1994 Quality Air Force Symposium. The brochure made a significant contribution to Air Force benchmarking as a vehicle to advertise what benchmarking is and where to obtain benchmarking assistance. A later revision included a block of the back on the brochure for champions to place their name and telephone number--a process improvement!

LEGAL ISSUES AND BENCHMARKING

The Air Force adopted the code of conduct as developed by the Strategic Planning Institute's Council on Benchmarking and the International Benchmarking Clearinghouse. The code is generic and applicable to most every Defense-related benchmarking situation.

However, what about the impact of the Freedom of Information Act (FOIA) on releasing benchmarking information? If we benchmark with *Company X* and its competitor, *Company Y*, hears about it through corporate intelligence, what is stopping *Company Y* from requesting all information pertaining to the benchmarking activity with *Company X*? As an open society, we generally want public (government) offices to disclose information to the maximum extent possible, but are our FOIA specialists knowledgeable of the unique nature of benchmarking matters? Regretfully, the literature is sparse on legal issues regarding benchmarking with public agencies (this may be a good thing!).

We sought the legal assistance of the Air Force's Judge Advocate General's office (fortunately, the quality advisor to the JAG, Lt Col Kim Sheffield, was a benchmarking champion). *The bottom line in their review was an insistence that local legal counsel be sought every time a team conducts a benchmarking activity outside the government.*

In such cases, a nondisclosure agreement may be the way to go. Such an agreement may seem extremely easy to complete between the team and the benchmarking partner; however, we directed all champions to fully coordinate with their legal counsel. We also advised them not to benchmark with more than one non-government partner per study if possible, especially if a team is narrowing the field between competitors. Understanding the legal implications was an important stone in the network's foundation.

A RECENT EFFORT--DISTANCE LEARNING

The most frequent argument I hear favoring the non-use of benchmarking is that "we're not ready for it." In some cases this is true, but how can you realistically establish a goal for your organization without knowing what the benchmarks for your key processes are? If nothing else, just knowing that "benchmarks" and "benchmarking" exist should encourage commanders to educate themselves and their organizations about this methodology. Many commanders are not waiting "until we are ready"; instead, they are subjecting their organizations to the education process so they will *know* when they need just-in-time training.

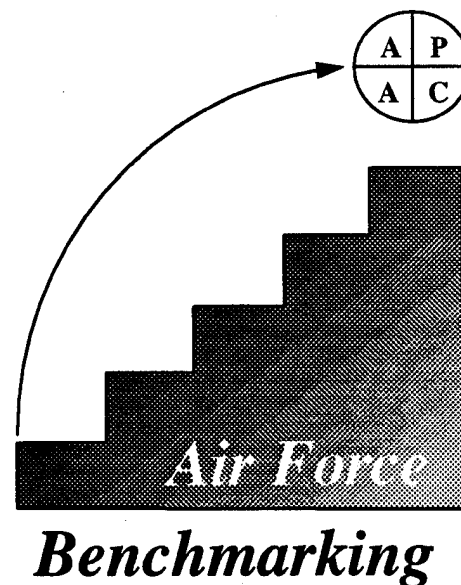
In April 1995, Lt Col Barb Kucharczyk, Director of Education and Research at AFQI announced that AFQI would provide one class on the Basics of Benchmarking and an Executive Benchmarking Overview via satellite teleseminar. We anticipated only a handful of bases would be ready and willing to try this new learning medium; however, the major command and Field Operating Agency Quality Improvement offices identified approximately 1000 possible students for these classes. We were overwhelmed. Approval was granted for two time slots (four days each in August and September) to handle the volume--and we still had bases on the waiting list! Additional time has been set aside for December 1995 to pick up bases on the waiting list plus others who wanted more education.

THE FUTURE

At AFQI, we recognize the need for the benchmarking champions to become a self-directing network and to integrate their own unique professional alliances with other public and private-sector networks. The semiannual network meetings (one in the spring and one in the fall during the annual Quality Air Force Symposium) will become increasingly important to the growth and success of the network.

The drawing board is full of requirements of champions, e.g., an Air Force Benchmarking Handbook, a benchmarking database with a Windows® interface, generic benchmarking case studies, etc. Through the continuing cooperation and collaboration of key organizations (Air Force and non-Air Force), Air Force benchmarking will continue to succeed. However, without the champions, we won't fully realize the potential of this methodology.

With the continued support of key senior leaders in the Air Force and a robust network of benchmarking champions, benchmarking holds great promise as the quality methodology to enable our members to adapt best practices wherever they're found--our citizens should demand no less.





How DOD Organizations Approach Breakthrough

Colonel Thomas K. Goghlan

Director, Performance Improvement for
the Defense Mapping Agency

BIOGRAPHY

THOMAS K. COGHLAN

Director of Planning & Analysis at the Defense Mapping Agency

Mr. Coghlan is the Director of Planning and Analysis at the Defense Mapping Agency (DMA) Headquarters in Fairfax, Virginia.

Mr. Coghlan began his career with DMA in 1978. He has held a number of positions including cartographer, computer systems analyst, and physical scientist.

Previous assignments held by Mr. Coghlan at DMA include Deputy Director for Production; Deputy Director of the Programs, Production and Operations Directorate; Chief of the Mapping and Charting Department; Chief of the Digital Products Department; and Assistant Chief of the Scientific Data Department. He also served at the Defense Mapping Agency Systems Center (DMASC) as Program Manager for the MARK 85 System Development. He assumed his current position in July 1995.

Mr. Coghlan was appointed to the Senior Executive Service (SES) in 1989.

He has served as the DoD Member on the U.S. Board on Geographic Names (BGN), as Chairman of the Foreign Names Committee, and as Chairman of the Hydrography Committee for the Cartography Commission of the Pan American Institute of Geography and History (PAIGH).

Mr. Coghlan received a bachelor of science degree in geology from the University of Maryland in 1977, a master of engineering degree in civil engineering from Virginia Tech in 1982, and a master's degree in business administration (MBA) from Virginia Tech in 1993.

He has received numerous awards in his career, most notable the DMA Award for Equal Employment Opportunity in 1989 and the DMA Meritorious Civilian Service Award in 1993.

He is married to the former Barbara Drake Helsel, has three children (Sean, Lauren, and Mackenzie), and resides in Oakton, Virginia.



Achieving Breakthrough Improvement
through
Benchmarking & Reengineering
a Symposium

How DMA Approached Breakthrough

Tom Coghlan
Director, Planning and Analysis

Defense Mapping Agency

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How DMA Approached Breakthrough

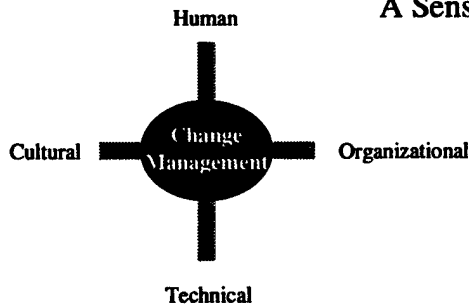
A Brief Chronology

- DMA formed in 1972 from Service Map Centers
- Major Technology Insertions in 1978, 1987, and 1993
 - Introduced Computerized Map Making
 - Gradual Shift from Artistic to Scientific Workforce
 - Gradual Shift from Analog to Digital Production
- Formed Process Improvement Offices in 1990
- Developed Global Geospatial Mapping Information & Services (GGMI&S) vision in 1994
- Established Reinvention Task Force (RTF) in September 1994... DMA Declared a Reinvention Lab
- Implemented New DMA in July 1995

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How DMA Approached Breakthrough



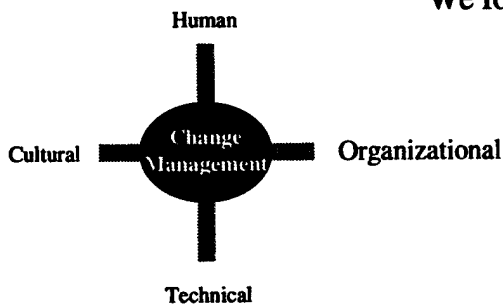
A Sense Of Urgency...

- DMA had to change to meet the needs of our customers
- Our requirements process indicated we had 150,000+ unsatisfied needs
- Our existing production processes would take decades to meet the customer's needs
- Aside from crisis support, DMA couldn't prioritize between product lines... so we did a little of everything
- Technology was fueling increased geospatial information needs

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How DMA Approached Breakthrough



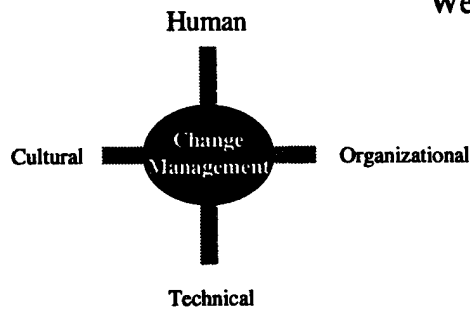
We found...

- We had too much hierarchy
- Most of our workforce was isolated from our customers
- Our offices were geographically oriented
 - Competition
 - Duplicate Staffs
 - Inconsistency
- Many functional stovepipes
- We were not organized around core business processes
- A large, semi-permanent HQ staff

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How DMA Approached Breakthrough



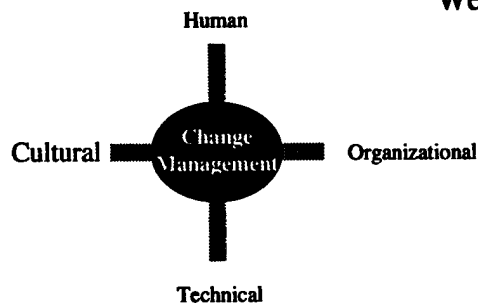
We found...

- We had a talented workforce frustrated by
 - their environment
 - the slow rate of change
 - the lack of communication
 - the performance appraisal process
- We had people looking for opportunity, but seeing none

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How DMA Approached Breakthrough



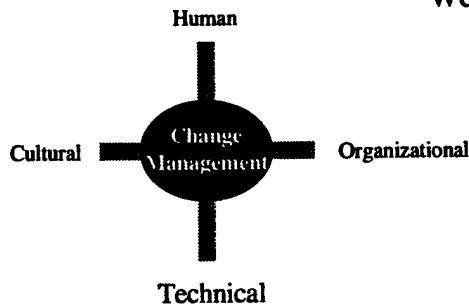
We found...

- We were risk averse
- We were critical of failure
- We were inclined to avoid change
- We had a "chain of command" mentality
- Many supervisors adopted an "adversarial" relationship with employees

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How DMA Approached Breakthrough



We found...

- Sophisticated solutions
- Complex process designs
- We emphasized cost effectiveness and centralized control over speed and flexibility
- Human impact wasn't considered
- Commercially available technology wasn't adopted as much as adapted

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How DMA Approached Breakthrough

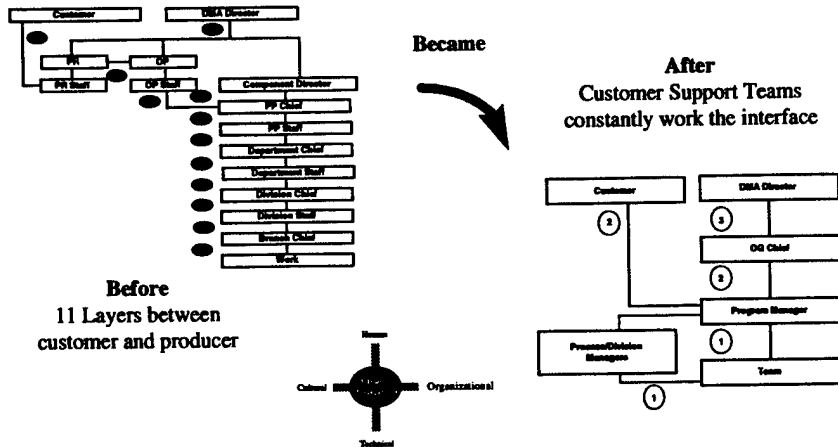
• Reinvention Task Force established	Sep 94
• Director approves new design	Feb 95
• Implementation Teams formed	Mar 95
• Implementation Plans executed	Apr 95
• Position mapping announced	May 95
• Position vacancies announced	May 95
• Placements announced	Jun 95
• Sunset ceremonies held	Jun 95
• New organizations stand up	Jul 95

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How DMA Approached Breakthrough

Getting closer to our customers...

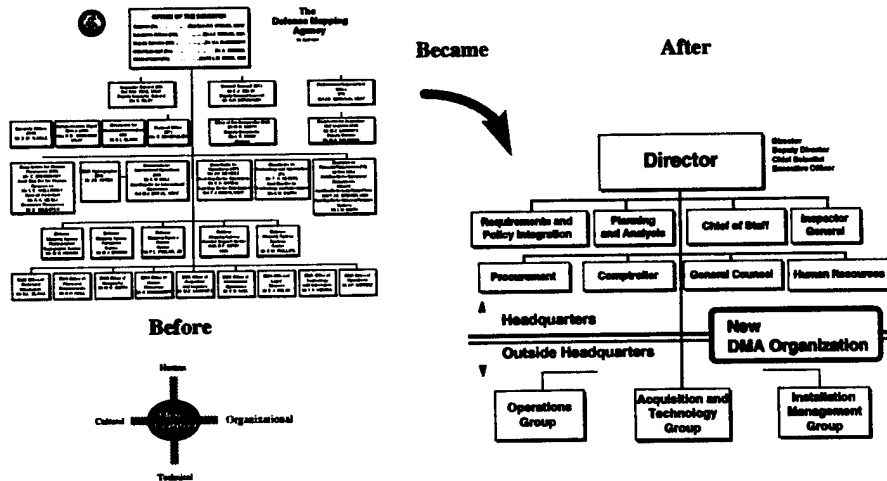


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How DMA Approached Breakthrough

Simplifying around core business processes...



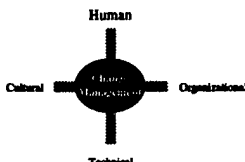
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How DMA Approached Breakthrough

Dealing with the human element...

from March through July



- The Director personally briefed the Reinvention at all DMA locations
- Implementations teams were formed to address the details of the transition
- Over 6000 employees were mapped to positions in the new organization
- Over 800 new position descriptions were written
- All employees were given the opportunity to laterally apply for newly created positions
- Over 2000 applied, and over 900 people took new jobs

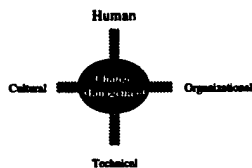
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How DMA Approached Breakthrough

Dealing with the human element...

from June through today



- Reinvention teams were formed to deal with process problems:
 - Performance Appraisals
 - Filling Jobs
 - Admin Processes
 - Training
 - Delivering Benefits/Services
 - Resolving Disputes
 - etc.

Distinct Teams
Offsite Location
Technology Support
Facilitation Support

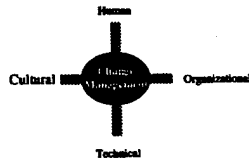
Focus
Process Simplification
Cycle Time Reduction
Fewer Handoffs

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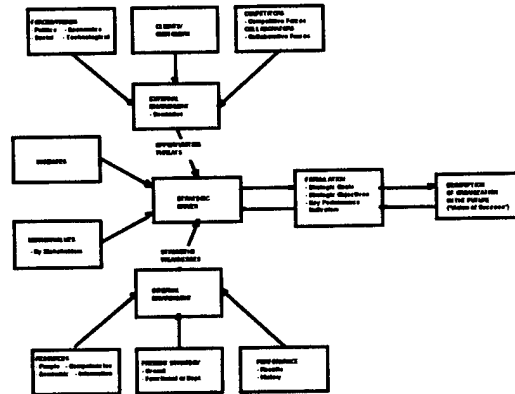


How DMA Approached Breakthrough

Dealing with the Cultural element...



A new planning process

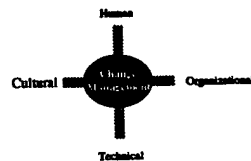


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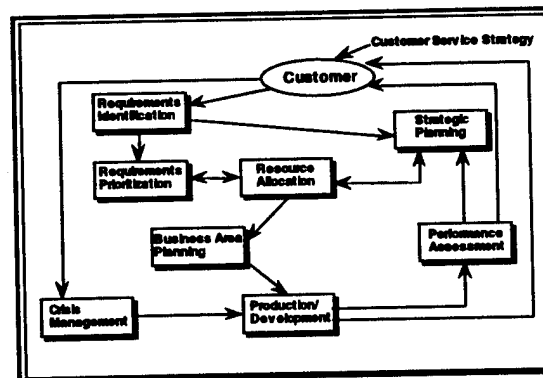


How DMA Approached Breakthrough

Dealing with the Cultural element...



A new System of Management

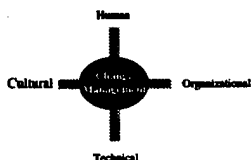


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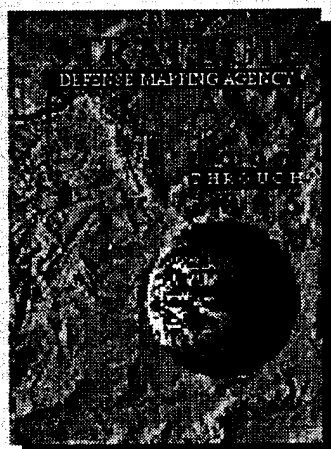


How DMA Approached Breakthrough

Dealing with the Cultural element...



DMA's main goals and objectives for the next 10 years were laid out for our customers and employees in our recently published Strategic Plan.

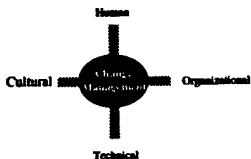


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How DMA Approached Breakthrough

Dealing with the Cultural element...



The Executive Board created our Core Values, the norms and behaviours we want DMA to live in our daily actions.

DMA

We Value:

- Our Customers!
- People who demonstrate Pride, Initiative, Commitment, Integrity, Loyalty and Professionalism.
- A Culture that promotes Diversity, Mutual Respect, Communications, Candor, Trust and Caring.
- An Environment where Teamwork, Risk-Taking, Creativity, Adaptability and Common Sense flourish.
- Excellence and Accountability in all that we do!

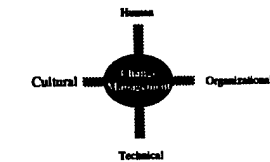
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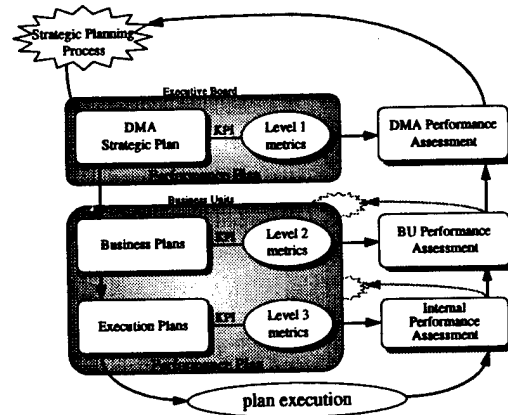
How DMA Approached Breakthrough

Dealing with the Cultural element...

Internally



A new Focus on Performance Measurement



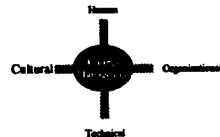
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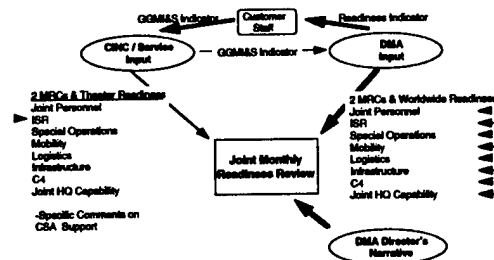
How DMA Approached Breakthrough

Dealing with the Cultural element...

Externally through our Customers



A new Focus on Performance Measurement



• GQM&S Indicator feeds the ISR Functional area of the JMRR

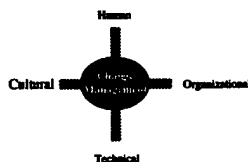
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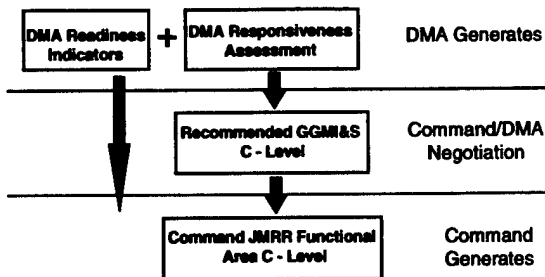
How DMA Approached Breakthrough

Dealing with the Cultural element...

Customer Partnership



**A new Focus on
Performance Measurement**



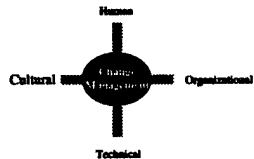
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How DMA Approached Breakthrough

Dealing with the Cultural element...

Command Readiness is related to DMA Readiness



**A new Focus on
Performance Measurement**

Worldwide (Current & Protected) and MRCs		
"C" Level	C-Level Definition	GGMI&S C-Level Definitions
1	Agency has... only MINOR deficiencies with NEGLIGIBLE impact on capability; CORRECTION IS POSSIBLE within agency	All Critical, All Non-Critical Products/Data exist as standard/substitute products/data...all updated and delivered within the required time frame.
2	...only MINOR deficiencies with MINOR impact on capability; may require EXTERNAL ASSISTANCE to correct.	All Critical, Most Non-Critical Products/Data exist as either standard/substitute products or interim products...critical updated and delivered within the required time frame.
3	... SIGNIFICANT deficiencies which reduce capability to perform some assigned missions; EXTERNAL ASSISTANCE is required to correct.	All Critical, Most Non-Critical Products/Data exist as either standard/substitute products or interim products...and delivered within the required time frame.
4	... MAJOR deficiencies which PREVENT performance of some assigned missions; SIGNIFICANT EXTERNAL ASSISTANCE is req'd.	Some Critical, Some Non-Critical exist as either standard/substitute products or acceptable interim products. Major Deficiencies exist in coverage including critical products/data...

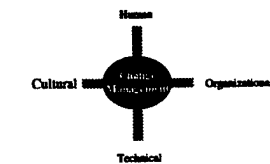
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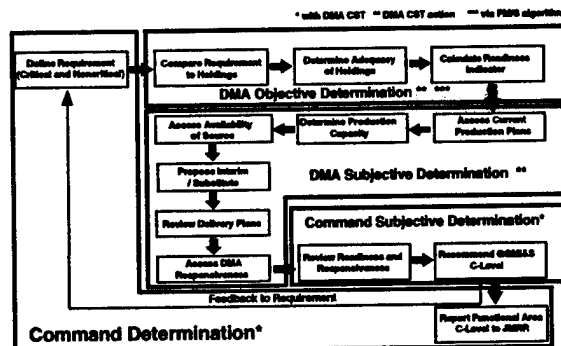
How DMA Approached Breakthrough

Dealing with the Cultural element...

The new process yields greater customer involvement



A new Focus on
Performance Measurement



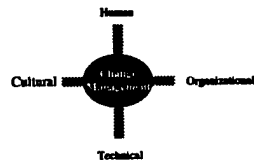
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How DMA Approached Breakthrough

Dealing with the Cultural element...

Translating to better resource decisions



A new Focus on
Performance Measurement

Plan	JCS (JSCP) Priority	GMM&S C-Level Desired	Actual	Production / Resource Action
M	1	2	3	
D	2	3	1	No Action
P	3	2	2	No Action
F	4	2	4	2nd Priority for Production / Resource

"A" GMM&S C-Level / Production /					"B" GMM&S C-Level / Production /				
Command "A" Plan	Desired	Actual	Resource Action		Command "B" Plan	Desired	Actual	Resource Action	
R	1	3	3	No Action	E	1	3	4	2nd Priority for Production / Resource
V	2	3	4	4th Priority for Production / Resource	J	2	3	4	4th Priority for Production / Resource
C	3	3	3	No Action	Y	3	2	2	No Action
X	4	2	4	4th Priority for Production / Resource	T	4	3	3	No Action
K	5	3	2	No Action	N	5	2	3	4th Priority for Production / Resource

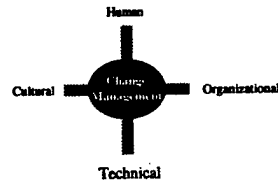
Production capacity and source availability will impact actual production activity

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How DMA Approached Breakthrough

Dealing with the Technical element...



Three basic thrusts

- Formed reengineering teams to address known problems
- Adopted BPR tools to assist in IDEF modeling
- Create an Executive Information System (EIS) to move information to decision makers

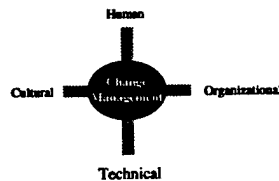
Open Systems Architecture
COTS Technology
Lower Costs
Faster Cycle Time

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How DMA Approached Breakthrough

Dealing with the Technical element...



Reengineering Teams

- Customer Help Desk
- CD ROM Replication
- Order Fulfillment
- DPS Architecture
- Extraction Specification/Strategies
- Finishing
- Geonames/Boundaries
- Imagery Management
- Aero Information
- etc.

Distinct Teams
Offsite Location
Technology Support
Facilitation Support

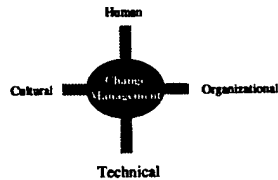
Focus
Process Simplification
Cycle Time Reduction
Fewer Handoffs

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How DMA Approached Breakthrough

Dealing with the Technical element...



Training
Process Capture
Dynamic Modeling
Targeted Reengineering

BPR Toolkit

Meta Software Corporation

- Design/IDEF
- Work Flow Analyzer

Expert Choice Incorporated

- EXPERT CHOICE

Comdisco Systems Incorporated

- Block Oriented Network Simulator (BONeS)

Promodel Corporation

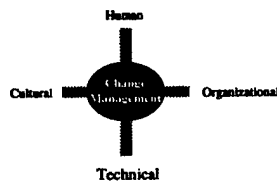
- Service Model

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How DMA Approached Breakthrough

Dealing with the Technical element...



Executive Information System (EIS)

Customers

1. Executive Board Members
2. Decision-making Executives (other SES, key employees)

Accessibility

- Widely available in-house
- Reduced data set available outside DMA

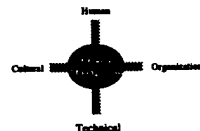
Purpose

- Make key information easily available to decision-makers

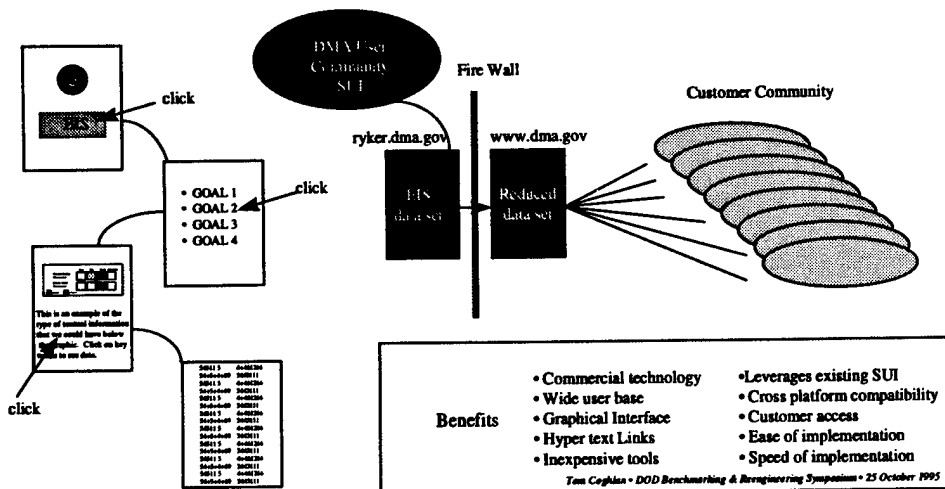
Design Constraints

- Cheap, commercial technology
- Use existing SUI network and nodes
- Support user friendly, graphical interface

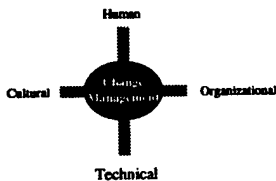
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Information Flow Using Internet Technology



Executive Information System (EIS)



Today

Near term
EIS is built
around simple
tools and wide
accessibility
from many
platforms.

Mid term. EIS begins to show the ability to access data from existing platforms without human involvement. Drill down capability enhanced, and decision tools are available for limited activities.

Long term. EIS is fully integrated with all specific application management systems. Data flows automatically, and supports drill down access. Key decision processes are supported by expert system kernels. Sophisticated data slicing and manipulation algorithms allow data interrogation. Users are able to initiate data mining applications which seek out answers, and report findings.



How DMA Approached Breakthrough

6 month report card

- Organizations established and functioning
- Reengineering teams in-process
 - Some have completed design, and are currently in implementation
 - New teams are forming
- Key Process Indicators and metrics are being identified

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How DMA Approached Breakthrough

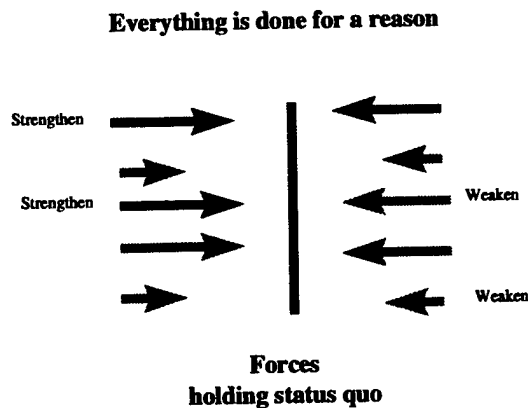
Lessons Learned

- Process redesign is the easy part, implementation is the tough part
- There is a difference between fundamental change and cosmetic change
- The existing system rewards someone!
- Narrowly defined projects or problem sets often create unresolved problems in implementation
- Middle management equities must be considered
- An honest broker really helps

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How DMA Approached Breakthrough



- Changes that are met with resistance will regain stability in their old resting place
- The reason things are the way they are is that a compromise was achieved
- Failing to identify underlying resistors will decrease the likelihood of process change

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How DMA Approached Breakthrough

What to watch for...

- Teams without committed leadership
- When the desire to finish overcomes the need to improve
- "The Answer"
- Teams which reengineer in a "vacuum"
- The urge to grow management (inspection, oversight)
- "The way it actually is" versus "the way it supposedly is"
- Being sold the "reengineering process" bill of goods
 - True change is really hard
 - There are no easy solutions
 - No commitment = no success

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How DMA Approached Breakthrough

In Conclusion

- DMA is firmly on the path towards reinvention
 - Key indicators are being monitored to assess progress
 - Customer feedback is very positive
- but...
- Obstacles are everywhere!

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How DOD Organizations Approach Breakthrough

Major General R. Beale, Jr.

Director, Defense Commissary Agency, Ft. Lee, VA

BIOGRAPHY

MAJOR GENERAL RICHARD E. BEALE JR.

Director of the Defense Commissary Agency

Army Maj. Gen. Richard E. Beale Jr. is director of the Defense Commissary Agency, headquartered at Fort Lee, Va. He is responsible for directing and centrally managing the military's worldwide commissary system, which encompasses seven regions and about 355 commissaries. Annual sales from DeCA's commissaries total nearly \$6 billion. General Beale became the agency's second director Nov. 30, 1992.

General Beale was born Aug. 14, 1942, and is a native of Bethesda, Md. He graduated from Wake Forest University, Winston-Salem, N.C. with a bachelor's degree in economics in June 1964. He received a master's degree in public administration from the University of Missouri, Kansas City, Mo., in 1974. His military educational background includes the Armor Officer Basic Course, Quartermaster Officer Advanced Course, Command and General Staff College, and Industrial College of the Armed Forces.

Upon completing undergraduate study at Wake Forest, General Beale was selected as distinguished military graduate and was commissioned into the Army and the Quartermaster Corps in 1964. He has served in a wide variety of assignments from platoon to Department of the Army level including overseas tours in Korea, Vietnam and Europe. His most recent assignment was commander of the Defense Personnel Support Center, Philadelphia. Other recent assignments include assistant chief of staff, G-4 (logistics), Eighth U.S. Army, Seoul, Korea; and assistant chief of staff, C-4/J-4, United Nations Command, U.S. Forces Korea, Combined Forces Command, Seoul.

He has also served as executive officer for the deputy chief of staff for logistics, Headquarters, Department of the Army; commander, Division Support Command, 3rd Armored Division, U.S. Army Europe; chief of the Military Plans and Operations, and Concepts and Doctrine divisions at Army Materiel Command, Alexandria, Va.; and commander, 142nd Supply and Service Battalion, 3rd Support Command, U.S. Army Europe.

Earlier assignments include logistics staff officer, Office of the Deputy Chief of Staff for Logistics, Headquarters, Department of the Army; assignment officer, Army Military Personnel Center, Alexandria, Va.; staff officer, U.S. Army Quartermaster School; commander of supply companies in both Vietnam and Korea; and tank platoon leader and cavalry squadron S-4, 4th Infantry Division, Fort Lewis, Wash.

General Beale's awards and decorations include the Defense Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit with three oak leaf clusters, Bronze Star Medal with oak leaf cluster, Meritorious Service Medal with oak leaf cluster, Army Commendation Medal with oak leaf cluster, the Korean Order of National Security Merit, Cheonsu Medal, and the Army General Staff Identification Badge.

He and his wife, the former Catherine Wynne MacGregor, have two grown sons, Rick and Andy.



MISSION:

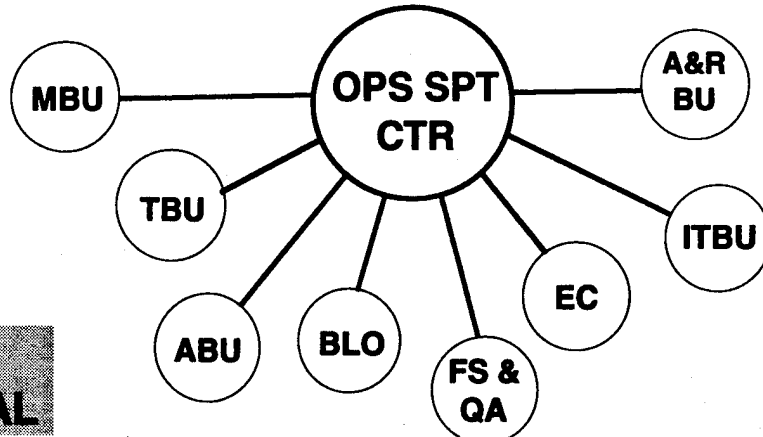
Operate an efficient and cost effective commissary system to provide a non-pay benefit which improves the quality of life of our patrons and enhances military readiness and retention of quality personnel.



**OLD
ORGANIZATION**
STOVEPIPIES

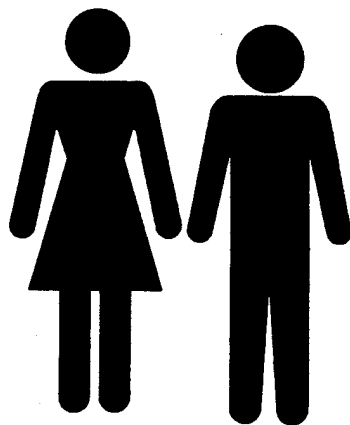


**NEW
ORGANIZATION**



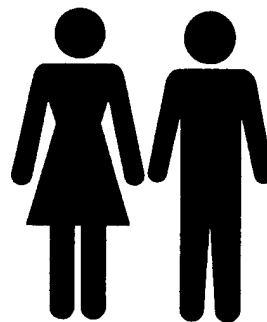
**MULTI-
FUNCTIONAL**

Personnel Above Store Level



JAN '93

1,956



OCT '95

1,400

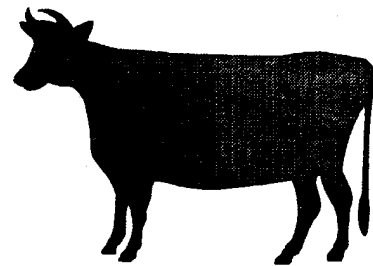
1/4" Trim Beef

✓ **Commercial Practice**

✓ **Changed standard from carcass and boxed primals**

✓ **Costs more for beef, BUT**

- ▶ **Transport less weight**
- ▶ **Higher yield - price by yield**
- ▶ **Fewer butchers**
- ▶ **Recoup costs**
- ▶ **No price increase**



✓ **Saved \$ 23M**

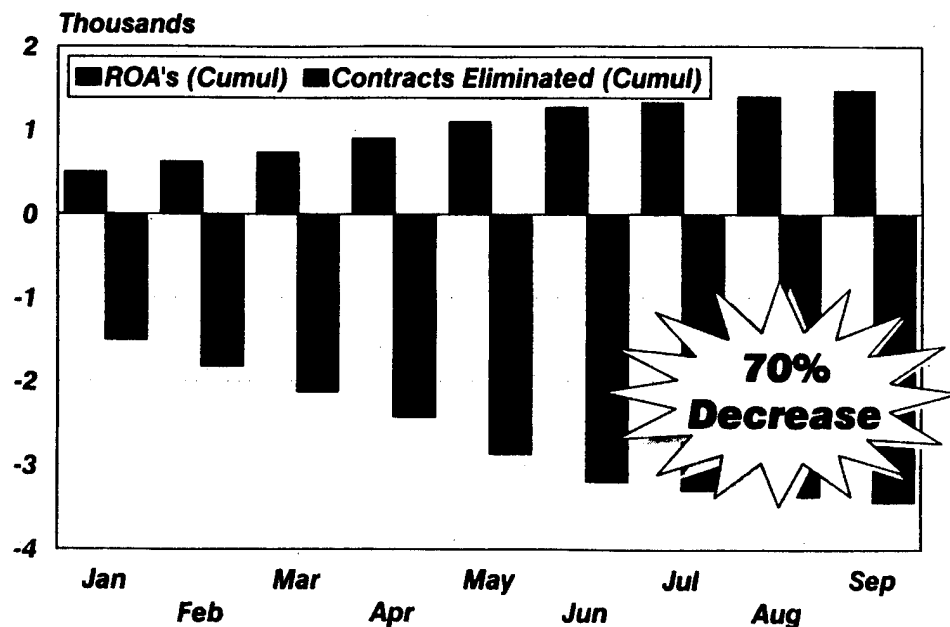
Resale Ordering Agreements

✓ **Simplifies Agency and Industry efforts**

✓ **Electronic cataloging and pricing**

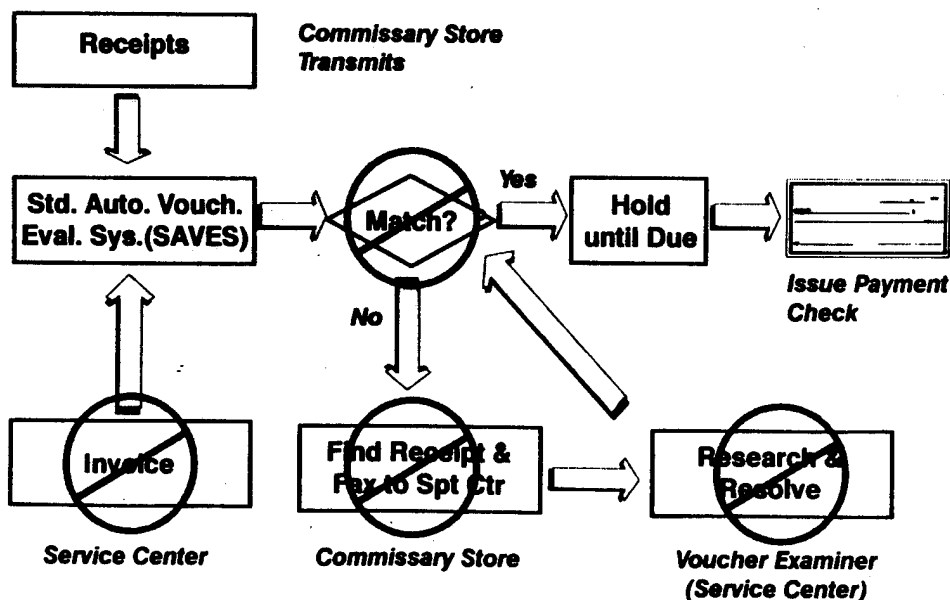
✓ **Eliminates duplicate contractual
"instruments"**

Resale Ordering Agreements (ROA's)

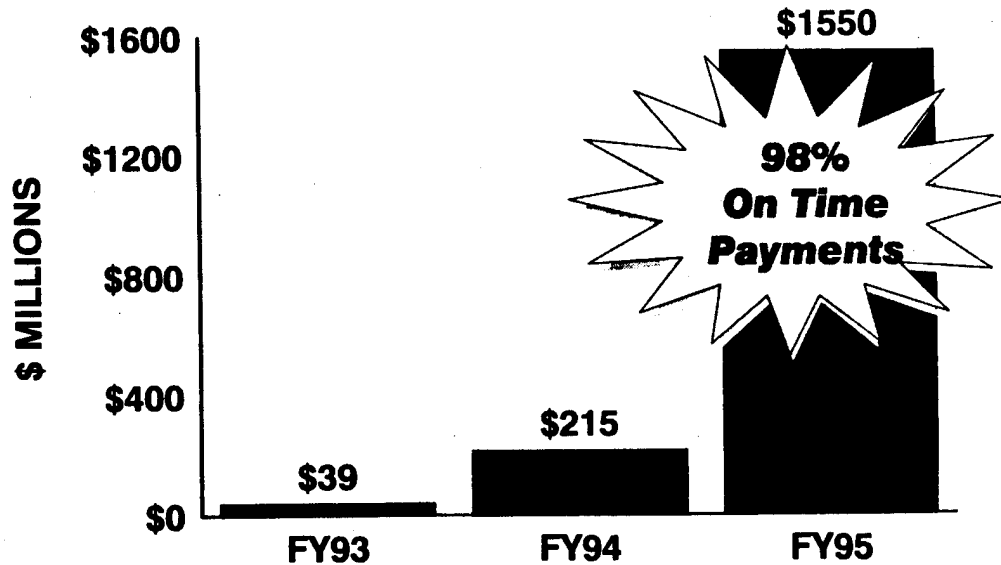


OCT 24-25, 1996

Bill Paying with Delivery Ticket Invoicing



Delivery Ticket Invoicing



DeCA OVERSEAS ORDERING AND RECEIVING SYSTEM (DOORS)

✓ REPLACES

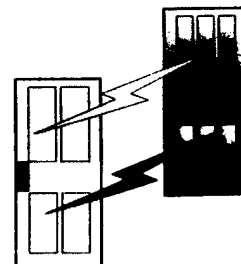
- ▶ MULTIPLE ORGANIZATIONS
- ▶ MULTIPLE AUTOMATED SYSTEMS

✓ USES

- ▶ INDUSTRY STANDARD TRANSACTIONS
- ▶ MODERN SYSTEMS

✓ CREATES

- ▶ SHORTER ORDER SHIP TIME
- ▶ MORE ACCURATE ORDERS
- ▶ FRESHER PRODUCTS



OCT 24-25, 1996

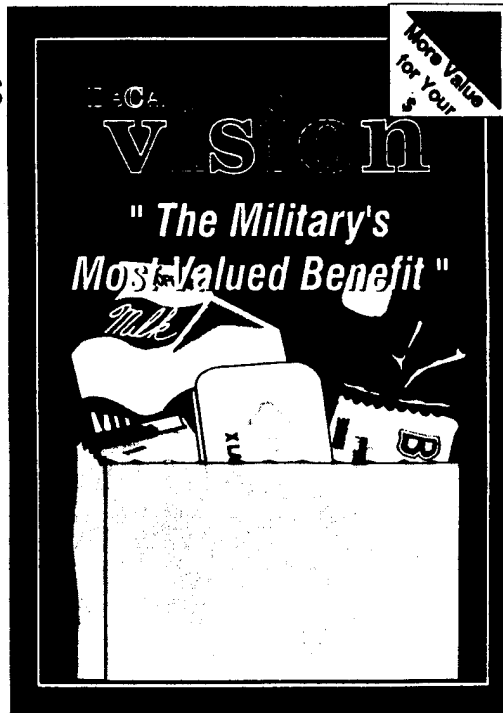
Zone Managers

- ✓ **Commercial Supermarket Practice**
- ✓ **First-Line Supervisor of Commissary Officer**
- ✓ **5-10 Commissaries within a Geographic Area**
- ✓ **Ensure Standardized Operation of Commissaries**
- ✓ **Spread Good Ideas**
- ✓ **Equipped with car, computer, phones, beeper, etc.**

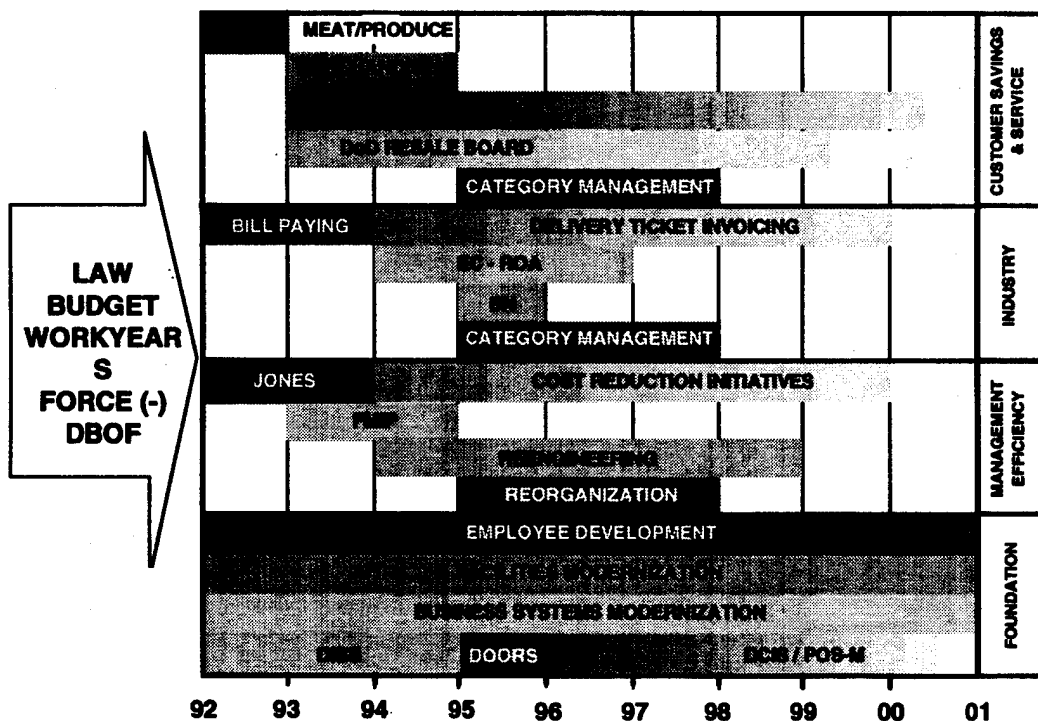
Progress Requires

- ✓ **Committed Leadership willing to:**
 - ▶ **Redefine playing field and rules**
 - ▶ **Take risks**
 - ▶ **Take on Bureaucracy**
 - ▶ **Let the horses run**

**" Dedicated Professionals
Providing
The Military's
Most Valued Benefit
Through
Customer Satisfaction "**



Business Planning in DeCA's World





How DOD Organizations Approach Breakthrough

Ruby McMillen

Team Leader, Process Improvement, Corporate
Performance Office, Defense Logistics Agency

BIOGRAPHY

RUBY B. McMILLEN

Ms. McMillen works for the Defense Logistics Agency (DLA). She is the Chief of the Process Improvement Team in the Corporate Performance Office. In this capacity, she is responsible for DLA's corporate-wide benchmarking and business process reengineering efforts. Ms. McMillen has been with DLA Headquarters for the past five years and has worked in a field activity as well as at Headquarter's level. She has a strong background in management and contracting. Ms. McMillen has a Bachelor's Degree in Organizational Management and Contracting from George Mason University in Fairfax, Virginia.

**Achieving
Breakthrough
Improvement**
through
Benchmarking & Reengineering

OSD Symposium

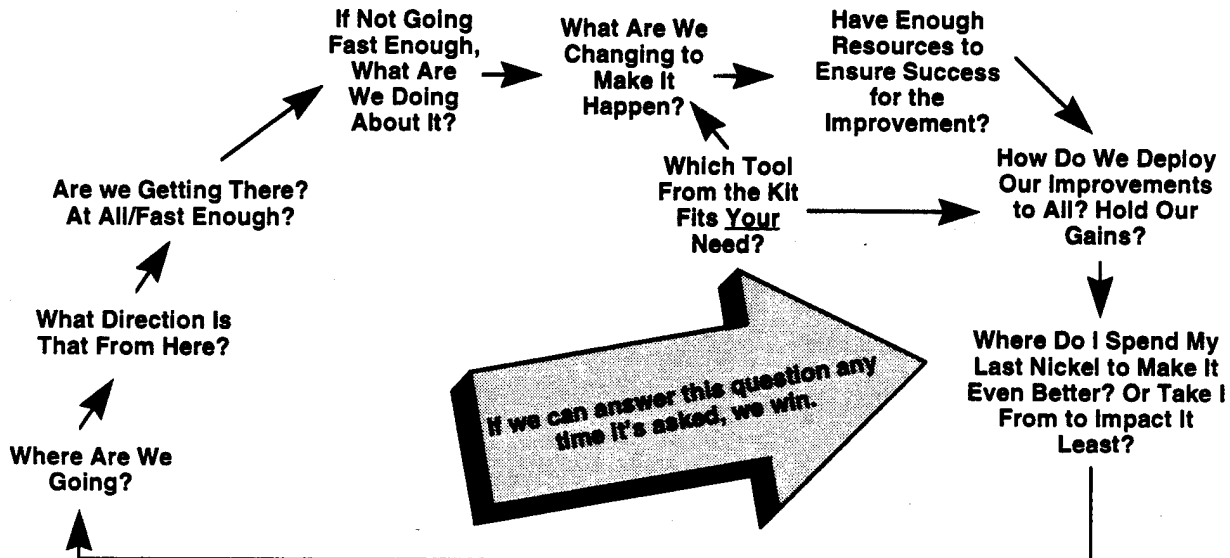
Ms. Ruby McMillen
Corporate Performance Office
HQ, Defense Logistics Agency
24 October 1995

**How DoD Organizations
Approach Breakthrough**

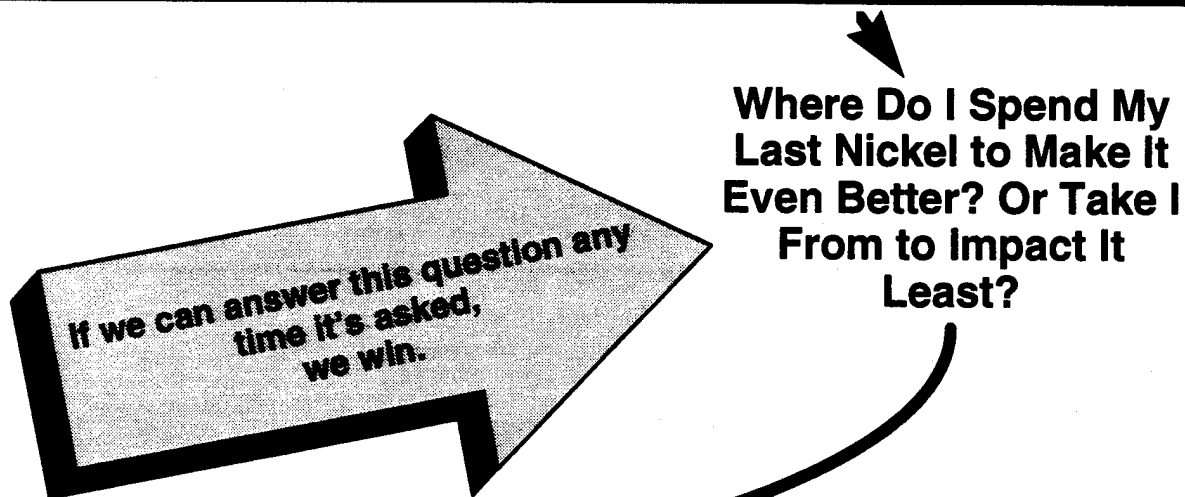
**Performance Management
and the
Defense Logistics Agency**

Ms. Ruby McMillen
Corporate Performance Office
HQ, Defense Logistics Agency
24 October 1995

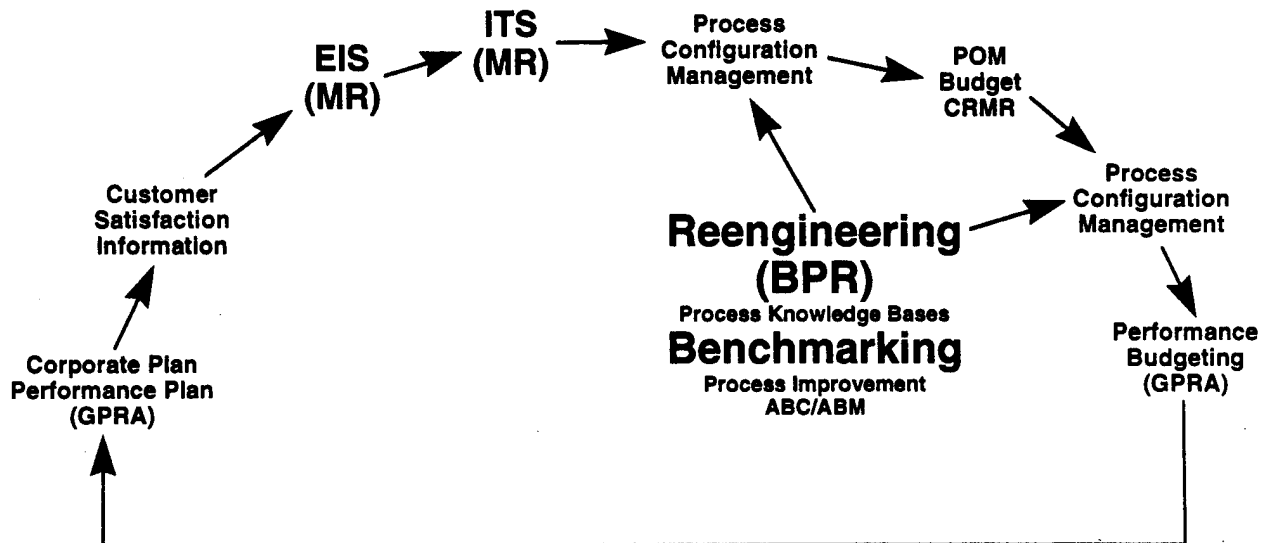
Performance Management Questions



Performance Management Questions



Performance Management Answers



Benchmarking

- **Material Management Pilot Project - Distribution Depots**
 - HQ and Field Participation
 - Coopers & Lybrand Consulting
 - Apr. to Oct. 95
- **Two Processes Selected from ABC Cost Drivers**
 - Jacksonville, FL - Processing Receipts
 - Oklahoma City, OK - Scheduling, Conducting Physical Inventory
- **Partnering with Air Canada; Home Depot; Giant Foods; Excel Glass Manu.; United Airlines; General Motors**
- **Implementation Plan - Oct. 95**

Performance Management Questions

- **Look at the Whole Business - the World Has Changed**
- **How Do You Reengineer? Is It Like Process Improvement
- Need Some Guidelines for Our :Reengineers"**
- **If We Had to Pick the One Process to Reengineer:
- The "B" in PPBES**



Records Management

Tom Bozek

Director, Information Technology,
OASD (C31)

BIOGRAPHY

THOMAS E. BOZEK

Director for Information Technology

Mr. Bozek is the Director for Information Technology, Office of the Assistant Secretary of Defense (Command, Control, Communications and Intelligence). He directs the activities of the Information Technology Directorate and its development of DoD information technology policy, procedures, standards and programs. Mr. Bozek also oversees the activities of the DoD Records Management Task Force for the Deputy Assistant of Defense for Information Management.

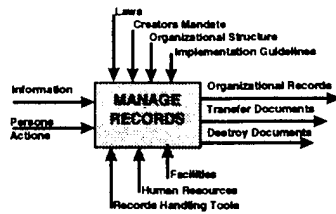
Mr. Bozek has served the Department of Defense since 1968 in the Office of the Secretary of Defense (OSD), the Defense Communications Agency (DCA) and the Defense Intelligence Agency (DIA). He has held both technical and management positions as a computer specialist, computer scientist and operations research analyst.

Mr. Bozek has served in the Information Technology Directorate since July 1991, when he supported its establishment by the Director for Defense Information. As Deputy Director for Information Technology, he led the professional staff in formulating and implementing an integrated set of DoD information technology programs. Directorate programs include areas such as information systems architecture; information technology standards; software engineering environments, reuse and metrics; and data standardization. He also applied the concepts and principles of corporate information management to the information management business function which led to the reengineering of the DoD records management business process.

Mr. Bozek joined the Office of the DoD Comptroller in 1987. There he served as a principal action officer for developing DoD Information Resources Management (IRM) policy and guidance. Among his accomplishments were the approval of the "Life-Cycle Management (LCM) of Automated Information Systems (AISs)" directive, the "AIS LCM Review and Milestone Approval Procedures" instruction, the "AIS LCM Manual," and the Department's Data Administration directive. He also served as a principal action officer of the Major Automated Information System Review Council (MAISRC) for the Navy's Engineering Data Management Information and Control System. The Deputy Comptroller for Information Resources Management appointed Mr. Bozek to the position of Director, Policies and Standards, in August 1990.

During fifteen years of service with the DCA, Mr. Bozek held a number of technical and management positions. The positions held included Chief, WWMCCS ADP Security Branch; Chief, WWMCCS ADP Plans and Requirements Division, DCA Command and Control Technical Center; and, Associate Director for Technical and Management Support with the DCA Joint Data Systems Support Center. Mr. Bozek entered government service as an entry level professional at the Defense Intelligence Agency where he was a systems programmer.

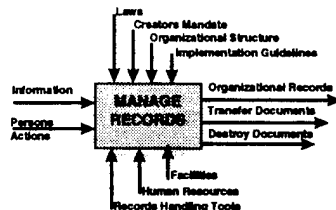
Mr. Bozek earned a Bachelor of Business Administration Degree in 1964, from the University of Massachusetts, and a Master of Science Degree in 1974, from The American University in Washington, D.C. In addition, Mr. Bozek attended the Federal Executive Institute in 1981 and is a 1984 graduate of the Industrial College of the Armed Forces.



Managing Information as Records

*Mr. Thomas E. Bozek
Director for Information Technology
OSD/C3I*

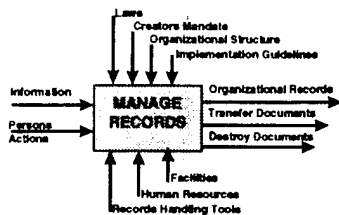
1



DoD Records Management

- Goal of the Effort
- How We Went About It
- What Results Were Achieved
- What Tools of Management Were Used

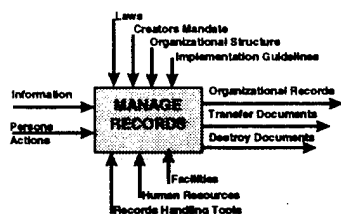
2



Goal of the BPR Effort

- Reengineer and Dramatically Improve the DoD Records Management Process

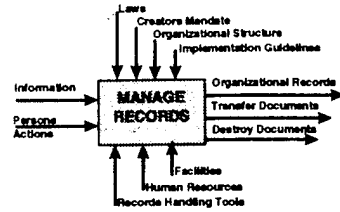
3



How We Went About It

- Established a Multi-Organization Team
- Assigned an Executive Agent
- Used Professional Facilitation
- Use the Game Plan -- Jump-in and Make Adjustments

4



Vision Statement

► DoD Will Meet Future Needs by Managing Information As Records

- ◆ Cost Effective Manner
- ◆ Throughout “Record” Life-Cycle
- ◆ Regardless of --

Medium of Storage

Physical Location

Vehicle Used to Transmit

Classification

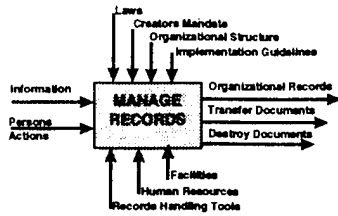
5



What Results Were Achieved

- Developed a “Record Management” Process Model
- Developed a “Record” Data Model
- Produced Supporting Technical Documents
- Identified Six DoD-Level Improvement Initiatives
- Presented Results and Declared “**VICTORY**”

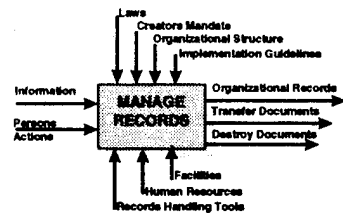
6



Improvement Initiatives

- Develop Standard Retention Schedules
- Reduce the Number of Retention Periods
- Migrate to a Standard Coding System
- Develop Standard Functional and Automated System Requirements
- Incorporate Requirements into AIS Development and Redesign
- Develop Standard System Requirements for Voice and E-Mail Records

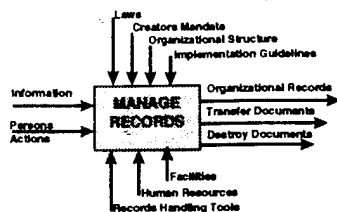
7



DoD Records Management

- Establish a DoD Records Management Task Force
- Develop Implementation Plans
- Share Results with Other Federal Agencies

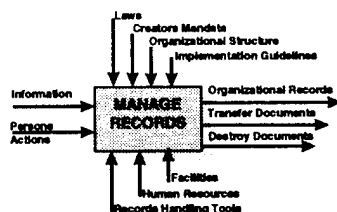
8



DoD Records Management

- Electronic Records Management Software
- Automated Document Conversion
- Defense Message System and Records Management
- Disposition of Security Classified Records

9



Electronic Records Management Software

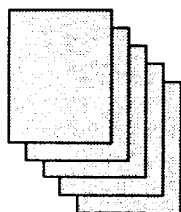
- Testable Baseline Functional Requirements
- Baseline Data Elements
- Records Management Application for All Electronically Managed Records

10



Automated Document Conversion

Analog Document Conversion Digital



What?

How?

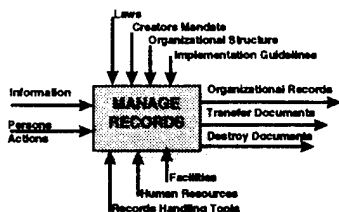
When?

Who decides?

What technical standard?

```
100011001111000101
000101010101101010
101101010001111100
010000100010001110
101010000100010101
111001111100010010
000101010101101010
101101010001111100
010000100010001110
101010000100010101
111001111100010010
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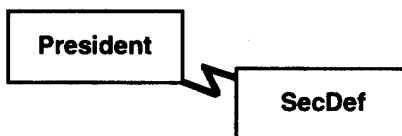
11



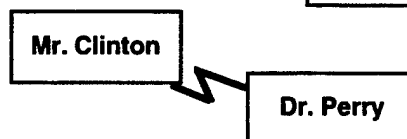
Defense Message System & RM

➤ US Suppl 1 (Draft) to ACP 123

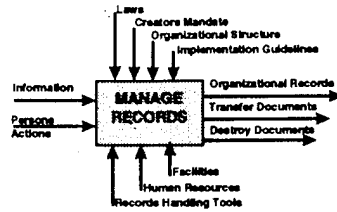
➤ Organizational Messages



➤ Individual Messages



12



E-Mail As Records

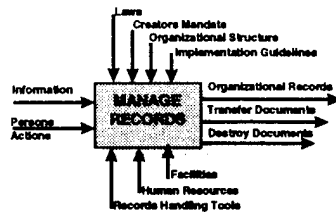
► E-Mail Is a Record When:

- ◆ Sent or Received in the Conduct of Business
- ◆ Is Evidence of the Business Activity

► Put E-Mail Into Electronic Record-keeping System

► Otherwise, Print E-Mail to Paper and File With Related Paper Records

13

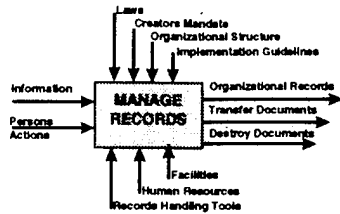


Classified Records

► Manage According to Records Management Procedures

► Safeguard According to Security Procedures

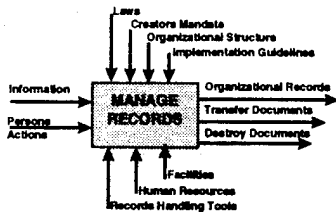
14



Current Status

- 1 -- Develop Standard Retention Schedules
- 2 -- Reduce the Number of Retention Periods
- 3 -- Migrate to a DoD-Wide Standard Coding Scheme
- 4 -- Develop Standard Functional Requirements
- 5 -- Develop Standard Electronic Records Management Requirements
- 6 -- Institutionalize and Provide for All COTS Procurement and GOTS Development

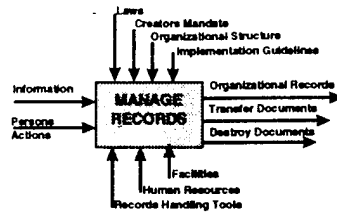
15



Lessons Learned

- Top Management Involvement and Visibility
- Advertise, Market and Publish Reports
- Mix Functional and Technical Experts for Design Efforts

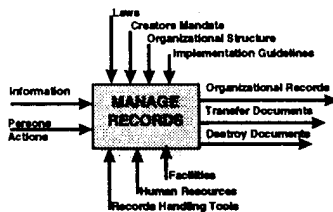
16



Lessons Learned

- Establish End-Date for BPR; Develop Flexible Milestone Schedule
- “You Need to Know People in Low Places to Get Anything Done”
- Project Manager Should Report Outside Normal Chain of Command

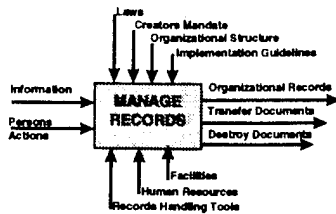
17



Lessons Learned

- Consensus Is Not Possible; Adopt 80-90% Solution
- Get Sanity Checks; From Functional & Academic Experts, and Third Parties
- Ensure Support Personnel Are Trained, and Tools Are Available

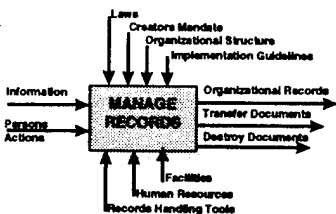
18



Lessons Learned

- Keep A Sense of Humor
- Keep A Sense of Adventure
- Stay Open to the Possibility for Dramatic Change

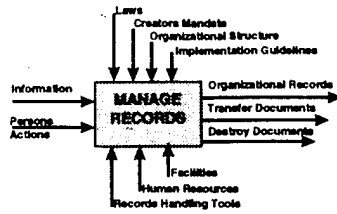
19



Management Tools Used

- Groupware & Professional Facilitator
- IDEF0 and IDEF1x
- Prototyping and Artificial Intelligence Techniques
- Industry and Academia Expertise
- Many Diverse Viewpoints and Hard Work

20



Managing Information as Records

<http://www.dtic.dla.mil/c3i/>



Service Academics

Sandy Rogers

Defense Information Systems Agency

BIOGRAPHY

JEAN S. (SANDY) ROGERS

*Functional Information Manager - Finance, Functional Information Management Department,
Center for Software, Defense Information Systems Agency*

Mrs. Sandy Rogers is the Functional Information Manager for Finance in the Office of the Functional Information Management Department, Center for Software, Defense Information Systems Agency providing direct support to the Deputy Assistant Secretary of Defense (Information Management), Office of the Assistant Secretary of Defense (Command, Control, Communications, and Intelligence). She coordinates the development and approval of Corporate Information Management (CIM) efforts that cross the Planning, Programming, Budgeting and Execution System (PPBES) including Accounting, Civilian Personnel, and the DoD Inspector General functional areas. She also assures integration of efforts and products which impact these areas. She has been instrumental in the development and implementation of a major cross functional business process improvement initiative to support the DoD universities community. This cross functional initiative spans functional activities, service components and organization lines.

Mrs. Rogers has served in the Federal Government for over 32 years with the following organizations: Department of Labor working in International Safety; Department of the Army in a variety of budget, manpower, management, and program analysts positions; and the Office of the Deputy Assistant Secretary of Defense (Information Management) before moving to the Defense Information Systems Agency. She is responsible for the development and implementation of numerous automated information systems supporting programming, budgeting, execution, force structure and manpower requirements for the PPBES process of the Department of Defense.

**DoD SUCCESSES
IN BENCHMARKING AND BPR**
**THE DoD UNIVERSITIES
FUNCTIONAL PROCESS IMPROVEMENT
(FPI) PROJECT**



AGENDA



- INTRODUCTION AND OVERVIEW
- APPROACH
- METHODOLOGY
- RESULTS
- SUMMARY

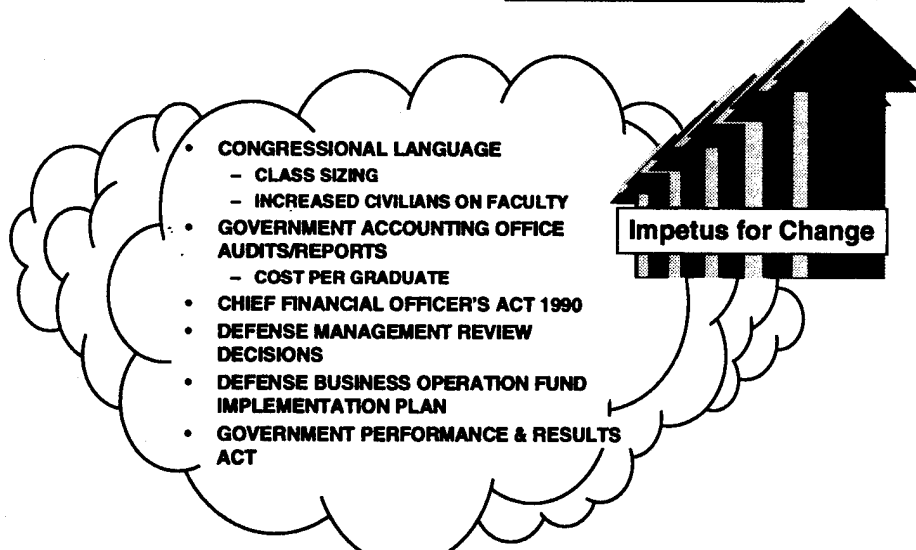
WHY DoD UNIVERSITIES?

INTRODUCTION AND OVERVIEW

- READILY IDENTIFIABLE BUSINESS PROCESSES IN A DEFINABLE ENTERPRISE
- COMMERCIAL BENCHMARKS IN SOME AREAS
- POTENTIAL HIGH PAYOFF
- MICROCOSM FOR DoD BUSINESS PROCESS:
 - CROSS FUNCTIONAL
 - CROSS COMPONENT
- POTENTIAL EXTENSIBILITY
 - FROM SERVICE ACADEMIES TO OTHER SCHOOLS
 - FEDERAL/STATES (FOCUS ON FEDERAL SERVICE)
 - NON-ACADEMIC
- IMPETUS FOR CHANGE

BACKGROUND

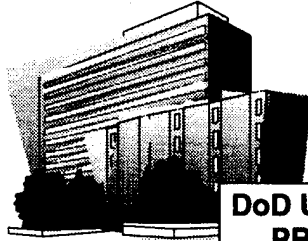
INTRODUCTION AND OVERVIEW

- 
- CONGRESSIONAL LANGUAGE
 - CLASS SIZING
 - INCREASED CIVILIANS ON FACULTY
 - GOVERNMENT ACCOUNTING OFFICE AUDITS/REPORTS
 - COST PER GRADUATE
 - CHIEF FINANCIAL OFFICER'S ACT 1990
 - DEFENSE MANAGEMENT REVIEW DECISIONS
 - DEFENSE BUSINESS OPERATION FUND IMPLEMENTATION PLAN
 - GOVERNMENT PERFORMANCE & RESULTS ACT

Impetus for Change

DoD UNIVERSITY ENVIRONMENT

INTRODUCTION AND OVERVIEW

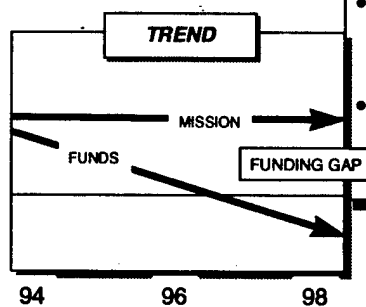


DoD UNIVERSITIES – A \$2 BILLION PROGRAM

- 3 TIERS:
 - SERVICE ACADEMIES
 - MID-LEVEL SCHOOLS
 - SENIOR SERVICE COLLEGES

ASSUMPTIONS

INTRODUCTION AND OVERVIEW



- MISSIONS WILL NOT DECREASE
- QUALITY STANDARDS MUST BE MAINTAINED
- RESOURCES TO SUPPORT UNIVERSITIES ARE LIKELY TO DECREASE
- CONGRESS, GENERAL ACCOUNTING OFFICE, AND DoD INSPECTOR GENERAL WILL CONTINUE TO MONITOR CLOSELY

OPPORTUNITY

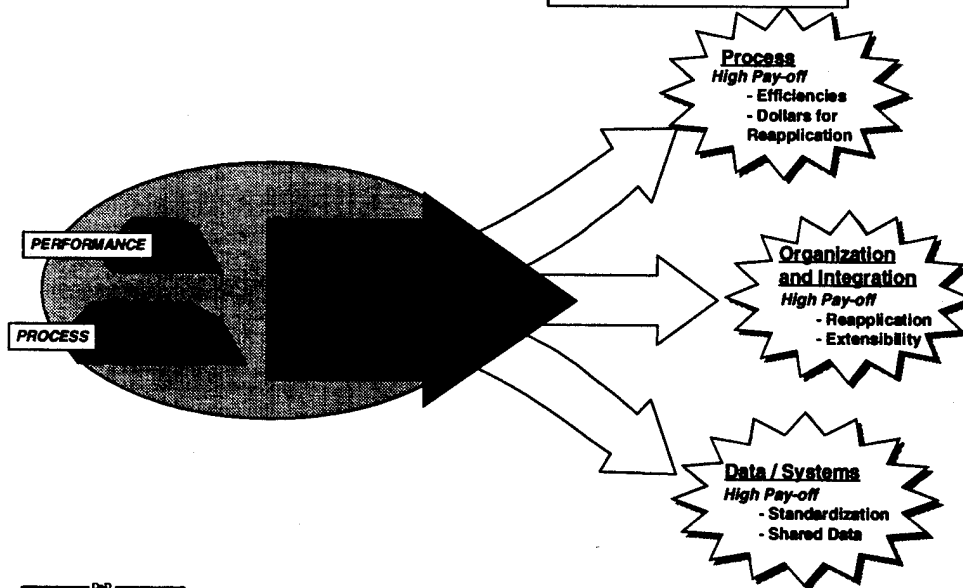
INTRODUCTION AND OVERVIEW



- LEVERAGE THE DoD UNIVERSITY PROJECT TO BENEFIT ACADEMIES AND EXTEND THROUGHOUT DoD
- STIMULATE INNOVATION
- ADOPT IMPROVED BUSINESS PRACTICES
- TRANSITION FROM TRADITIONAL MANAGEMENT TO A DYNAMIC BUSINESS APPROACH
- ADOPT ESTABLISHED AND VALIDATED BENCHMARKS FOR PROCESSES OR PERFORMANCE

TARGETS

APPROACH



TYPES OF BENCHMARKING

APPROACH

STRATEGIC



- HOW COMPANIES COMPETE
- INDUSTRY INDEPENDENT

PERFORMANCE



- PRICE, QUALITY, SPEED
- PRODUCT OR SERVICE COMPARISON

PROCESS



- FUNCTIONS, CYCLE TIMES, WORKFLOW
- MOST UNDERSTOOD

UNIVERSITIES

9

ASSESSMENT

APPROACH

• BENCHMARK INSTITUTIONS

- MASSACHUSETTS INSTITUTE OF TECHNOLOGY(MIT)
- UNIVERSITY OF WISCONSIN
- OREGON STATE UNIVERSITY
- DUKE UNIVERSITY
- AMERICAN UNIVERSITY
- UNIVERSITY OF SCRANTON

• BENCHMARK ASSOCIATIONS

- ASSOCIATION FOR MANAGEMENT OF INFORMATION TECHNOLOGY OF HIGHER EDUCATION
- AMERICAN ASSOCIATION OF COLLEGIATE REGISTRARS AND ADMISSIONS OFFICERS (AACRAO)
- NATIONAL ASSOCIATION OF COLLEGE AND UNIVERSITY BUSINESS OFFICERS (NACUBO)

**PAYOFF
APPROACH**



CROSS FUNCTIONAL



ORGANIZATION

SOFTWARE AND TRAINING

PROCESS -VALUE ADDED/NON-VALUE ADDED

SYSTEMS AND DATABASES

UNIVERSITIES

10

FUNCTIONS

APPROACH

ADMISSIONS

REGISTRAR

ALUMNI

FACILITIES

FINANCIAL
MANAGEMENT

SERVICES



- FUNCTIONS ARE COMMON TO ALL DoD UNIVERSITIES
- FUNCTIONS REPRESENT THE UNIVERSITY BUSINESS PROCESSES
- FUNCTIONS ALIGN WITH MANAGEMENT STRUCTURE TO IMPLEMENT IMPROVEMENTS
- FUNCTIONS ARE COMMON TO CIVILIAN INSTITUTIONS

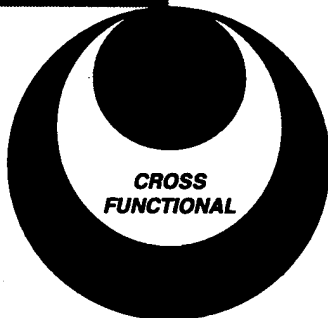
DoD
UNIVERSITIES
Achieving Breakthrough Improvement in 2007

11

POTENTIAL SAVINGS

APPROACH

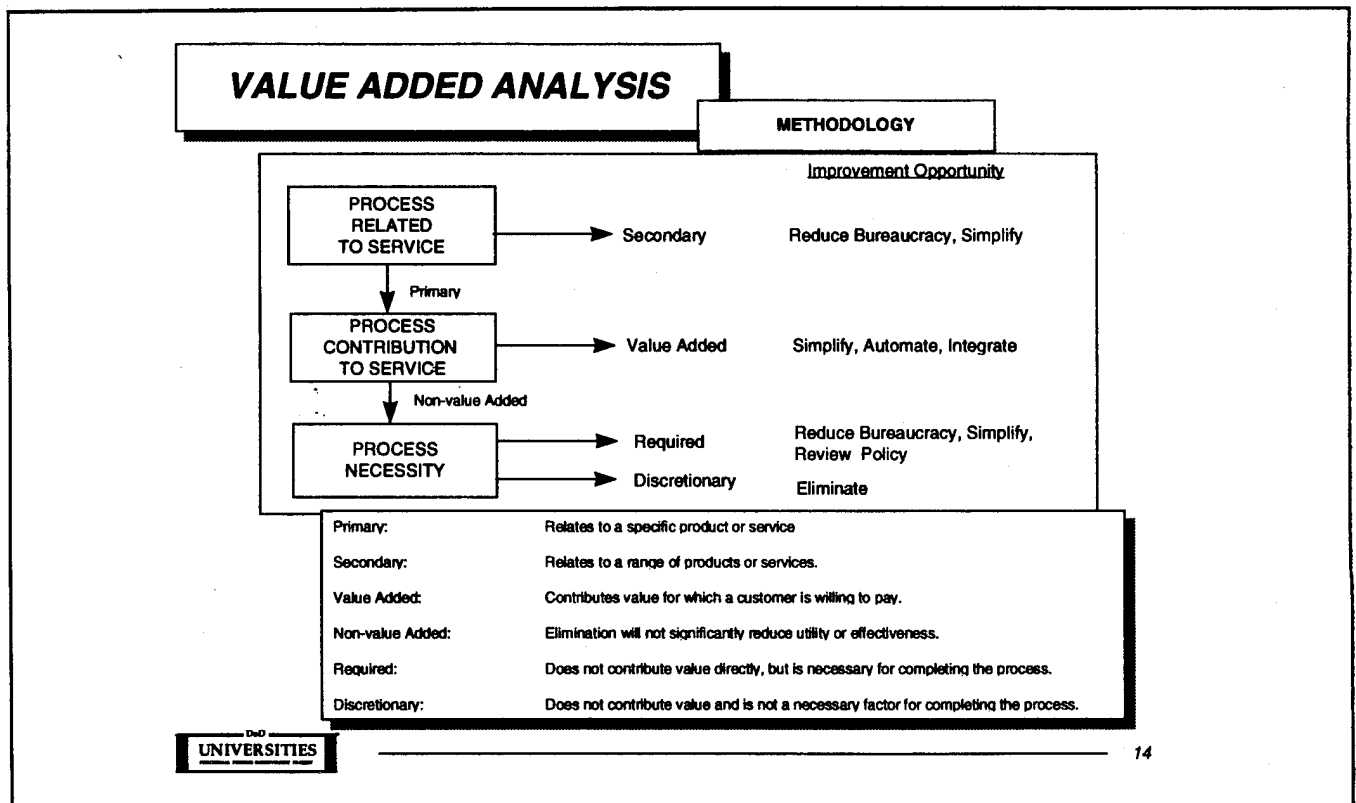
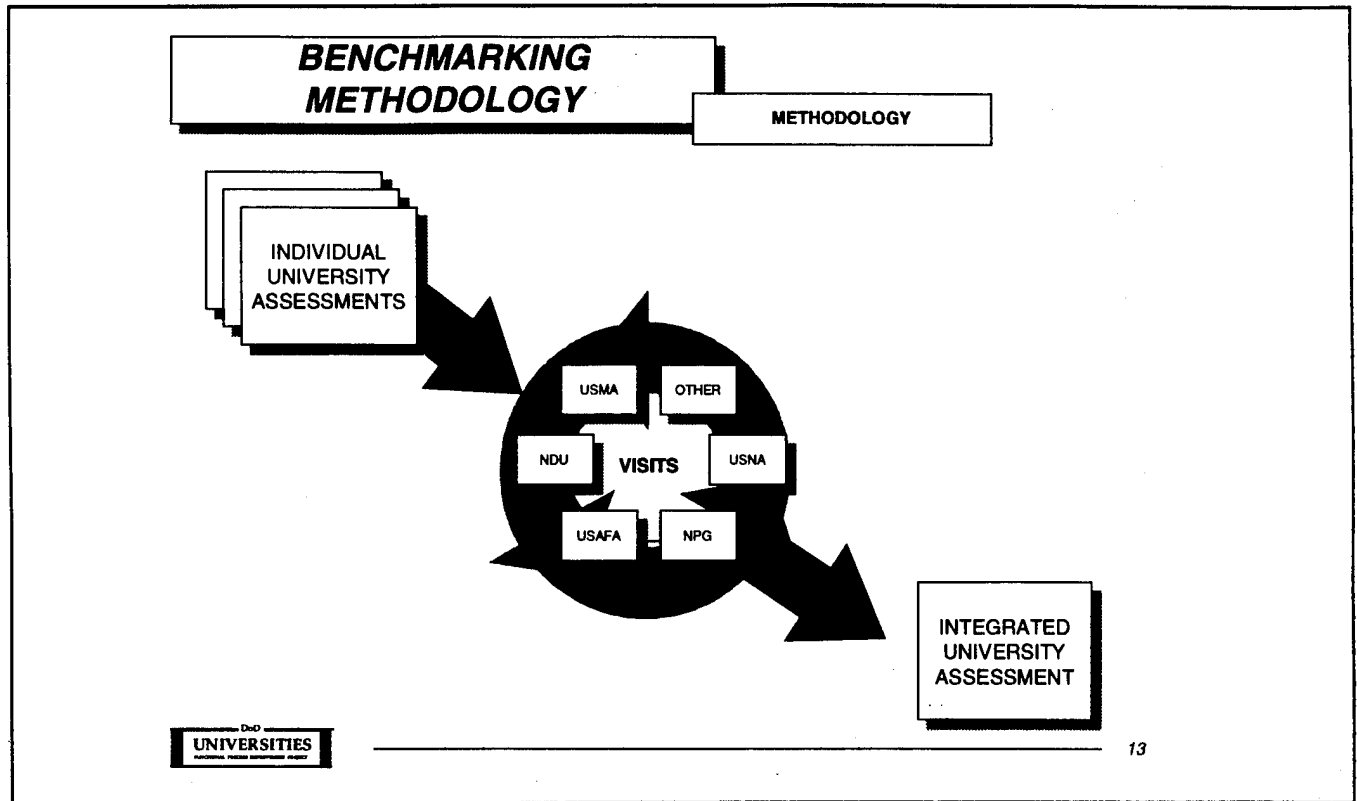
POTENTIAL
SAVINGS



- CROSS-FUNCTIONAL SAVINGS
 - CONSOLIDATION OF REDUNDANT ACTIVITIES
- JOINT PROCEDURES AND PROCESSES
- FUNCTIONAL SAVINGS
 - INTERNAL PROCESS IMPROVEMENTS
 - INTERNAL POLICY CHANGES
 - ELIMINATION OF REDUNDANT STEPS WITHIN A PROCESS
 - INTEGRATION OF PROCESSES INTO A SINGLE FUNCTION

DoD
UNIVERSITIES
Achieving Breakthrough Improvement in 2007

12



ORGANIZATION / ACTIVITY ANALYSIS

METHODOLOGY

ACTIVITY / ORGANIZATIONS	ODR	PLANS	RM	OPS	FINANCE	ADMIN
PLAN RESOURCES						
INITIATE PLANNING PROCESS	X					
DEVELOP PLANNING OBJECTIVES	X	X		X	X	
DETERMINE COST ESTIMATES			X			X
DEVELOP BUDGET SUBMIT						
INITIATE DATA CALL			X			X
PROVIDE EXPENSE ELEMENT DATA					X	
VALIDATE REQUIREMENTS	X			X		X
DETERMINE DOLLAR AMOUNT			X			
PRIORITIZE REQUIREMENTS	X			X		X
SUBMIT BUDGET			X			
DETERMINE SOURCE OF FUNDS						
DEVELOP FUNDING ALTERNATIVES	X	X	X		X	
SELECT FUNDING ALTERNATIVE	X		X		X	
PURSUOE SOURCE OF FUNDING	X		X			
COMPARE "WHAT" TO "WHO"	X	IDEAL DEPLOYMENT				
	X	DOUBTFUL				

UNIVERSITIES

15

ACTIVITY TO VALUE ADDED

METHODOLOGY

ACTIVITY / VALUE ADDED	REQUIRED		VALUE TO ORG			VALUE TO CUSTOMER		
	REG	SOP	HIGH	MED	LOW	HIGH	MED	LOW
PLAN RESOURCES								
INITIATE PLANNING PROCESS		X	X					X
DEVELOP PLANNING OBJECTIVES	X	X	X					X
DETERMINE COST ESTIMATES	X	X	X					X
DEVELOP BUDGET SUBMIT								
INITIATE DATA CALL		X	X				X	
PROVIDE EXPENSE ELEMENT DATA		X		X		X		
VALIDATE REQUIREMENTS		X			X		X	
DETERMINE DOLLAR AMOUNT		X		X		X		
PRIORITIZE REQUIREMENTS		X		X				X
SUBMIT BUDGET		X	X					X
DETERMINE SOURCE OF FUNDS								
DEVELOP FUNDING ALTERNATIVES	X			X				X
SELECT FUNDING ALTERNATIVE		X		X				X
PURSUE SOURCE OF FUNDING	X		X					X

UNIVERSITIES

16

ACTIVITY BASED COSTING**METHODOLOGY**

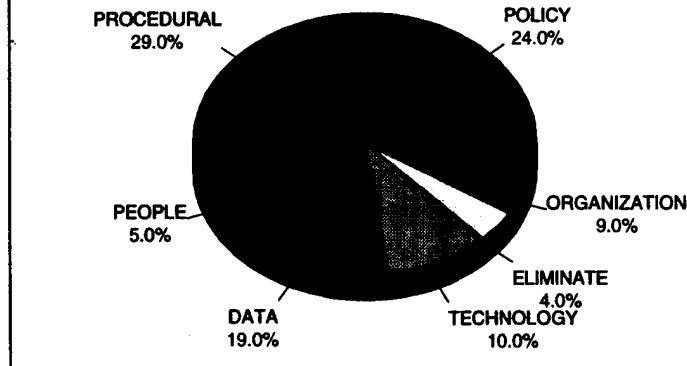
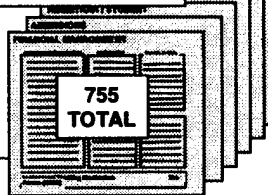
ACTIVITY BASED COSTING	DURATION TIME	MANPOWER DOLLARS	CONTRACT DOLLARS	EQUIPMENT DOLLARS
PLAN RESOURCES	11:45	\$4,360	\$2,535	\$0
INITIATE PLANNING PROCESS	1:00	\$250	\$35	\$0
DEVELOP PLANNING OBJECTIVES	4:20	\$3,000	\$0	\$0
DETERMINE COST ESTIMATES	6:25	\$1,110	\$2,500	\$0
DEVELOP BUDGET SUBMIT	1/3/00 19:00	\$14,950	\$16,280	\$8,900
INITIATE DATA CALL	3:00	\$650	\$35	\$2,400
PROVIDE EXPENSE ELEMENT DATA	7:00	\$1,200	\$0	\$0
VALIDATE REQUIREMENTS	9:00	\$1,850	\$8,000	\$2,800
DETERMINE DOLLAR AMOUNT	14:00	\$2,250	\$6,000	\$2,500
PRIORITIZE REQUIREMENTS	22:00	\$6,000	\$45	\$1,200
SUBMIT BUDGET	12:00	\$3,000	\$2,200	\$0
DETERMINE SOURCE OF FUNDS	1/1/00 21:00	\$6,400	\$1,200	\$1,200
DEVELOP FUNDING ALTERNATIVES	12:00	\$3,000	\$0	\$1,200
SELECT FUNDING ALTERNATIVE	21:00	\$2,200	\$1,200	\$0
PURSUE SOURCE OF FUNDING	12:00	\$1,200	\$0	\$0

DOD
UNIVERSITIES
DEFENSE RESEARCH UNIVERSITY SYSTEM

17

**IMPROVEMENT
OPPORTUNITIES****RESULTS**

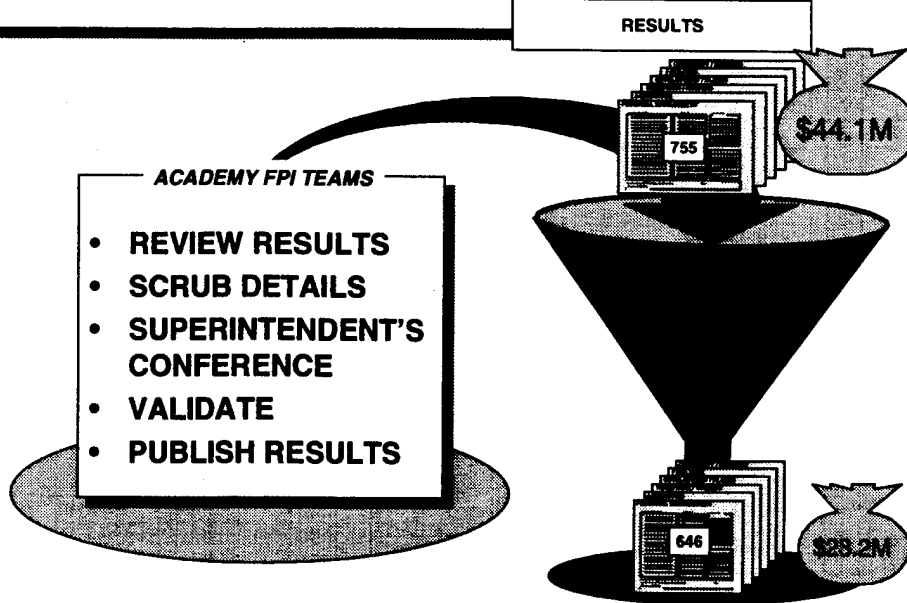
53% OF IMPROVEMENTS
ARE PROCEDURES AND
POLICY CHANGES



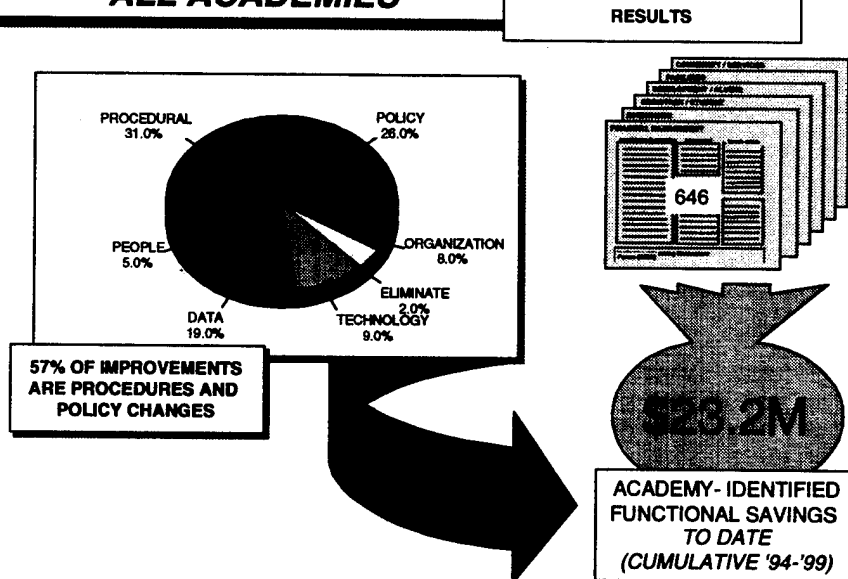
DOD
UNIVERSITIES
DEFENSE RESEARCH UNIVERSITY SYSTEM

18

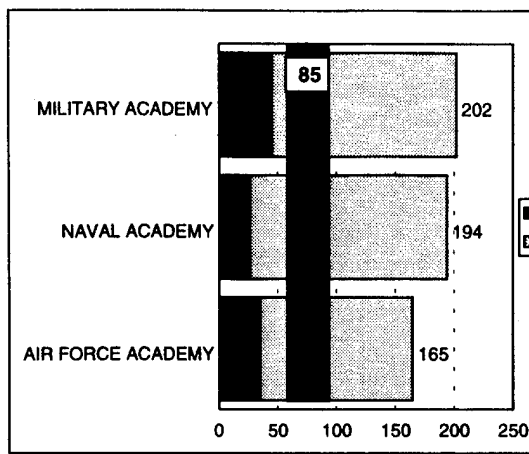
VALIDATION PROCESS



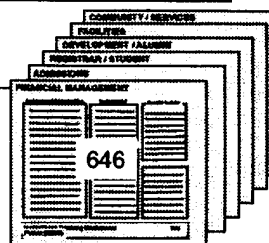
SAVINGS ALL ACADEMIES



IMPLEMENTATION STATUS



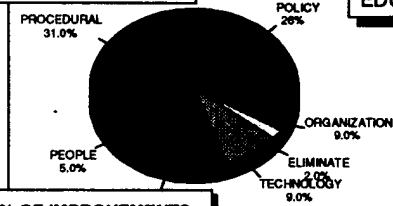
RESULTS



EXTENSIBILITY

SUMMARY

DoD UNIVERSITY IMPROVEMENTS



57% OF IMPROVEMENTS ARE PROCEDURES AND POLICY CHANGES

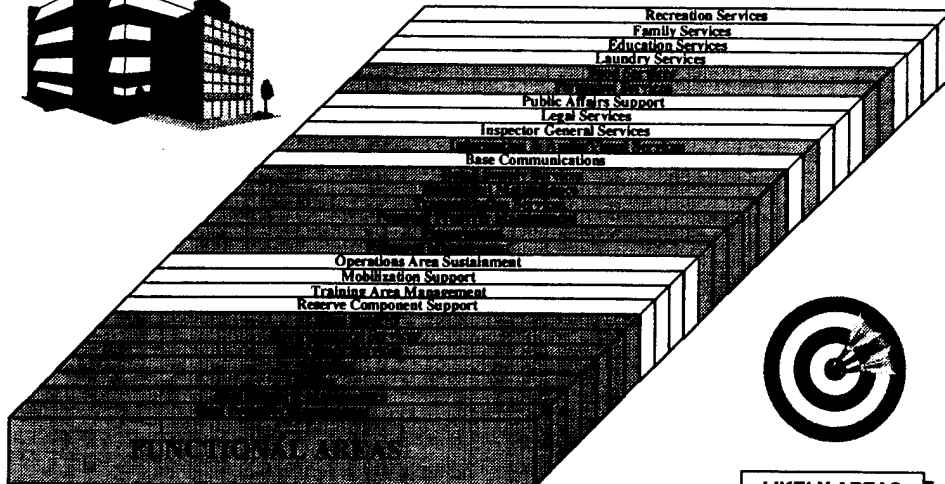
IMPROVEMENTS DEVELOPED DURING DoD UNIVERSITY WORKSHOPS CAN BE APPLIED TO OTHER DoD, FEDERAL, NON-PROFIT, AND EDUCATION OPERATIONS

- CFO ACT
- GOVERNMENT PERFORMANCE & RESULTS ACT
- NATIONAL PERFORMANCE REVIEW
- FINANCIAL PERFORMANCE

- CYCLE TIME
- PROCESS OPERATING COSTS
- ACTIVITY COSTS
- PRODUCTIVITY
- REJECTION / RETURN RATES
- NUMBER AND VELOCITY OF CUSTOMER COMPLAINTS

LIKELY APPLICATION

SUMMARY



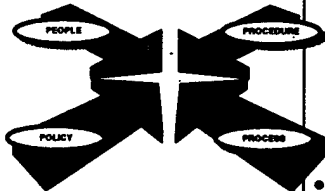
LIKELY AREAS
TO SHARE
BENCHMARKING

DoD
UNIVERSITIES
DEFENSE HIGHER EDUCATION INITIATIVE

23

RESULTS

SUMMARY



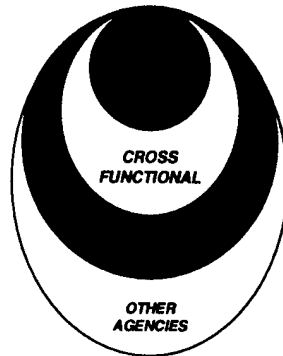
- SERVICE ACADEMIES ARE LEVERAGING WORKSHOP RESULTS BY:
 - IMPROVING EFFECTIVENESS AND EFFICIENCY
 - FOCUSING ON IMPLEMENTATION
 - MOVING TOWARD STANDARDIZATION AND INTEGRATION
 - CONTINUING BENCHMARKING PROCESS
- ENTERPRISE INTEGRATION:
 - CROSS FUNCTION
 - CROSS SERVICE
- PARALLELS SIMILAR CIVILIAN HIGHER EDUCATION PROJECTS.

DoD
UNIVERSITIES
DEFENSE HIGHER EDUCATION INITIATIVE

24

OBJECTIVES -- ONGOING

SUMMARY



- ENTERPRISE INTEGRATION
- PAY-OFF FROM CROSS FUNCTIONAL AND CROSS ORGANIZATIONAL ASSESSMENTS
- DATA INTEGRATION AND STANDARDIZATION
 - SHARED DATA
 - STANDARDIZED DEFINITIONS AND BUSINESS RULES
 - BUILD A FULLY INTEGRATED BUSINESS CASE
- EXTEND LESSONS-LEARNED AND BENCHMARKS TO OTHER AGENCIES

SUMMARY

SUMMARY



- DoD WILL ACTIVELY SEEK BENCHMARKING PARTNERSHIPS
- EXTENSIBILITY OF THE PROJECT IS AN ESTABLISHED GOAL
- MOST IMPROVEMENTS ARE POLICY OR PROCEDURAL AND RELEVANT TO ANY UNIVERSITY
- ENABLING SOLUTIONS, METHODOLOGIES, APPROACHES, AND RESULTS OF THIS PROJECT CAN BE READILY INTEGRATED INTO ONGOING OR PLANNED UNIVERSITY PROGRAMS



Travel Reengineering

Pete Poulos

BIOGRAPHY

PETE B. POULOS

Pete Poulos is a senior management analyst in the Performance Measures and Results Directorate. He is currently involved with departmental implementation efforts to link financial measures with program performance measures as required under the Government Performance and Results Act (GPRA) of 1993. He researches and facilitates the development, use, and integration of performance measures with strategic plans and financial management systems.

Mr. Poulos has over 23 years of experience in implementing Department-wide efforts in productivity and quality improvement, performance measurement, labor productivity measurement, process improvement, productivity enhancing capital investment, and best practices. These efforts involved interaction with all DoD components and OSD staffs as well as representing the Department in interagency matters.

Prior to this position, Mr. Poulos was the Acting Director of the Defense Productivity Program Office where he directed the implementation of the Department's Quality and Productivity Improvement Plan and a variety of related industrial engineering and human resource management initiatives. Other work experience includes conducting manpower efforts at the Defense Contract Management Region, Philadelphia, and the Air Force Material Command.

He has authored articles on productivity and prepared a variety of major studies and analyses on labor productivity.

Mr. Poulos received a B.S. in Industrial Engineering from Geneva College and attended the University of California, Irvine on a fellowship in systematic analysis. He was born in Ellwood City, Pennsylvania, and resided in Woodbridge, Virginia.



**GOVERNMENT PERFORMANCE AND RESULTS ACT
OF 1993**

"Managing for Results"

DoD Implementation Process

**Under Secretary of Defense (Comptroller)
Directorate for Performance Measures and Results
The Pentagon, Room 1A658
Washington, DC 20301-1100
(703) 614-9148**



OUTLINE

- Government-wide framework
- DoD GPRA implementation process
 - Awareness
 - Education and Training
 - Tools
 - Pilot Projects
- DoD corporate goal process

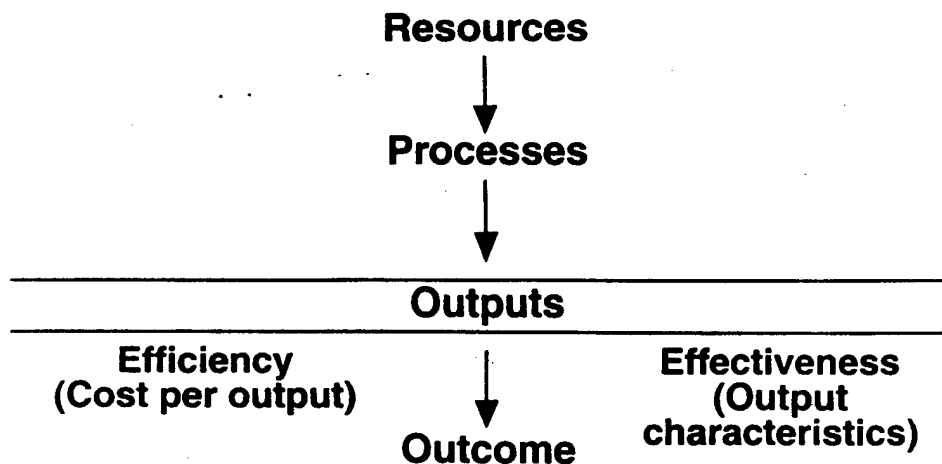


Purpose

- Shift the focus of government managers from program inputs to program execution
 - What results are being achieved (outputs and outcomes)
 - How well are programs meeting intended objectives
- Promote managerial flexibility in exchange for accountability



What Financial Managers (and Other Managers) Need to Know





Performance Indicators

- **Measures of output or outcomes:**
 - **Output** -- products or services
 - **Outcome** -- results or impact of program output against intended purpose
- **Assessment indicators include:**
 - **Efficiency indicators** -- measure the transaction or production costs, such as unit cost per output
 - **Effectiveness indicators** -- measure output or outcome quality, timeliness, and customer satisfaction
 - **Financial indicators** -- measure fiduciary characteristics such as receipt, collection, and credit obligation rates



GPRA Key Provisions

- **Strategic plans**
- **Performance plans**
- **Program performance reporting**
- **Pilot projects**
 - **Performance goals/measurement**
 - **Managerial accountability and flexibility**
 - **Performance budgeting**



Strategic Plans

- Agencies must prepare 5-year strategic plans setting forth their mission and long-term goals
- Plans must include:
 - Comprehensive mission statement
 - Goals and objectives that measure mission achievement
 - Approach that will be used in achieving goals (action plans and resources)
 - Description of key factors that may affect achievement of goals and objective

First plans due to OMB by September 30, 1997



Agency Performance Plans

- Links longer term goals (strategic plan) and what managers and staff are doing on a day-to-day basis
- Annual plan will contain:
 - Set of performance goals for programs
 - Summary of necessary resources (consistent with the President's budget)
 - Performance indicators that will be used to measure performance
 - A statement of how measured values will be verified
 - Proposed waivers to administrative rules and regulations

*Agencies will submit annual performance plan
September 1997 in support of the FY 1999 budget*



Annual Performance Report

- Provides feedback to managers, policy makers, and the public
- Describes:
 - What was actually accomplished in comparison to goals presented in performance plan
 - Program evaluation findings
 - Future plans for addressing short falls
- Will satisfy CFO financial statement performance reporting requirement

First required in March 2000



OMB Implementation Principles

- Provide agencies maximum implementation discretion
- Minimize directives and prescriptive guidance or instructions
- Set no requirements for standard government-wide measures
- Absent specific demand, no development of "model" plans or "how to" hand books
- Facilitate agencies working together and sharing lessons learned



OMB Revised Circular A-11, June 1995

- For FY 97 agencies are encouraged to undertake GPRA-related activities as follow:
 - Ensure that budget estimates reflect full consideration of the Administration's commitment to improve program performance, management integrity and controls, program delivery, financial management, and service
 - Increase the use of output and outcome based performance information in the budget decision-making process and budget justification materials
 - Review the budget account structure and propose changes that would align budget accounts with program results
- FY 97 Budget justification materials should:
 - Include a vision statement and a discussion of goals and strategies for implementing financial management improvements
 - Incorporate narrative statements that discuss how the budget year request supports short range and long range performance goals, outputs, and outcomes
- The spirit of GPRA should not be limited to the designated pilot programs



OMB Spring Review on Program Performance

- Announced in OMB memorandum of March 3, 1995
- Goals: More and better performance information for key programs in the FY 1997 budget requests
- Process:
 - Assess performance information now available and what will be available for the FY 1997 budget submits
 - Agree on performance information that will be provided with FY 1997 budgets for key program areas
 - Identify actions that improve performance in key program areas



General Accounting Office Role

- GPRA directs GAO to evaluate the benefits, cost, and usefulness of the pilot phase of GPRA implementation by May 1997
- Assessment will be real-time and focus on critical success factors, barriers, and best practices
- Key questions:
 - Is **GPRA integrated** with other management improvement processes?
 - Does the strategic plan/performance plan generate management **opportunities and incentives to improve**?
 - **Do managers use** GPRA information and for what?
 - How do agencies **build consensus** on program objectives and outcome goals?
 - Does GPRA force agencies to look at **interactive impacts** of their program and other programs on the same outcome and facilitate communication?



Agency Implementation Plans *DoD Policy Objectives*

- Present performance information on the most important aspects of Defense
- Facilitate consensus on measures of Defense output and outcomes
- Be integrated with and reflect Planning, Programming and Budgeting System and the Future Years Defense Plan
- Serve as a methodology to engage the broader defense community on essential outputs and results at given resource levels
- Ensure that performance is the responsibility of functional managers; not Comptroller



DoD Process Get the *Institution* Engaged

- **Responsibilities assigned**
 - USD Comptroller responsible for implementation oversight
 - Performance Measures and Results Directorate established
- **Awareness and education and training strategies initiated**
- **DoD pilot process underway**
- **DoD-wide implementation plan being developed**



GPRA Awareness Strategy in DoD

- **Established DoD point-of-contact network including all DoD Components**
- **"Key Criteria for Performance Measurement" provides guidance on performance measurement types and application (published in 1992 by DoD Comptroller)**
- **"The Future of Financial Management; Focus on Performance," by John J. Hamre, outlines DoD implementation principles and strategy (Jan 1994 by Armed Forces Comptroller)**
- **OMB established a GPRA bulletin board system; National Performance Review established Measurenet system**



Education and Training

- **Objective: integrate GPRA subject matter into DoD curricula in a timely, cost effective manner**
- **Assist in assessing the total GPRA training needs/achieve economies of scale**
- **Target audience: functional and financial personnel, at all levels, with GPRA related responsibilities**
- **Ongoing Training Development**
 - **Interactive Distance Learning (IDL) Satellite transmission - September 95**
 - **INTERNET (World Wide Web) course -**



Performance Assessment Tools

- **DoD Performance Assessment Guide**
 - **Decision support tool to help managers assess organizational performance**
 - **Modular design of the guide provides maximum flexibility by providing the right tools for the right needs**
 - **PC software allows easy access to all modules**
- **Performance assessment guide modules:**
 - **Quality and Productivity Self-Assessment Guide**
 - **Guide for Measuring Customer Satisfaction**
 - **Guide for Developing Performance Measures**



DoD Challenge

- **Manage two levels of the GPRA implementation process simultaneously**
 - **Pilot projects**
 - **DoD-wide corporate goals**



DoD Pilot Process Ground Rules

- **DoD pilots are proposed by Components**
 - **Volunteers only**
 - **Nominated by Component Head**
- **Coordination process includes all stakeholders**
- **Pilot projects are nominated by DEPSEC to the Office of Management and Budget**



DoD Performance Measurement Pilots

- OMB approved DoD performance measurement pilot projects include:
 - Defense Logistics Agency
 - Air Combat Command
 - Army Research Laboratory
 - Defense Commissary Agency
 - U.S. Army Corps of Engineers--Civil Works
 - Army Audit Agency
 - CINCLANTFLT - Carrier Battle Group
- FY 1995 performance plans submitted to OMB October 1994
- FY 1994 performance report for DLA submitted to OMB March 1995
- FY 1996 performance plans submitted to OMB May 1995



Managerial Accountability and Flexibility Pilots

- All nominations will be drawn from performance measurement pilots
- DoD(C) will coordinate with all senior-level stake holders with oversight responsibility in area of proposed waiver (i.e., functional, financial, personnel, etc)
- DoD has one managerial flexibility pilot at this time:
 - DLA - waivers are specific to the GSA rules that affect defense reutilization and marketing service operations



GPRA Pilot Process Lessons Learned - to Date

- Senior leadership commitment is necessary for success
 - Process should promote decisions aligned with agency goals
- Involve entire organization in GPRA process
 - Will achieve better results through enhanced communication and GPRA training
- Develop goals first, then focus on measures
- Reassess performance measures continually for linkage to strategic goals and usefulness to managers



GPRA Pilot Process Lessons Learned - to Date (Continued)

- Linking performance goals to budgets is difficult
 - Need to ensure integration of performance information into budget process
 - Need to ensure funding priorities are aligned with goals
- Need information system capability to collect information on performance

DoD-Wide Corporate Goals Process



Corporate Goals and Measures Process

- GPRA requires a DoD strategic plan and performance plan by September 1997
- Last summer, USD(C) initiated a consensus building process to develop DoD-wide corporate goals and measures
- Working group from OSD PSA's/JCS formed to:
 - Draft plans to integrate GPRA requirements into the PPBS
 - Assist in development of a draft DoD-wide strategic plan
 - Develop quantifiable measures for identified DoD goals



Current Status Corporate Goals Working Group

- Produced a draft DoD-wide mission statement, mission statement, and seven corporate level goals
- Expanded to include DoD components
- Developing quantifiable performance measures linked to the corporate goals
- Completion of draft DoD-wide strategic plan and performance plan by October 1, 1995



DoD Mission Statement

The mission of the Department of Defense is to support and defend the Constitution of the United States, to provide for the common defense of the United States, its citizens and its allies, and to protect and advance U.S. interests around the world.



DoD Vision Statement

- **Successfully defends the United States, its citizens, interests and allies**
- **Fields the best trained, best equipped, best prepared joint fighting force in the world**
- **Supports alliances and security relationships that protect and advance U.S. national security interests**
- **Advances national priorities in concert with other government agencies, Congress and the private sector**
- **Serves as a model of effective, efficient and innovative management and leadership practices**



Identified Seven Major Corporate Goal Categories

- **Force Structure**
- **Readiness**
- **People**
- **Security Relationships (Allies)**
- **Tech Superiority**
- **Security Relationships (U.S.)**
- **Management**



Travel Reengineering

Pete Poulos



Best Manufacturing Practices Program- Resources for Rapid Benchmarking and Transfer of Proven Solutions

Rick Purcell

Special Projects, Department of the Navy

BIOGRAPHY

RICHARD L. PURCELL

Best Manufacturing Practices Center of Excellence, College Park, MD

Mr. Purcell is the Principal Investigator and a Survey Team Leader for the Navy's Best Manufacturing Practices program.

Mr. Purcell has been associated with the BMP program since 1986. He has worked closely with many of the nation's leading firms in such areas as production and process control systems, change leadership, quality management, information systems, electronic data transfer, supplier partnership programs, personnel development and training, customer and community relations, automation, environmental issues, and facility modernization. He has been a technical advisor and contributor to technical guidelines and reports published by the BMP program.

Mr. Purcell is a former naval officer having served over 20 years on active duty as a pilot with assignments in system development and acquisition, aviation maintenance, and program management. Mr. Purcell is a graduate of the U.S. Navy Academy and holds an M.S. degree in systems technology from the Naval Postgraduate School.

Best
Manufacturing
Practices

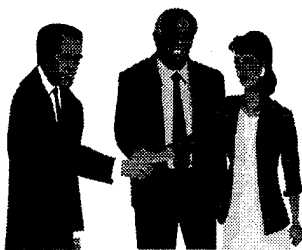
BMP Resources for Benchmarking

RICK PURCELL
BMP CENTER OF EXCELLENCE
COLLEGE PARK, MD
(301) 403-8100



BMP IS . . .

- Government, Industry, & Universities Partnering to:
 - Identify Best Practices
 - Facilitate The Diffusion of Best Practices
 - Provide Resources and Tools for Solving Problems
- Established in 1985
- A National Focal Point for Benchmarking



PARTICIPANTS

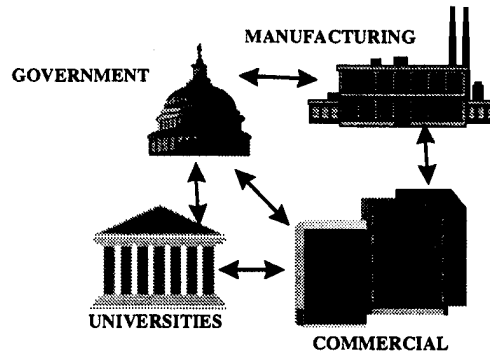
- **Government Agencies - 29%**

- Defense
- Commerce
- Energy
- NASA
- Canada

- **Industry - 63%**

- Defense & Commercial
- U.S. & Canada
- Associations

- **Universities & Colleges - 8%**



BMP Center of Excellence

Partnering for Success

- **Navy's Best Manufacturing Practices Program**
 - Identify, Verify, and Document Best Practices
- **National Institute of Standards & Technology**
 - Deliver BMP to Small and Medium-Size Companies
- **University of Maryland, College Park**
 - Introduce BMP into College of Engineering



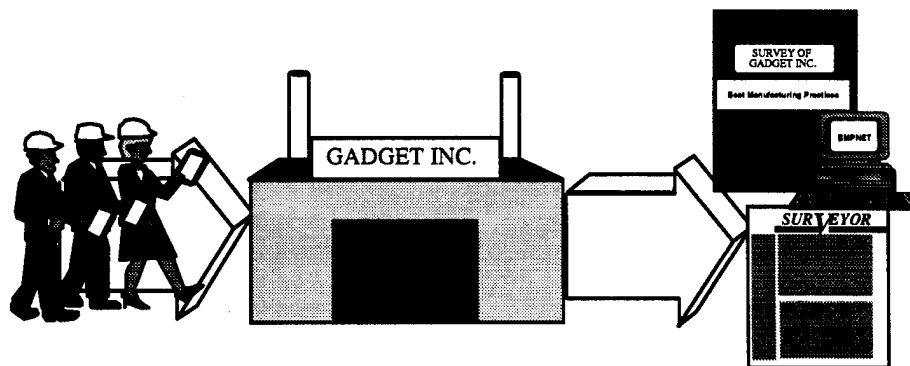
PRODUCTS AND SERVICES

- Survey Reports
- Technical Guidelines
- BMPnet – PMWS, Communications
- Workshops
- Benchmarking
- Expert Assistance



SURVEYS: THE HEART OF THE BMP PROGRAM

- Surveys document best practices at companies, and government activities
- Conducted on site by experienced and objective teams
- All reported data is validated by the team
- No risk to participants

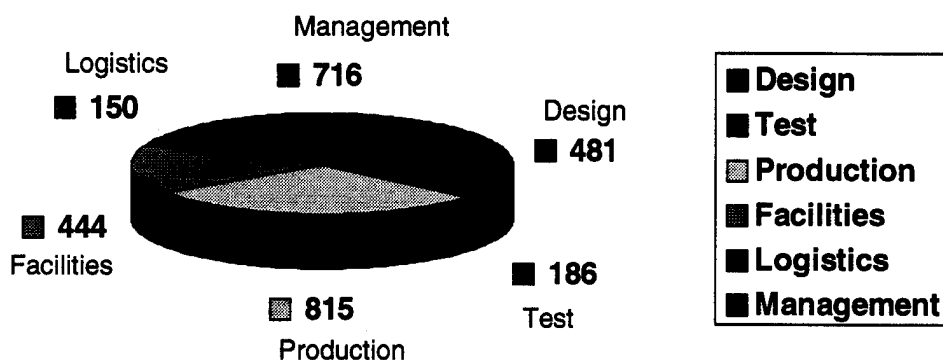


Surveys/Reports

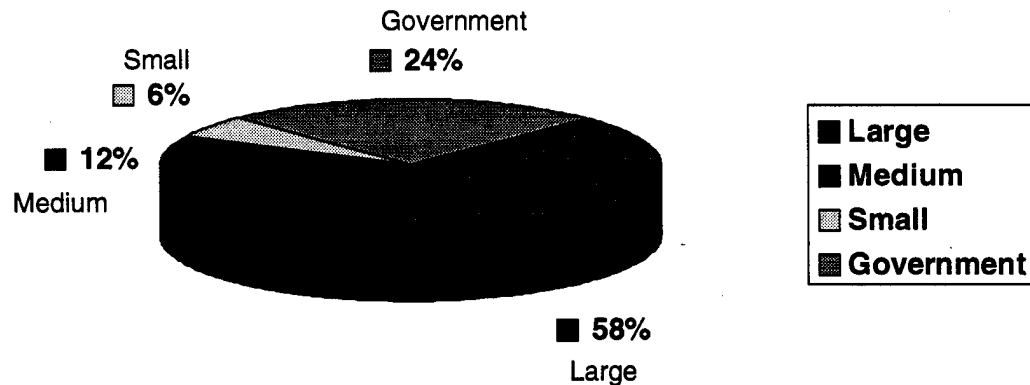
- Over 3,000 Best Practices Documented
- More than 80 Surveys Conducted
- Distributed Throughout Industry and Government
- Accessible via Computer
 - BMPnet
 - INTERNET
 - WWW
 - CD-ROM



Documented Best Practices

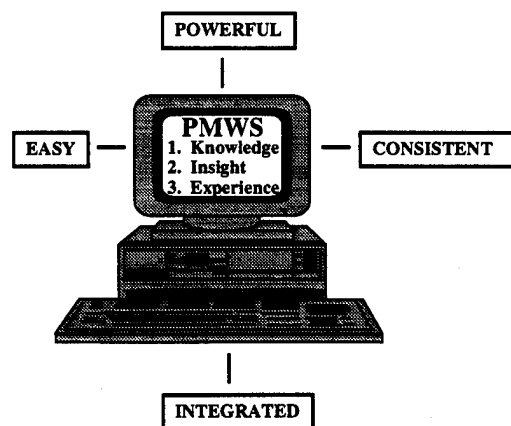


Industry Sector Surveyed



PROGRAM MANAGER'S WORKSTATION (PMWS)

- An Expert System Decision Assistance Tool
- KnowHow
 - Rapid Access To Key Information
- TRIMS
 - Risk Assessment Program
- BMP Data Base
 - Verified Best Practices



BMPnet COMMUNICATIONS FEATURES

- Special Interest Groups (SIGs)
- Electronic Mail
- On-line Conferencing
- File Transfer
- Accessible Via Internet - World Wide Web



BMPnet Accessibility

- Special BMPnet Software
- INTERNET Connections (FTP)
- World Wide Web (BMP Home Page)
- CD - ROM
- All Information Can Be Downloaded
- 24-Hour Help Desk



IMPORTANCE OF BENCHMARKING

- Companies are benchmarking to survive
- Enables quantum leaps in performance
- Key Features: Information & Sharing
- BMP is a national focal point for Benchmarking



BMP VALUE ADDED - Roadmap to Action

- Only Source of Validated Best Practices
- Powerful Tools & Resources Accessible Thru BMPnet
 - Help Along the Way
- Provides the “What” Solutions
 - Actions: How to Bridge the Gaps
 - Learn from Others Who Have Been Successful
 - Avoid “Reinventing the Wheel”
 - Saves Time & Money - Co\$t Effective
 - BMP - The Right Tools and Resources to Help You Compete



BMP...What's in It for You?

- Plugs you in - Information Resources, Communication, & Networking
- Powerful Automated Tools - Engineering Guidance, Risk Assessment, and Lessons Learned
- Opens Doors - Benchmarking & Problem Solving
- Recognition, New Business, New Ideas
- Saves You Time and Money
- Helps You Solve Problems - Avoid Costly Mistakes & Reinventing
- Knowledge, Insight, and Expertise You Can Use



BMP SUCCESS STORIES

- TI-DSEG: Head Start for 1992 Baldrige Award Win
- Kurt Manufacturing/Allison: Turbine Blade Test Set
 - 500% Improvement
 - Over \$4 Million Saved
- Hamilton Standard: Deathbed Turnaround
 - BMP Played A Key Role In Developing External Involvement Strategy
- CASS: PMWS Rescues \$1.2 Billion Acquisition Program
- Navy Audit Service: Best Practices for Benchmarking Study To Improve BOQs



What's Next?

- BMP Center of Excellence Expansion
- Satellite Centers
- Acquisition Reform Model
- Environmental BMP Initiatives
- BMPnet Growth (SpecRite)
- Engineering Curriculum Development
- Canadian BMP
- More Surveys...Best Practices



BMPCOE

- A place to obtain information about available resources to help make advances and improvements without making costly mistakes.
- Call 1-800-789-4BMP





Medical Reengineering

Stephen McManus

Director, Pharmaceuticals Group,
Defense Personnel Support Center,
Philadelphia, PA

BIOGRAPHY

Stephen A. McManus

Directorate of Medical Materiel, Defense Personnel Support Center

Mr. McManus is currently the Director, Pharmaceuticals Group, Directorate of Medical Materiel. The Pharmaceuticals Group is the single manager for the pharmaceuticals program for the Department of Defense (DOD). With one hundred and five employees and projected FY95 sales of approximately six hundred million dollars, the Pharmaceuticals Group is comparable in size and scope of activities to a major commercial pharmaceuticals group purchasing organization. Under Mr. McManus direction, commercial practices have been adopted for the acquisition and distribution of pharmaceuticals for the military, resulting in savings of millions of dollars in inventory investment.

Mr. McManus comes from the contracting field, having sixteen years of experience in government contracts. He has been involved in the acquisition of virtually every type of medical item available, from tongue depressors to pharmaceuticals to patient monitoring and diagnostic imaging systems. He also worked for a short period of time in contracting for military uniforms and special purpose clothing such as body armor, chemical protective suits, and firefighters protective clothing. Prior to working for DOD, Mr. McManus worked for several years in the private sector.

Mr. McManus has an undergraduate degree with honors from the University of Pittsburgh (BS, 1975) and a graduate degree (MSA, 1995) from Central Michigan University with special emphasis on health care issues. Also, along with training and education in his field, he has participated in executive education programs at the Wharton School, University of Pennsylvania and the Kennedy School of Government, Harvard University. He has been recognized for excellence in his field many times. Among the most significant of these has been the award of the Defense Meritorious Service Medal (for his substantial contributions to the success of the medical materiel support mission during the Persian Gulf War), his selection to "Who's Who in Rising Young Americans," and a personal commendation from the Director of the Federal Bureau of Investigation (in recognition of assistance provided in a criminal investigation).

Mr. McManus is a long time resident of the Philadelphia area. He is married (Janice Mary) with three children (David, Katie and Kelly) and a variety of pets too numerous to list here.



Directorate of Medical Materiel

REENGINEERING MEDICAL LOGISTICS

American Defense Preparedness Association
Benchmarking and Business Process Reengineering Conference
October 1995

Mr. Steve McManus
Director, Pharmaceuticals Group
Directorate of Medical Materiel
Defense Personnel Support Center
Defense Logistics Agency



ENVIRONMENT

-  Downsizing in DoD and industry
-  Changing global markets
-  Fewer resources & more competition
-  Government Re-Invention
-  Acquisition Reform
-  New technology



**REQUIRES
FUNDAMENTAL
CHANGES & PROCESS
IMPROVEMENT**



MAKING THE BIG MOVE

**DEPOT
DISTRIBUTION**

DRAMATIC CHANGE

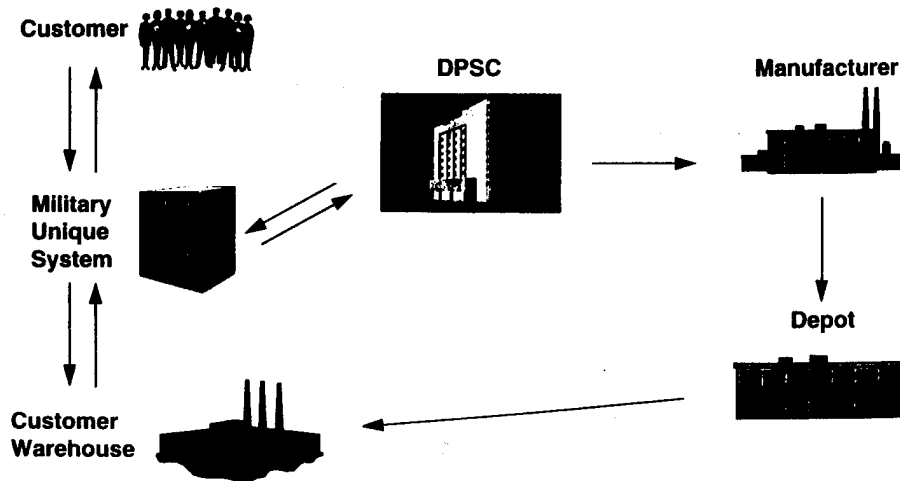
**PRIME
VENDOR**

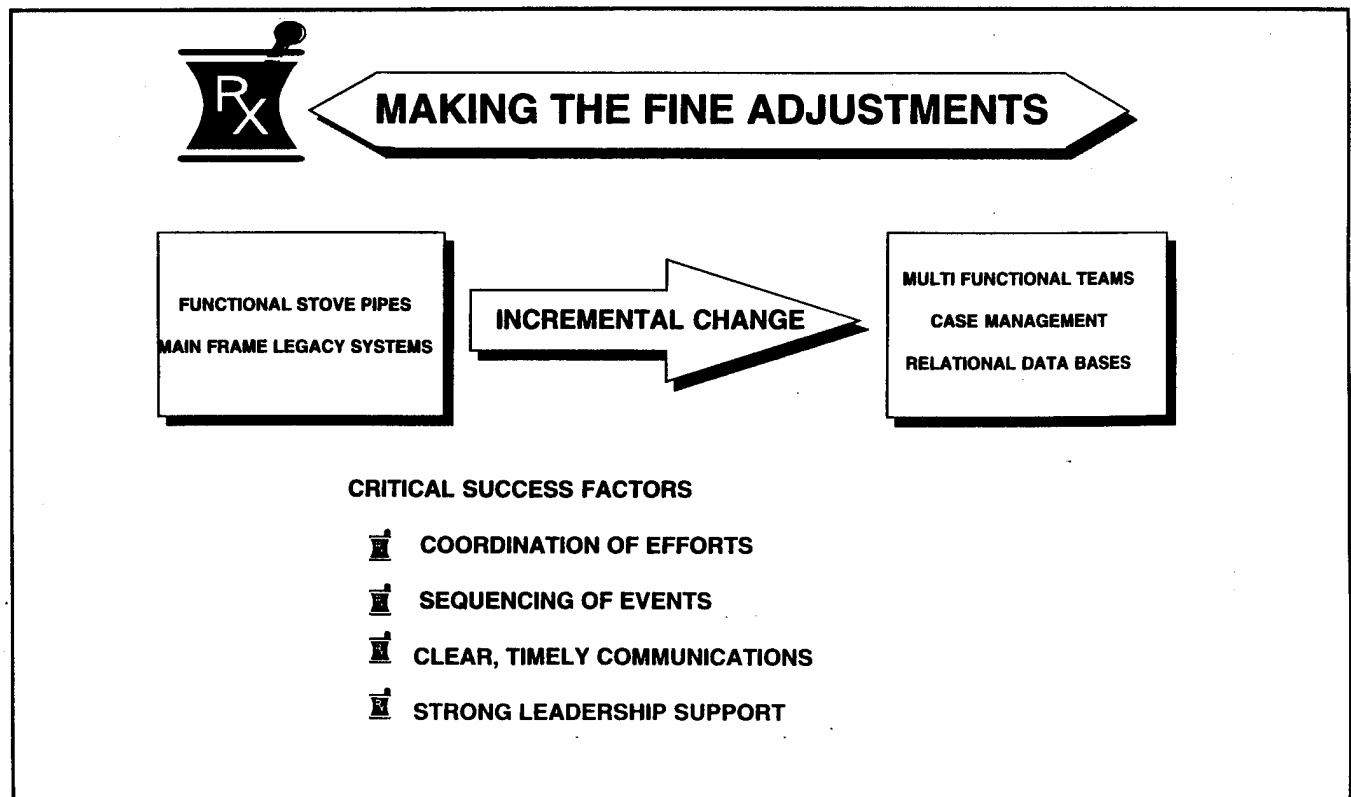
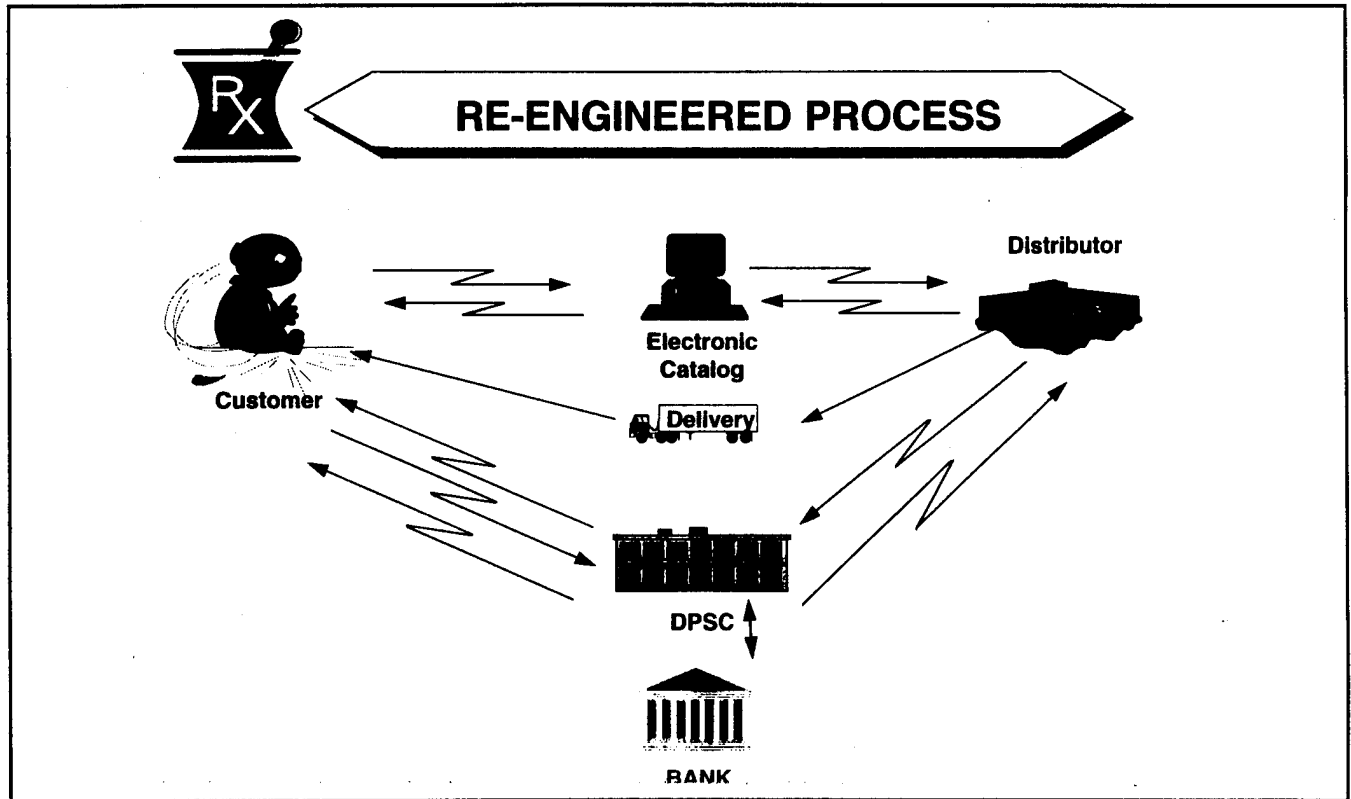
CRITICAL SUCCESS FACTORS

-  **STRONG MOTIVATION**
-  **CLEAR VISION**
-  **STRONG LEADERSHIP SUPPORT—TOP DOWN DRIVEN**
-  **CLEAR ORGANIZATION-WIDE COMMUNICATIONS**



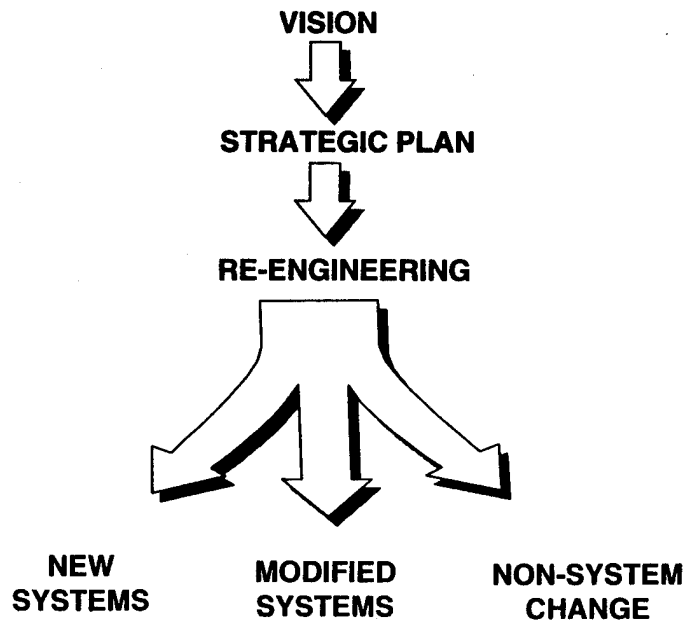
TRADITIONAL LOGISTIC SYSTEM Information/Product Flow







HOW WE ARE DOING IT



MAINTAINING THE MOMENTUM

- CUSTOMER ASSISTANCE TEAMS
 - ELECTRONIC DISTRIBUTION AND PRICING AGREEMENTS
 - INVOICE PROCESSING
 - INTERNAL BUSINESS MANAGEMENT SYSTEMS



EDI BENCHMARKING

Price Waterhouse Study 1992



DPSC Inaugural Year - Only Government Entry



16 Firms - Companies such as:

IBM

Sears

Texas Instruments EC

Motorola

JC Penny

orthern Telecom



DPSC FINISHED IN MIDDLE OF PRESTIGIOUS GROUP !!

Price Waterhouse Study 1993



24 Firms Now DPSC Still Only Government Entry



Added: Texaco Pacific Bell Whirlpool Hallmark



DPSC FINISHED WELL ABOVE THE MEAN SCORING IN EDI PRACTICES

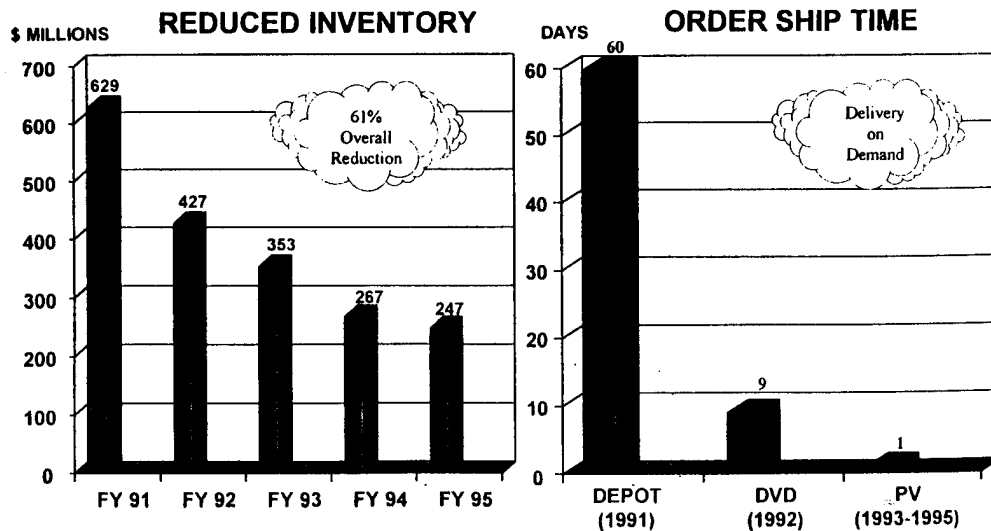
Price Waterhouse Study 1994



Commenced July 1994; No results to date.

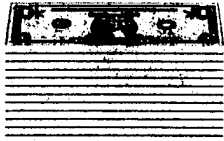


RESULTS





A NEVER ENDING PROCESS



**LEADING THE WAY
TO A PROSPEROUS RE-ENGINEERED
BUSINESS ENVIRONMENT**



Benchmarking Electromagnetic Spectrum Management

Major Steve McGee,

Director, Facility & Telephony Services, Air Force

BIOGRAPHY

MAJOR STEVEN M. McGEE

United States Air Force

Major Steve McGee has been a member of the United States Air Force for over 20 years. He is the Facility and Telephony Services process owner for the Single Agency Manager (SAM) for Pentagon Information Technology Services where he recently managed the implementation of Integrated Services Digital Network (ISDN) technology at the Pentagon. He served as the Deputy Chief of the Plans Division at the Air Force Frequency Management Agency where he was team leader for the Electromagnetic Spectrum Management Benchmarking effort and team member for a DoD-wide Business Process Reengineering effort. He is a Software Engineer and has held the positions of communications unit Commander in Washington D.C., Staff Officer at Headquarters USAF, Chief of Communications-Electronics Maintenance in California, Chief of Software Applications Development in Texas, Computer Programmer in Alabama, and Telecommunications Specialist in Texas and Germany. He is certified in Business Process Reengineering methodologies by the DoD's Cadre 100 program and has a BS in Computer Science and a MS in Software Engineering Administration. He is an Armed Forces Communications-Electronics Association Honor Award winner and Distinguished Graduate of the Air Force's Advanced Communications/computer Officer Training. His benchmarking training was provided by the Army Management Engineering College and The Air Force Quality Institute. Special interest and hobbies include workflow automation as an extension of process reengineering, the internet as a business tool, sailing, and getting a 15 year old son through the testosterone induced fog of the teen years.

BENCHMARKING

FOR *Electromagnetic Spectrum Mgmt*

BEST PRACTICES

Maj Steve McGee, USAF
SAM/SV
6607 Army Pentagon
Washington, D.C. 20310-6607
Steven.Mcgee@comm.hq.af.mil
703-697-7235

OVERVIEW

- Why
- What
- Who
- How
- Data Collection
- Data Analysis
- Results

Background

- **Electromagnetic spectrum is a vital National resource.**
 - Shared by government and non-government users.
 - Wireless technology advances increasing demand.
 - Reallocation to civil sector has produced millions in revenue through auctioning.
 - Efficient management is crucial.
- **DoD sponsored BPR effort to improve spectrum management processes.**
 - Benchmarking is part of the larger effort,

WHY WE BENCHMARKED

- **To gather data and information that will identify " best practices " and ultimately result in an action plan to dramatically improve or reengineer the business of spectrum certification and assignment.**

WHAT WE BENCHMARKED

- Resource intensive core processes critical to mission and vision accomplishment
 - Spectrum Assignment process
 - Supporting Info Systems

WHO WE BENCHMARKED

- Ourselves
 - AF, Army, Navy
- "Partners" with like or Best-In-Class processes
 - FAA
 - Interior
 - Justice
 - Transportation (Coast Guard)

HOW WE BENCHMARKED

- Plan
 - Built foundation and selected partners
- Do
 - Prepared and conducted interview
- Check
 - Analyzed data and identified best practices
- Act
 - Documented recommendations for improvement actions

Plan

- Foundation
 - Management and Use of the Electromagnetic Spectrum BPR effort provided activity models.
 - Team developed appropriate performance measures and built process performance profile charts.
- Select and coordinate partners
 - Criteria: likeness of mission, reputation, volume, similar processes.

Do

- **Prepare**
 - Developed interview folders and agendas
 - Forwarded folders and agendas to partners
 - Reaffirmed purpose with team and partners
 - Trained interview teams
- **Conduct**
 - Gathered data through site visits
 - Defined processes our processes for partners
 - Debriefed and recorded information

Do (cont)

- **Partner Interview Folder included:**
 - 1) **Mission statement**
 - 2) **Benchmark charter**
 - 3) **Site visit goals**
 - 4) **Agenda**
 - 5) **Code of conduct**
 - 6) **Benchmark team assignments**
 - 7) **DoD's spectrum frequency assignment process models**
 - 8) **DoD assignment profile**
 - 9) **Questionnaire guideline**

Check

- Analyzed and quantify differences
- Identified best practices
- Evaluated applicability to our processes

Act

- Identified actions to close gaps.
- Documented 12 major recommendations.
- Proposed to management.

Data Collection

- Measures
- Cycle time data
- Quality data
- Productivity data
- Cost data

MEASURES

- COST
 - Overall cost
 - Cost per permanent assignment
 - Training cost per employee

MEASURES (cont)

- Conformance to Standards

- Rejects
- Tabled items

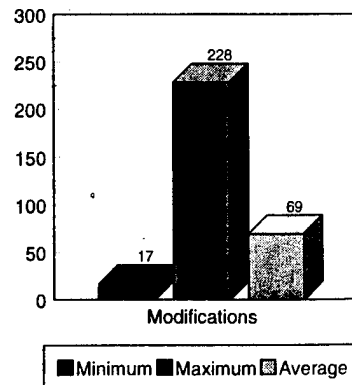
MEASURES (cont)

- Process Cycle Time

- Time per unit of output
- Quality rework time
- Time allocated to non-value added activities
- Response time from request to delivery

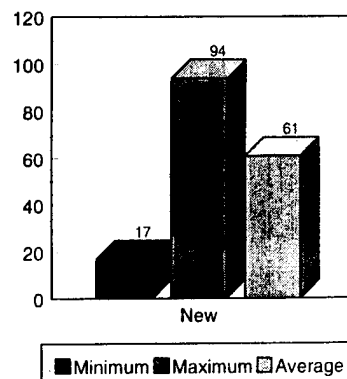
Cycle Time - Modifications

- Minimum
 - Experienced by partner with highest level of automation and most training \$ per assigner.
- Best Practice
 - Use of client-server approach and all on-line shared databases.



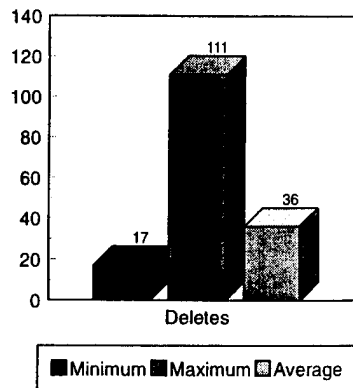
Cycle Time - News

- Minimum
 - Experienced by partner with highest level of automation and most training \$ per assigner.
- Best Practice
 - Use of client-server approach and all on-line shared databases.

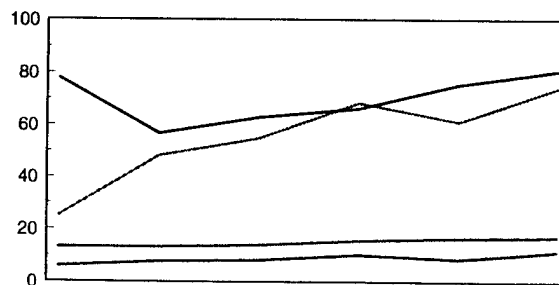


Cycle Time - Deletes

- Minimum
 - Experienced by partner with highest level of automation and most training \$ per assigner.
- Best Practice
 - Use of client-server approach and all on-line shared databases.



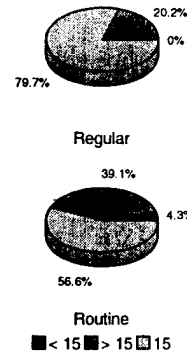
Cycle Time - National Level



	89	90	91	92	93	94
Avg Days	13.20	13.20	13.90	15.70	16.60	17.10
% 15 Days	25.00	48.15	54.80	68.53	61.30	74.34
Total Trans In thousands	77.90	56.60	62.90	66.30	75.60	80.90
Agency Process Days	5.80	7.70	8.20	10.20	8.70	11.50

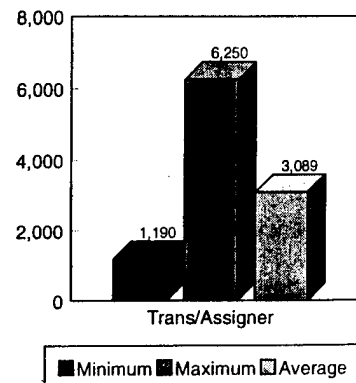
Cycle Time - Regular vs Routine

- Bulk of records processed at "Automatic 15 Day"
 - "Easy" records experience same wait time as "hard" records
- Best Practice
 - Establish "express lane" for "easy" records to bypass



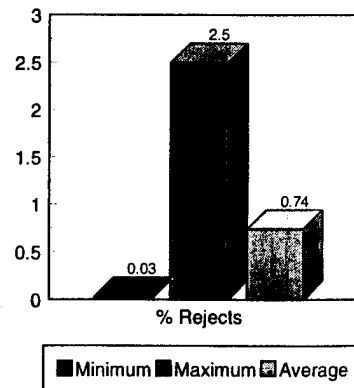
Productivity

- Maximum
 - Partner also had the highest 5yr Overdue %.
- Minimum
 - Partner also had lowest 5yr Overdue %.
- Best Practice
 - Balanced approach with rate near



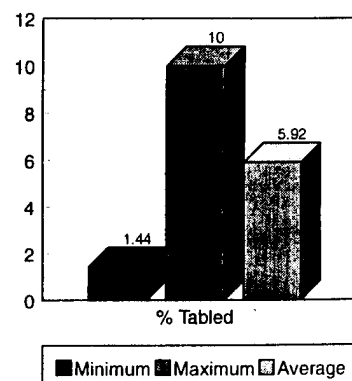
Quality - Frontend Rejects

- **Maximum**
 - Partner tended to not have much automation.
- **Best Practice**
 - Tight coordination between NTIA and agency edit checks.



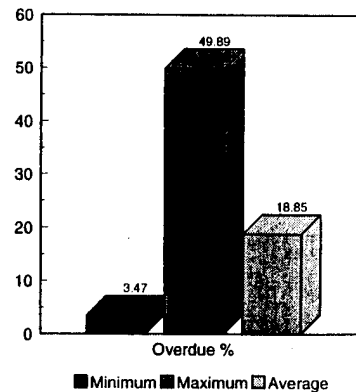
Quality - Tabled

- **Discussion**
 - Not a good quality metric but good for trend analysis.
- **Minimum**
 - Partner adjusted edit checks based on daily review of tabled items.
- **Best Practice**
 - Analysis of reasons



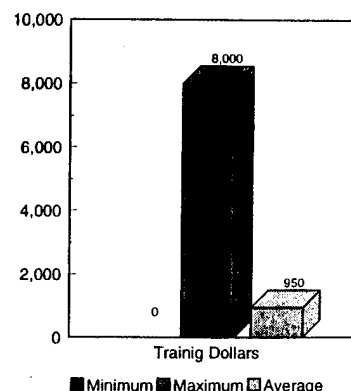
Quality - Overdue 5yr Review

- **Minimum**
 - Partner had policy that prevented maintenance from working on equipment without assignment within five years.
- **Best Practice**
 - Have "license" for frequency attached



Training investment per assigner

- **Maximum**
 - Partner had the lowest reject rate, lowest tabled, lowest cycle time.
- **Best Practice**
 - Direct link between quality product and training investment. Maximize training.



Data Analysis

- 
- We can significantly reduce cycle time.
 - We can dramatically increase quality.
 - We can increase individual productivity.

Reduce Cycle Time

- 
- 50% reduction at national level through routine and "easy" transaction "express lane".
 - 80% reduction at agencies by eliminating wait time through application of technology.

Increase Quality

- Reduce overdue 5yr by potential 82% through causing review as normal part of doing business.
- Reduce tabled transactions by 75 % through continuing trend analysis and dynamic application of edits down to agency level.
- Virtually eliminate frontend rejects by dynamic and electronic exchange of edit data.

Increase Productivity

- Increase productivity by 25% through providing all databases digitized at the desktop and integrated in single application.

Current Status

- National Telecommunications Information Administration's Working Group 22 is pursuing improvements to Federal Government process
- Military Communications Electronics Board's Joint Frequency Panel is working improvements for DoD

Summary

- Why
- What
- Who
- How
- Data Collection
- Data Analysis
- Results



Quality For Our Customers, Improvement For Our Future

John Ebert

Total Quality Manager, Naval Undersea Warfare
Center Division, Keyport, WA (1994 President's
Quality Improvement Prototype Award Winner)

BIOGRAPHY

JOHN F. EBERT

Naval Undersea Warfare Center Division Keyport's Total Quality Manager

Mr. Ebert is currently the Naval Undersea Warfare Center Division Keyport's Total Quality Manager. As senior advisor to the Command on Total Quality since 1993, he is responsible for charting Keyport's path on their total quality journey. He was a principle architect and manager of the Center's Quality Thrust Initiatives which focused their organization on systematically integrating quality into their standard business practices to achieve continuous improvement. Successful implementation of these Quality Thrust Initiatives resulted in the "People of Keyport" winning the 1994 President's Quality Improvement Prototype Award presented by the Vice President at the National Quality Conference.

In addition he is now the Head of the Quality Management Office responsible for overseeing organizational wide implementation of quality principles and practices at the Center. Mr. Ebert is also a lead Examiner for the President's Quality Award Program.

Prior to 1993, Mr. Ebert primarily held Program Manager and Supervisory positions in technical programs and completed three extended tours at the Naval Sea Systems Command in Washington DC. Mr. Ebert was the Program Manager responsible for Surface Combatant Anti-Submarine Warfare Systems at the Center and managed a budget of over \$35 million. He managed development of the Center's capability and capacity to provide life cycle and software support for several major combat and support systems including the:

- Anti-Submarine Warfare Module System deployed on board aircraft carriers,
- Underwater Ballistic Fire Control Systems deployed on board surface combatants,
- Sonar and Defensive Weapon Systems deployed on board Trident Submarines, and
- Underwater 3-Dimensional Tracking Range enhancements essential for test and evaluation of technically sophisticated weapons, ships, and submarines.

Mr. Ebert has received the following degrees:

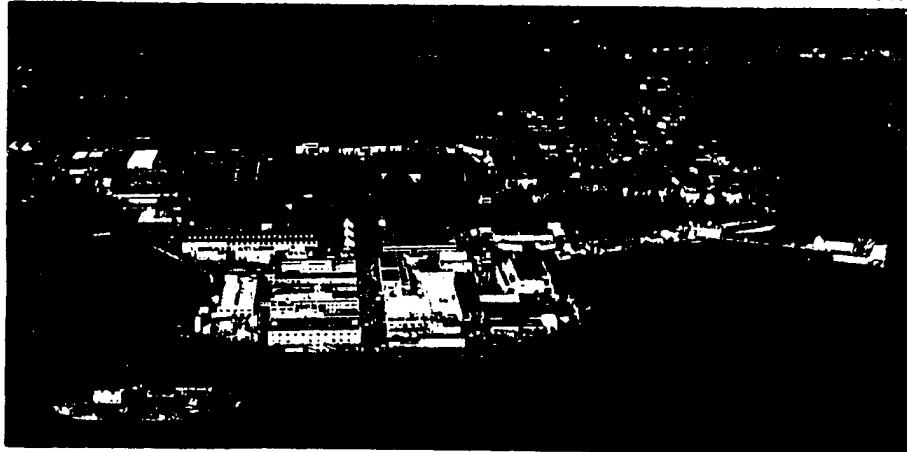
- MS System Management from University of Southern California
- BS Physics from University of Utah
- Public Managers Certificate from Indiana University

During his 26 years of federal service, Mr. Ebert has received numerous awards including the meritorious civilian service award presented by the Secretary of the Navy.

NAVAL UNDERSEA WARFARE CENTER DIVISION KEYPORT

CAPT DENNIS K. GIBBS, USN
COMMANDER

G. ESTES GRADE
EXECUTIVE DIRECTOR



GARY GIBBS
BUSINESS RESULTS QUALITY THRUST TEAM
HEAD, FINANCIAL MANAGEMENT DEPARTMENT
(360) 396-2197

JOHN EBERT
TOTAL QUALITY MANAGER
HEAD, QUALITY MANAGEMENT OFFICE
(360) 396-7982

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QUALITY FOR OUR CUSTOMERS...



IMPROVEMENT FOR OUR FUTURE!

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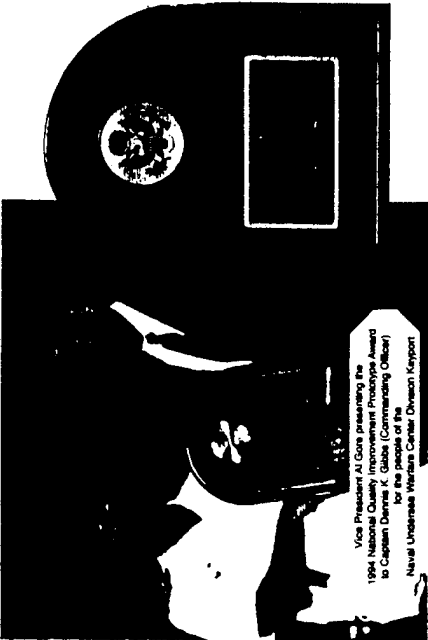
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National Quality Improvement Prototype Award

1994 Winner

PRESENTED TO THE PEOPLE OF
**NAVAL UNDERSEA WARFARE CENTER
DIVISION KEYPORT**

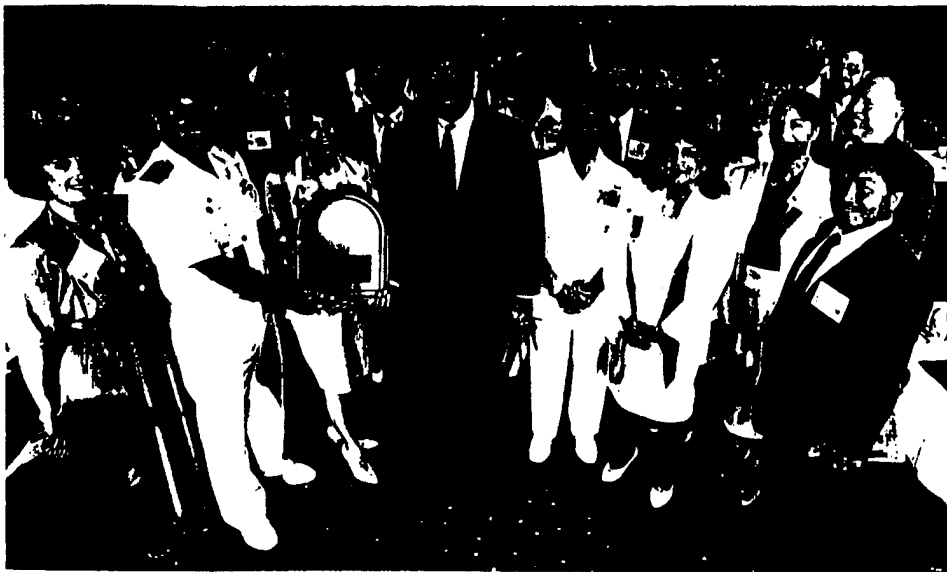
IN RECOGNITION OF SUCCESS ON THEIR TOTAL QUALITY JOURNEY



Vice President Al Gore presenting the 1994 National Quality Improvement Prototype Award to Captain Dennis K. Gabor (Commanding Officer) for the people of the Naval Undersea Warfare Center Division Keyport

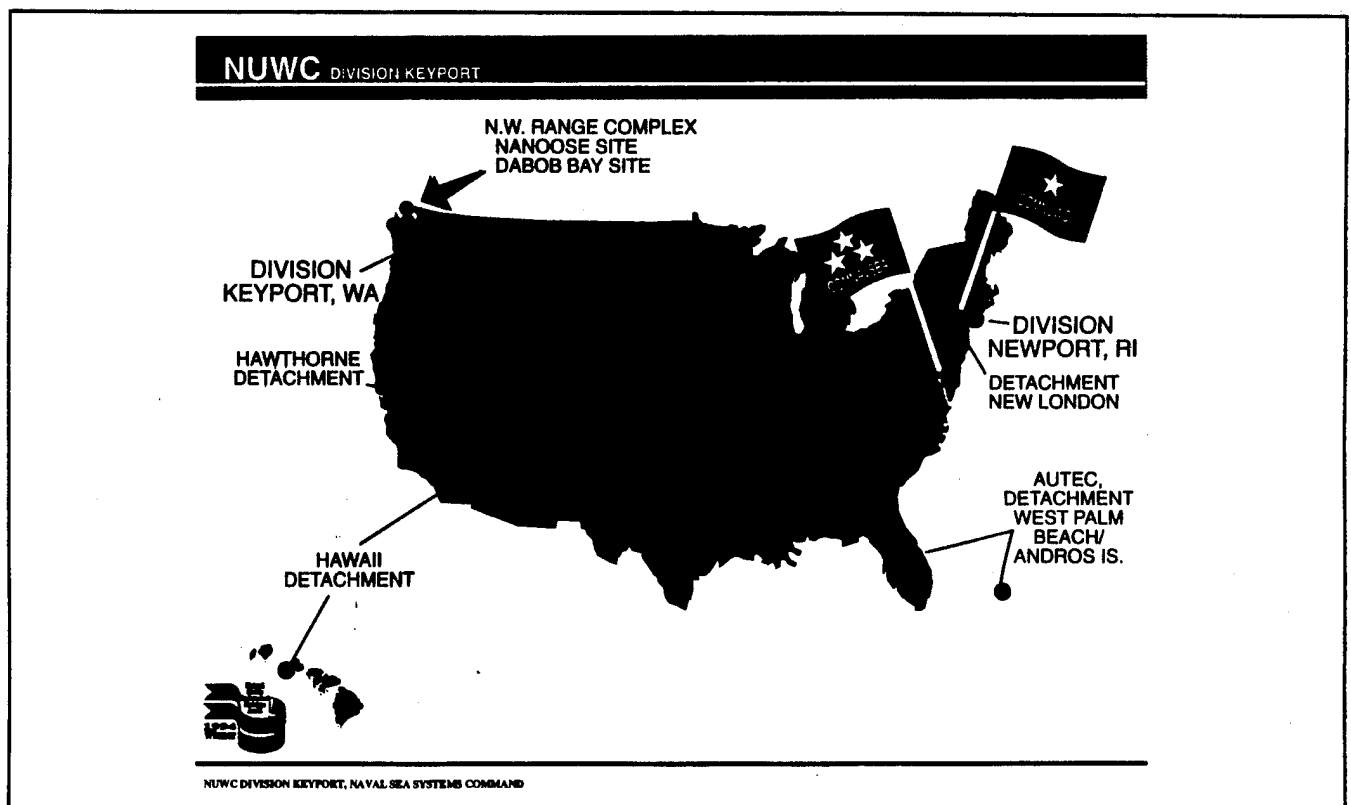
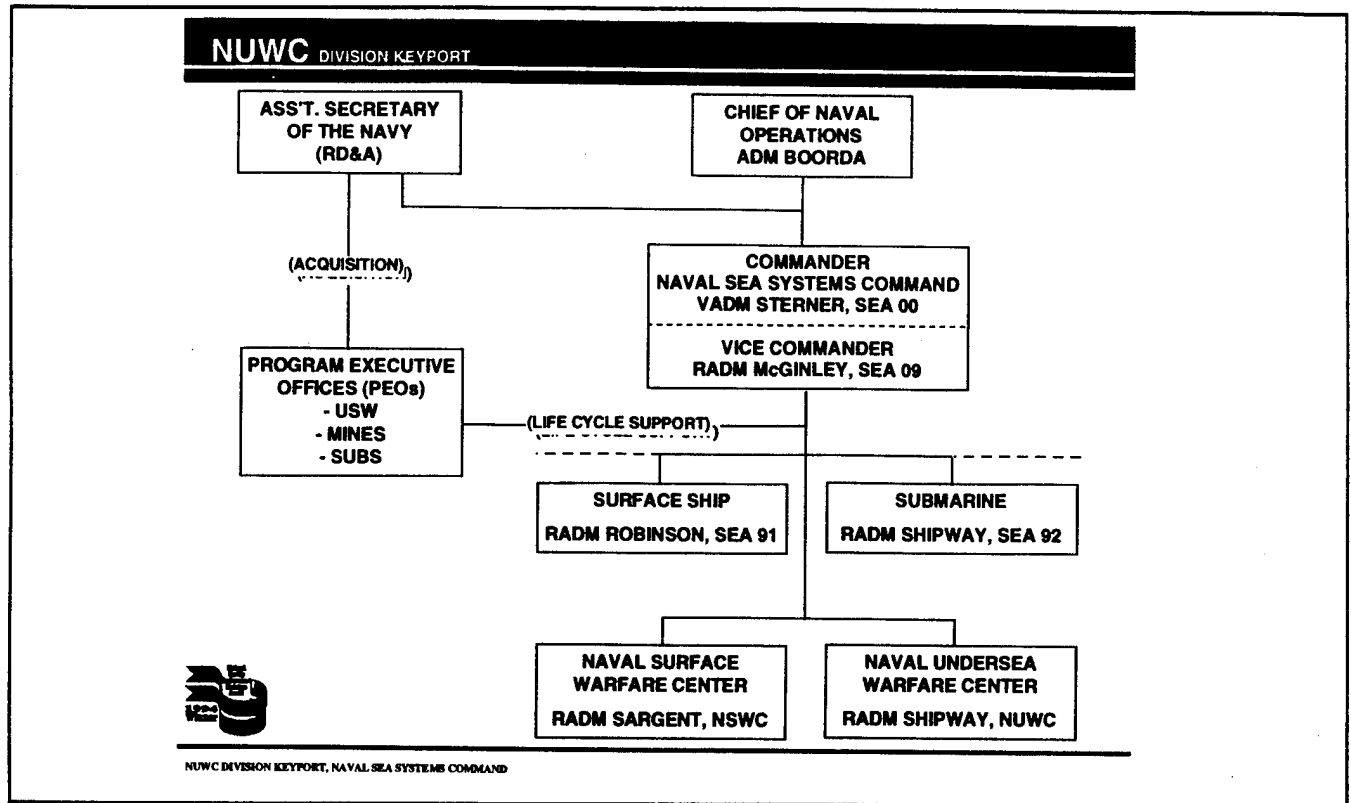
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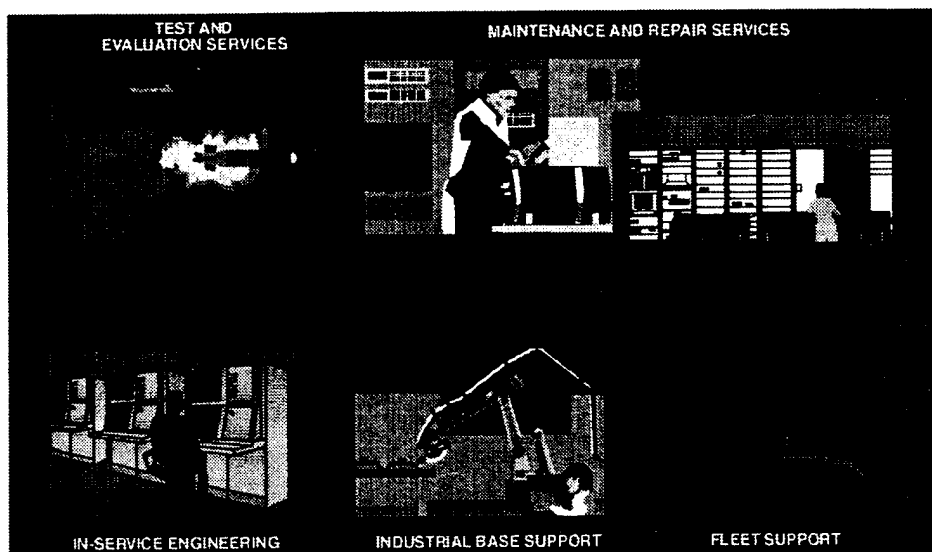


WINNERS: THE PEOPLE OF NUWC KEYPORT!

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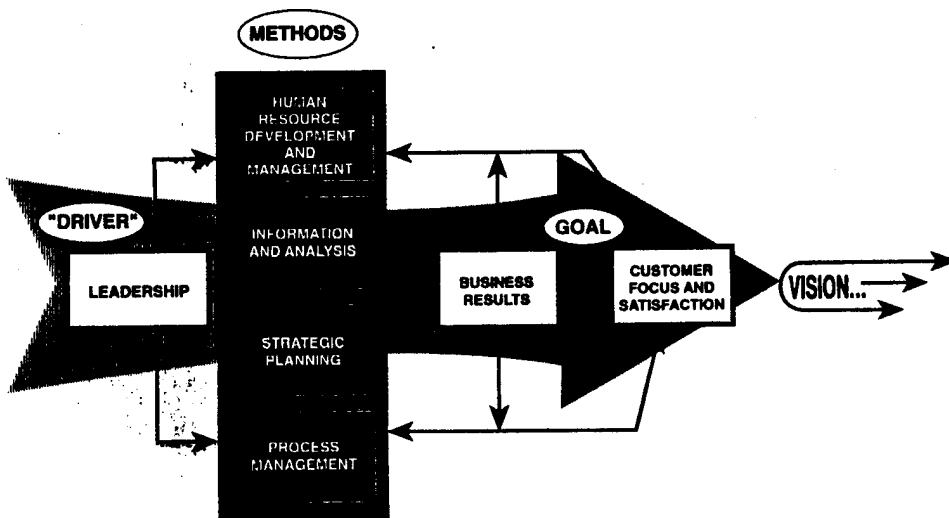


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NUWC DIVISION KEYPORT



Our Vision . . .

QUALITY FOR OUR CUSTOMERS ... IMPROVEMENT FOR OUR FUTURE!

At NUWC DIVISION KEYPORT *QUALITY* and *IMPROVEMENT* are
achieved through our outstanding

PEOPLE, who are:



proud of OUR HERITAGE
focused on OUR MISSION
dedicated to OUR PRINCIPLES
determined in OUR COMMITMENT
allies in realizing OUR AMBITION

NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

- PEOPLE-ORIENTED
- TEAMS/TEAMWORK
- MEASUREMENT
- BENCHMARKING
- OWNERSHIP/
RESPONSIBILITY/
ACCOUNTABILITY
- LEADERSHIP
- RESPECT
- COMMITMENT
- EMPOWERMENT
- DELEGATION
- LISTENING
- RISK
- CONTINUOUS
IMPROVEMENT



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

- TRUST
- OPENNESS
- HONESTY
- MENTORING
- VISION
- TIME/ENDURANCE/
PATIENCE
- STRATEGIC
PLAN/BUSINESS PLANS
- REENGINEERING
- INVESTMENT
- CUSTOMER
SATISFACTION
- PERFORMANCE/
COST/SCHEDULE
- TRAINING
- REWARDS/
RECOGNITION



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**ABOVE-AVERAGE RESULTS ARE OFTEN
PRODUCED BY DOING ORDINARY THINGS.
THE KEY IS TO DO THOSE ORDINARY
THINGS EXCEPTIONALLY WELL.**

...ATTRIBUTED TO WARREN BUFFETT



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

- **BUSINESS AREA PROCESS**
 - SIMPLIFIED ACQUISITION (UNDER \$100K)
- **CROSS-FUNCTIONAL PROCESS**
 - PROCESS IMPROVEMENT METHODOLOGY



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NUWC DIVISION KEYPORT

**SIMPLIFIED ACQUISITION (UNDER \$100K)
PROCESS IMPROVEMENT**

- **GOAL**
 - IMPROVE SIMPLIFIED ACQUISITION PROCESS
- **TEAM COMPOSITION**
 - CROSS-FUNCTIONAL TEAM
- **OBJECTIVES - CUSTOMER EXPECTATIONS**
 - RIGHT PRODUCT
 - RECEIVE MATERIAL IN A TIMELY MANNER
 - TIMELY PURCHASE
 - TIMELY RECEIPT



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

**PROCESS - RIGHT PRODUCT/
RIGHT TIME (FIRST CYCLE)**

- **PLAN**
- **PARTNER SELECTION**
 - 1993 “BEST SMALL PURCHASE SHOP
IN THE NAVY” AWARD
- **SITE VISIT**
 - NAVY RESEARCH AND DEVELOPMENT
(NRAD) CENTER, SAN DIEGO
- **RECOMMENDATIONS IMPLEMENTED**
 - PROCESS REVISION



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RESULTS

1. REQUISITION PROCESSING COST	DOWN 42%
2. PROCUREMENT ACTION LEAD TIME	DOWN 29%
3. PURCHASE BACKLOG	DOWN 65%
4. REWORK COST	DOWN 10%
5. PURCHASE ORDERS AWARDED/BUYER	UP 38%



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**PROCESS - TIMELY RECEIPT
(SECOND CYCLE)**

- **IN PROCESS**
- **METRICS**
 - **AVERAGE 25% ON-TIME DELIVERY**
- **VENDOR**
 - **FEEDBACK**
 - **ACCOUNTABILITY**



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**"SMALL DEEDS DONE ARE
BETTER THAN GREAT DEEDS
PLANNED."**

PETER MARSHALL



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BENCHMARKING

- **QUALITY THRUST STANDING TEAM**

- SELECT PROCESS
- BENCHMARK

- **TRAINING**

- DISCIPLINED PROCESS PREPARATION
- EXPENSIVE
- TIME CONSUMING
- INDUSTRIAL TOURISM
- TOO HARD TO DO



- **LESSONS LEARNED**

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BENCHMARKING

- **TOTAL QUALITY COUNCIL**

- STRATEGIC SCAN
- TQ EVALUATION
- MOST VALUE
- VISION

- **TEAM CHARTER**

- IMPROVE PROCESS IMPROVEMENT METHODOLOGY
- INTEGRATE BENCHMARKING INTO PROCESS



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GOAL: BENCHMARK PROCESS IMPROVEMENT METHODOLOGY

- **PREVIOUS METHODOLOGY**
 - DEFINED
 - IN-HOUSE TRAINERS
 - NOT USER FRIENDLY
 - EXPENSIVE
 - RIGOROUS PROCESS
 - PROCESS IMPROVEMENT TEAM (PIT)
 - MINI PROCESS IMPROVEMENT TEAM (PIT)
 - MICRO PROCESS IMPROVEMENT TEAM (PIT)
 - TEAM LEADER TRAINING
 - UP FRONT
 - APPLICATION WAS SPORADIC AND LOW



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- **TEAM COMPOSITION**
 - IN-HOUSE TRAINERS
 - CROSS-FUNCTIONAL
- **OBJECTIVES - CUSTOMER/MANAGER EXPECTATIONS**
 - CONTINUOUS IMPROVEMENT
 - REDUCE CYCLE TIME
 - IMPLEMENTED RECOMMENDATIONS
 - COST EFFECTIVE



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NUWC DIVISION KEYPORT

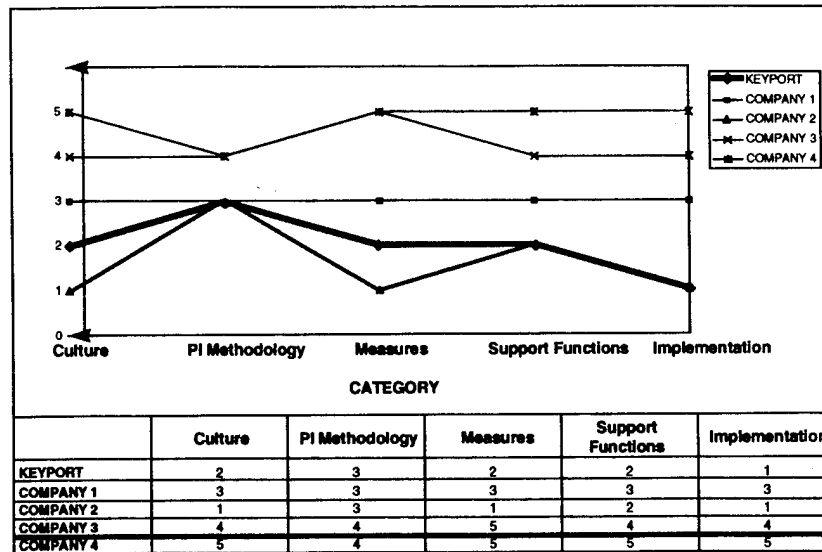
- **PROCESS**
 - PLAN
 - PROCESS IMPROVEMENT TEAM PERFORMANCE DATA
 - QUESTIONNAIRES
 - 80% RESPONSE RATE
 - PARTNER SELECTION
 - PHONE SURVEYS
- **SITE VISIT**
 - TI DEFENSE SYSTEMS GROUP - 1992 BALDRIGE WINNER
 - XEROX CORPORATION - 1989 BALDRIGE WINNER
 - VUGHT AIRCRAFT COMPANY - 1994 BALDRIGE APPLICANT
 - IRS OGDEN SERVICE CENTER - 1993 PRESIDENT'S QUALITY AWARD WINNER



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PROCESS IMPROVEMENT METHODOLOGY GAP ANALYSIS



DECEMBER 1994

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“THE DIFFICULTY LIES NOT IN THE NEW IDEAS, BUT IN ESCAPING FROM THE OLD ONES.”

...KEYNES



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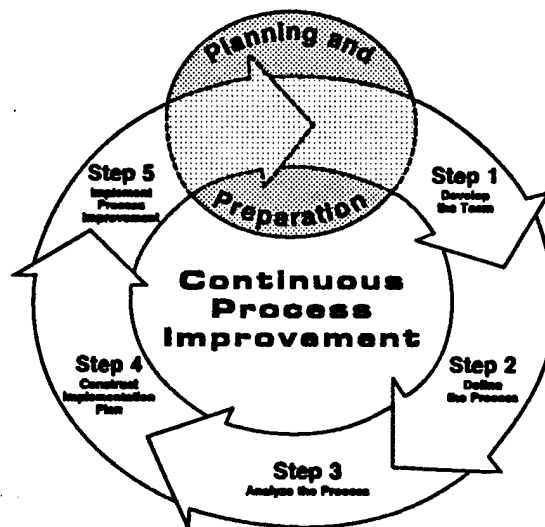
RESULTS

- **REENGINEERED PROCESS IMPROVEMENT METHODOLOGY**
 - USER FRIENDLY
 - TAILORED TO KEYPORT
 - INTEGRATED METHODOLOGY
 - JUST-IN-TIME MODULAR TRAINING
 - BENCHMARKING INTEGRAL PART OF PROCESS
 - EMPHASIS ON CONTINUOUS
 - CLEAR ACCOUNTABILITY
 - FACILITATED TEAMS
 - NDI/COTS UTILIZATION
 - PILOT PROCESS IMPROVEMENT TEAMS IN PROCESS



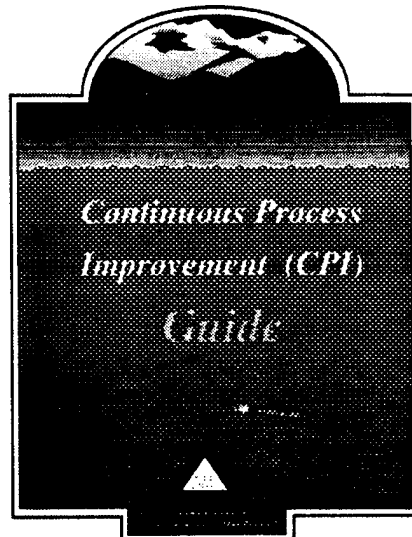
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NUWC DIVISION KEYPORT



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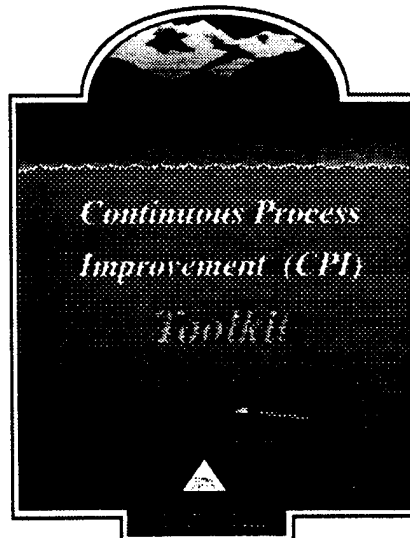


Naval Undersea Warfare Center
Division Keyport



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NUWC DIVISION KEYPORT



Naval Undersea Warfare Center
Division Keyport



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NUWC DIVISION KEYPORT

- **PLANNING AND PREPARATION**
 - MANAGEMENT-DRIVEN PREPARATION STEP
 - MANAGEMENT/TEAM RESPONSIBILITY AND ACCOUNTABILITY
 - CHARTER
- **DEVELOP THE TEAM**
 - TEAM AND LEADER DYNAMICS
- **DEFINE THE PROCESS**
 - PROCESS FLOWCHART AND METRICS



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NUWC DIVISION KEYPORT

- **ANALYZE THE PROCESS**
 - FACT-BASED ANALYSIS
 - ROOT CAUSES
- **CONSTRUCT IMPLEMENTATION PLAN**
 - ECONOMIC ANALYSIS
 - POA&M
 - RECOMMENDATIONS PRESENTED/APPROVED
- **IMPLEMENT PROCESS IMPROVEMENT**
 - EVALUATION
 - TECHNICAL/TEAM
- **REPEAT THE PROCESS**



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

REENGINEERING STUDIES IN PROCESS

- **TORPEDO PRODUCTION ACCEPTANCE**
- **TORPEDO (PINGER) TRACKING DEVICE PROGRAM**
- **TORPEDO ENVIRONMENTAL STRESS TESTING PROGRAM**
- **MK30 MOBILE TARGET PROGRAM**



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- **BENCHMARKING IS:**
 - **ABOUT CHANGE**
 - **AN EXCELLENT TOOL**
 - **HARD WORK**



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NUWC DIVISION KEYPORT

**“IF YOU WANT TRULY TO
UNDERSTAND SOMETHING,
TRY TO CHANGE IT.”**

KURT LEWIN



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NUWC DIVISION KEYPORT

BENCHMARKING

- 1. BETTER, FASTER, CHEAPER SMALL PURCHASE
PROCUREMENT PROCESS**
- 2. REENGINEERED PROCESS IMPROVEMENT
METHODOLOGY**
- 3. EMPLOYEE SATISFACTION**
 - PROCESS DESIGNER**
 - PROCESS USER**
- 4. VALUE FOR OUR CUSTOMER**



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT

- **WHY: BECAUSE IT MAKES GOOD
BUSINESS SENSE!!**
 - **FOR OUR CUSTOMERS**
 - **FOR OUR FUTURE**



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND

NUWC DIVISION KEYPORT



Our Vision . . .

**QUALITY FOR OUR CUSTOMERS ...
IMPROVEMENT FOR OUR FUTURE!**

At NUWC DIVISION KEYPORT *QUALITY* and *IMPROVEMENT* are
achieved through our outstanding

PEOPLE, who are:



proud of OUR HERITAGE
focused on OUR MISSION
dedicated to OUR PRINCIPLES
determined in OUR COMMITMENT
allies in realizing OUR AMBITION



NUWC DIVISION KEYPORT, NAVAL SEA SYSTEMS COMMAND



Opening Remarks

Mike Yoemans

Director, Business Process Reengineering,
OASD(31)

BIOGRAPHY

MICHAEL S. YOEMANS

Director of Business Process Reengineering

Mr. Yoemans is the Director of Functional Process Improvement, Office of the Deputy Assistant Secretary of Defense for Information Management, ASD (C3I). Mr. Yoemans is a recognized national leader in the area of Business Process Reengineering (BPR) and is one of the early pioneers in this field, having been involved in establishing two BPR programs at both the Office of the Secretary of Defense and Army Major Command levels. Mr. Yoemans has been a member of the Senior Executive Service (SES) since 1992.

In his current position, Mr. Yoemans designed and implemented the DoD Business Process Reengineering Program. This program has produced thousands of improvement opportunities, over \$10 billion in documented savings, and won several national awards. Moreover, many of the techniques created by this program are now being extensively used throughout the Federal, state and local government levels.

During his 12 year tenure with the US Army Corps of Engineers, Mr. Yoemans helped to establish a model Army Information Management Program to include the creation of a \$35 million process improvement program, which produced \$300 million in savings and provided modern decision support systems, project and financial software applications and corporate databases at 260 locations world-wide.

Mr. Yoemans holds a Bachelor of Science degree in Accounting from Maryland University, and a Master of Science degree in Information Science from American University.

Over the past 24 years, Mr. Yoemans has held positions as systems accountant, operating accountant, budget analyst, and auditor. He is the recipient of the Distinguished Civilian Service Award from both the Army and Secretary of Defense. He is also winner of the 1994 Federal "100" Award, which recognizes him as one of the top 100 Federal IRM executives.



Marine Corps Reengineering

MG B.D. Lynch

Commanding General, Marine Corps Combat
Development Command

BIOGRAPHY

MAJOR GENERAL B. DON LYNCH, USMC

Deputy Commanding General, Marine Corps Combat Development Command

Major General B. Don Lynch currently serves as the Deputy Commanding General, Marine Corps Combat Development Command, Quantico, Va.

General Lynch was born on May 10, 1940 in Hillsboro, Texas. He received his commission in July 1964, following graduation from Texas Christian University, Fort Worth, Texas, where he earned a B.S. degree in Education. He also holds an M.S. from Pepperdine University (1976).

Following completion of The Basic School and Communication Officers Orientation Course at Quantico, Va., in 1965, General Lynch was assigned to the Communication Company, 1st Marine Division (1965-1966). Other FMF tours included: 1st Radio Battalion (1967-1969); Communication Company, Force Logistics Command (1970); Assistant Communication-Electronics Officer, 2d Marine Division (1980-1981); Commanding Officer, 8th Communication Battalion (1981-1983); and Commanding Officer, Brigade Service Support Group 4 (1983-1984).

Staff assignments have included: Project Manager, Marine Air-Ground Intelligence System, Hanscom Air Base, Mass. (1971-1975); Officer in Charge, Communication Center, Headquarters Marine Corps (1975-1978); Operations Officer, J6, U.S. Forces, Korea (1979-1980); Operations Officer, Materiel Division, I&L Department, HQMC (1986-1988); and Assistant Chief of Staff, G-4, and Chief of Staff, FMFPac (1988-1989).

In 1990, he was assigned duty as the Secretary of the General Staff, at Headquarters Marine Corps. While serving in this capacity, he was selected in March 1991 for promotion to brigadier general. He was advanced to that grade on June 14, 1991; and assigned duty as Commanding General, 1st Force Service Support Group, Camp Pendleton. General Lynch assumed duty as the Commanding General, Marine Corps Base, Camp Pendleton, Calif., on June 19, 1992. He was advanced to major general on April 15, 1993. General Lynch was assigned as the Director, Marine Corps Staff, Headquarters Marine Corps, Washington, D.C., in July 1994. He assumed his current assignment in June 1995.

General Lynch has also completed the Marine Corps Command and Staff College (1979); Industrial College of the Armed Forces (1985); and served as a Marine Corps Fellow, Strategic Studies Group, at the Naval War College (1986).

His previous promotions include; first lieutenant, January 1966; captain, April 1967; major, July 1974; lieutenant colonel, July 1980; and colonel, May 1986.

His personal decorations include; the Joint Service Commendation Medal; Navy Commendation Medal with Combat "V" and two gold stars in lieu of a second and third award; the Air Force Commendation Medal; and the Combat Action Ribbon.

Major General Lynch is married to the former Marianna Darwin. They have two daughters, Leanna and Shelli.



Malcolm Baldrige Winners: How they Did it

John Greco

AT&T Consumer Communication Services, Basking
Ridge, NJ

BIOGRAPHY

John A. Greco, Jr.

John is currently the Consumer Laboratory Director at AT&T Bell Laboratories in Murray Hill, New Jersey. This is an interdisciplinary team of marketing sciences professionals and technology planners focused on the evolving consumer services and products market, and organizationally aligned with the Consumer Communications Services Business Unit. The Mission of the Consumer Lab is to bring the "voice of the consumer" to the product development process. The Consumer Lab accelerates the introduction of new consumer services and products by providing market and technology assessment and consumer interaction with new technology early in the development process. The Consumer Lab's core competency is the analyses of customer choice and preference based upon realistic laboratory and field simulations and prototypes.

John has an MBA from Columbia University and a B.S.E.E. from Monmouth College. In his 18 years with AT&T he has held key management positions in Engineering, Sales, Marketing, and Strategic Planning in both the Business and Consumer Markets and in the customer premises equipment as well as network services parts of the business. Prior to joining AT&T, John was an engineer and product manager with RCA's Solid State Division working on the Trident Missile Program.

John is a member of Beta Gamma Sigma and of the Alumni Advisory Board of the Executive Program at Columbia University. John was a founding member of the Board of Directors of the Alliance for Learning and is a member of Interclass, an organization focusing on Accelerated Learning in a Global environment.



**“QUALITY IS EXCELLENCE
CONTINUOUSLY
REINVENTING ITSELF”**



**Quality means different
things in different cultures**

**Germany —→ “Conformance To
Specifications”**

France —→ “Luxury”

Japan —→ “Perfection”

United States —→ “If It Works !”

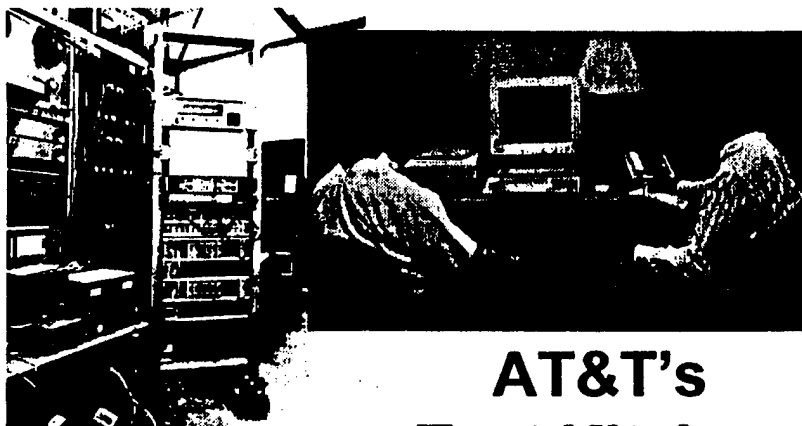


Three paths to quality performance

- **Dedication to the customers**
- **Leadership accountability**
- **Continuous reinvention**



10,000 customers per year help develop our products and services



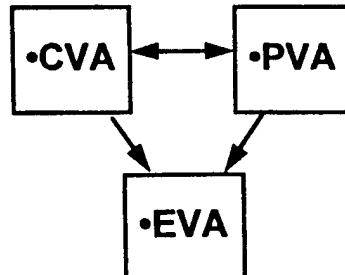
**AT&T's
Test Kitchen**



We measure the success of our plan

Customer Value Added

- Perceived value of products and services
- Customer expectations and satisfaction



People Value Added

- Associate expectations
- Level of associate satisfaction

Economic Value Added

- Shareholder value
- Financial and business performance



Five key drivers of customer satisfaction allow us to define and measure our success in the market



**Customer Satisfaction
(CVA)**



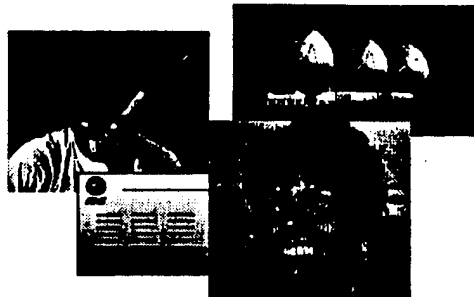
Measuring our 4,000,000 daily personal contacts ensures our ability to maintain strong customer relationships

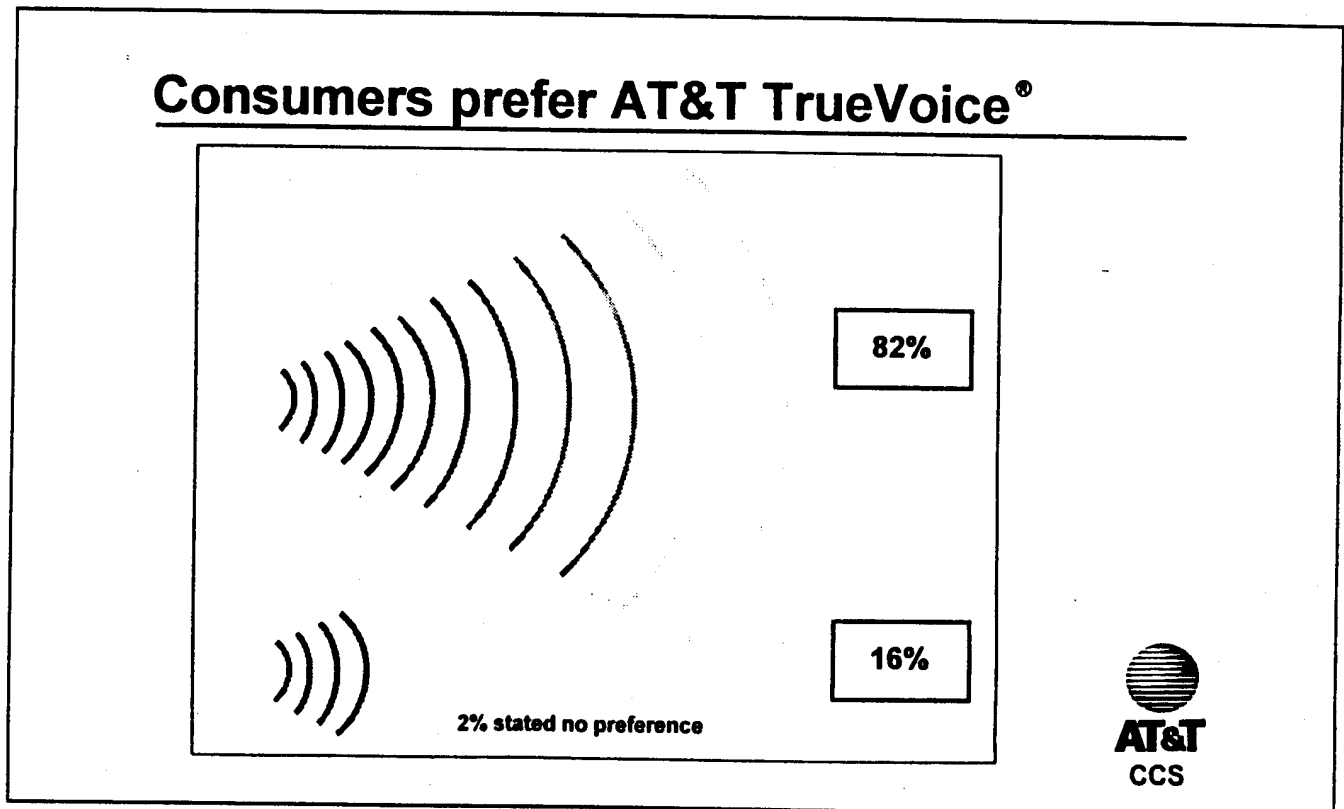
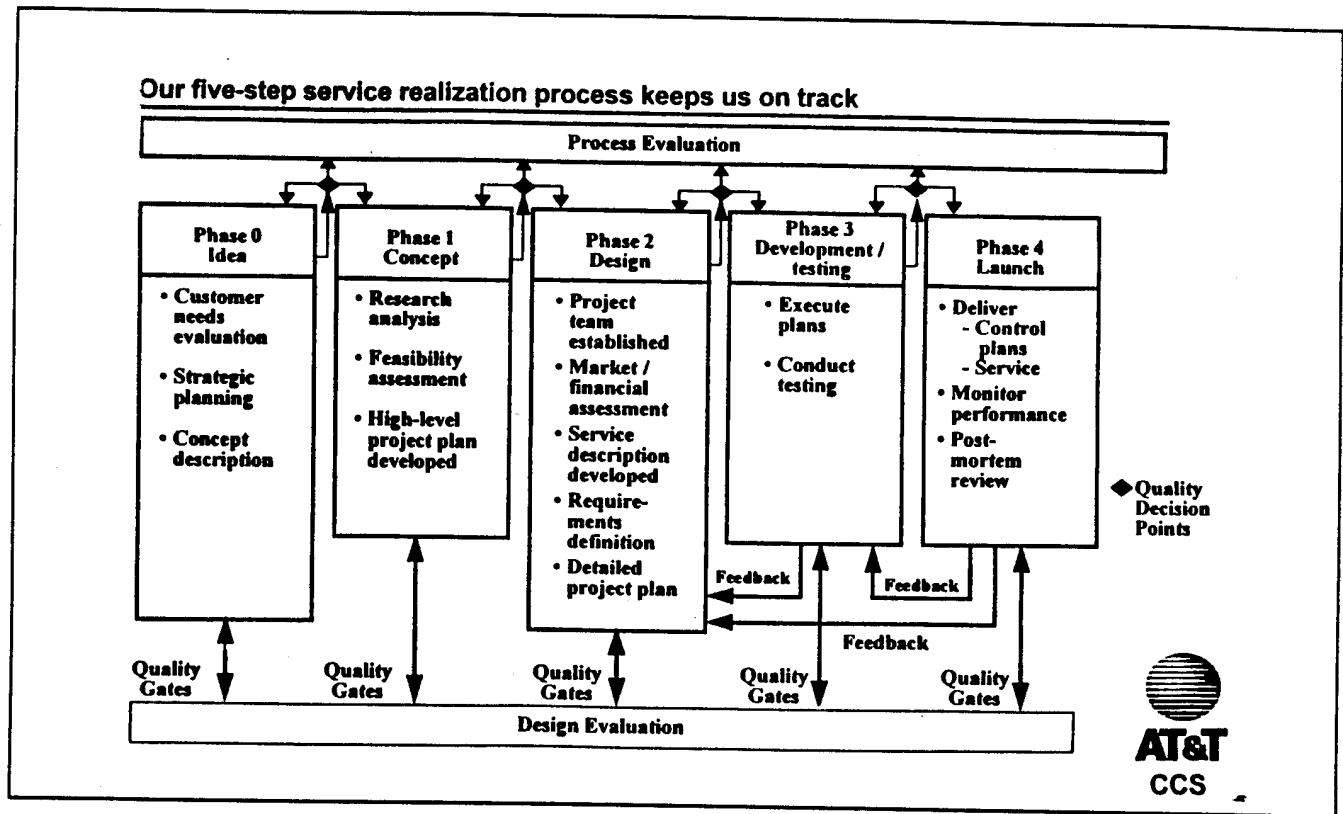
Requirement	Quality Measures
Answer call quickly	% abandoned Average answer time
Helpful in solving customer problems	% helpful
Complete contact accurately	% accurate
Courteous	% courteous
Knowledgeable	% knowledgeable
Offer targeted to customer needs	Needs-based selling



•We use massive amounts and endless varieties of data to improve our value proposition

- Measured operating income
- Competitive analogs
- Unit costs
- Worth what paid for ratings
- Needs assessments
- Complaints
- Accessibility
- Performance
- Order processing
- Transmission quality
- Call-completion rate
- Call set-up time
- Billing performance
- Pricing
- Account management
- Time to market
- Marketing communications agencies
- Telemarketing agencies





Our leadership assumes many roles

- Opening minds
- Changing behaviors
- Sharing the load
- Setting standards
- Focusing our mission

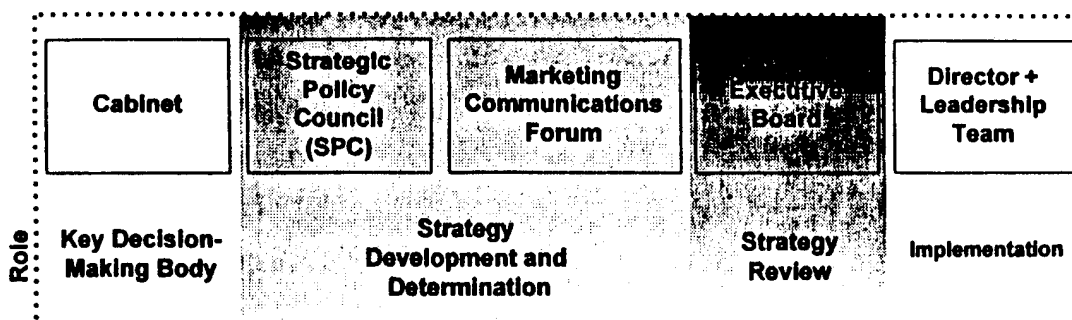


Leadership faces constant challenges

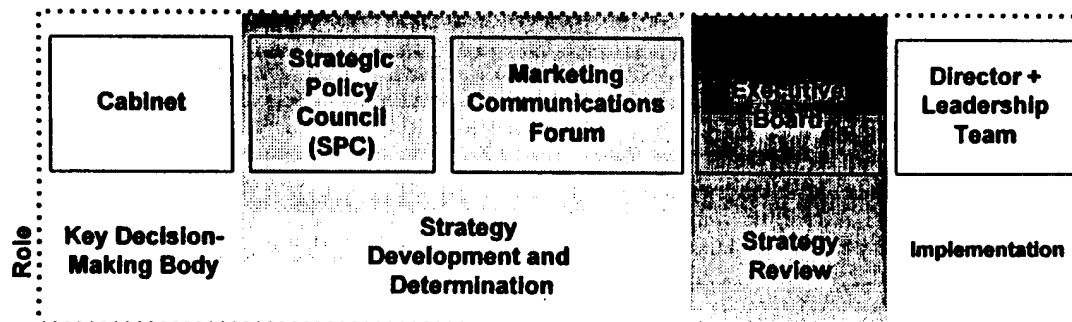
- Being in close contact with the front lines
- Communicating face-to-face
- Establishing the bond of trust



Our governance structure facilitates decision-making and interaction



The Business Unit Planning Team energizes the planning process



The top priorities for success

- 1. Communicate !**
- 2. Communicate !**
- 3. Communicate !**



Celebrate your victories !



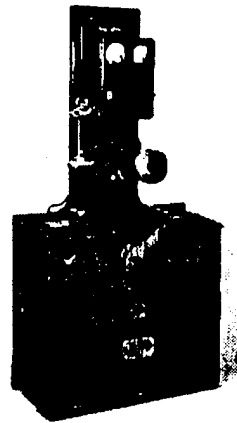
We reinvent to:

- **Serve the customer**
- **Add value to and through people**
- **Deliver innovative products and services**

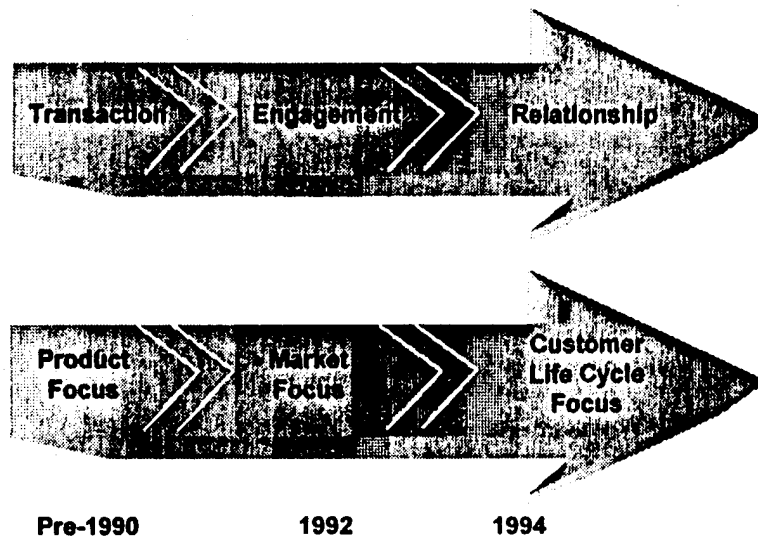


We continuously innovate for the individual customer

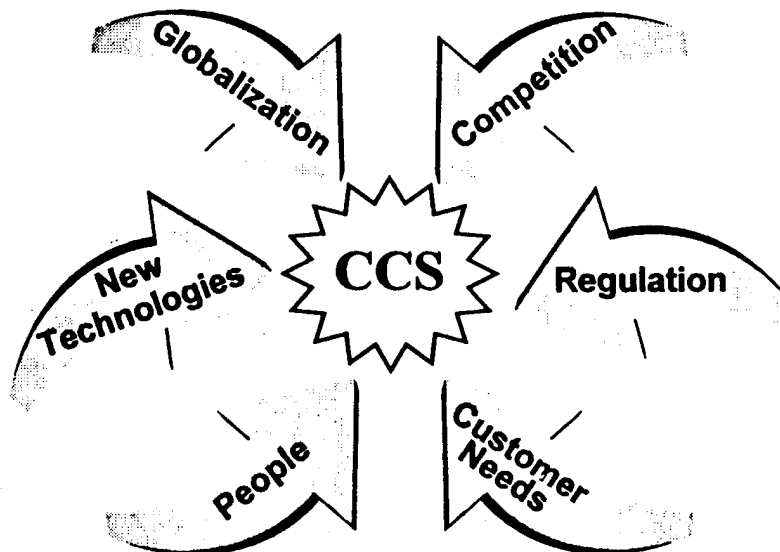
- **1878** Pay stations
- **1889** Coin phones
- **1928** Trans-Atlantic service
- **1949** Coast-to-coast dialing
- **1966** Service attitude measurement
- **1984** Reach Out[®] plans
- **1990** Language services
- **1993** AT&T TrueVoice[®] service



We have evolved to a customer value management strategy



Competing forces continually drive us to reinvent ourselves



Continuously assess your mission

Bell's mission in 1878

**"Linking head offices of
telephone company in
different cities"**
**"Communicating by word
of mouth with another in a
distant place"**



Today's mission

**"Anywhere, anytime via
voice, data, image"**
"185 million times a day"



Innovation in human resources



- Planning
- Education and training
- Associate involvement
- Reward and recognition
- Focus on the individual associate

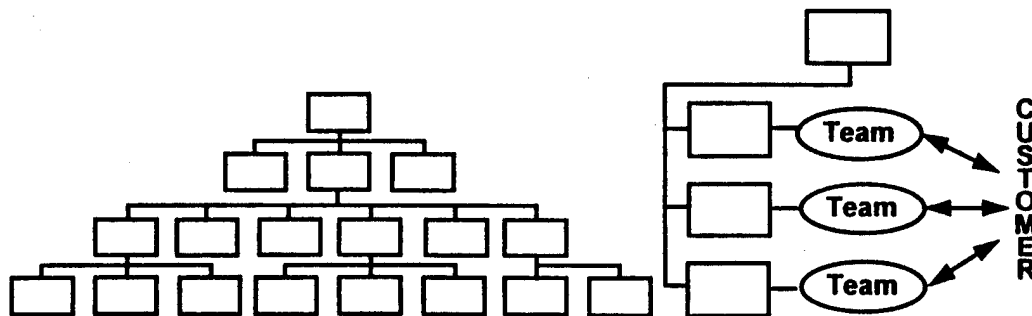


**Divestiture, competition, globalization . . .
these forces mandated the need for change**

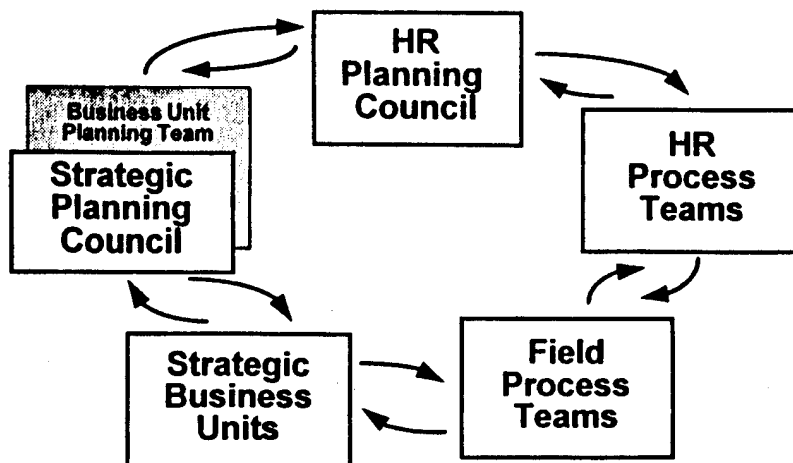
- Hierarchical structure
- Internally focused objectives
- Change treated as an activity
- Homogeneous organization
- Command and control
- Reward for functional performance



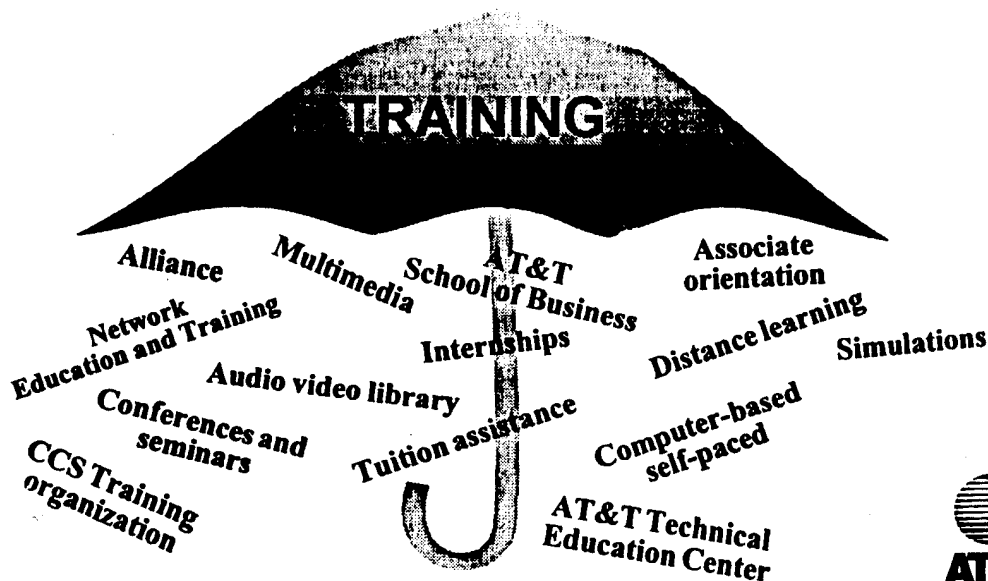
**Our structure, operations and culture did
not align with our customer, associate
and business needs**



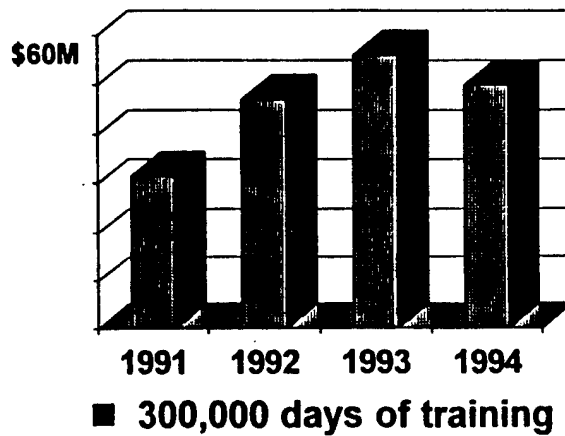
A total integration of HR people processes and business planning was critical



We offer multiple opportunities to ensure associate growth and customer satisfaction



Our investment in education and training has increased 58% since 1991 as we prepare our associates for the 21st century



•We foster associate innovation through empowerment and involvement

- Process teams
- Town meetings
- Focus groups
- Meetings with executives
- 360° evaluations
- (800) numbers
- "Ask Yourself"



**Ask
Yourself[®]**

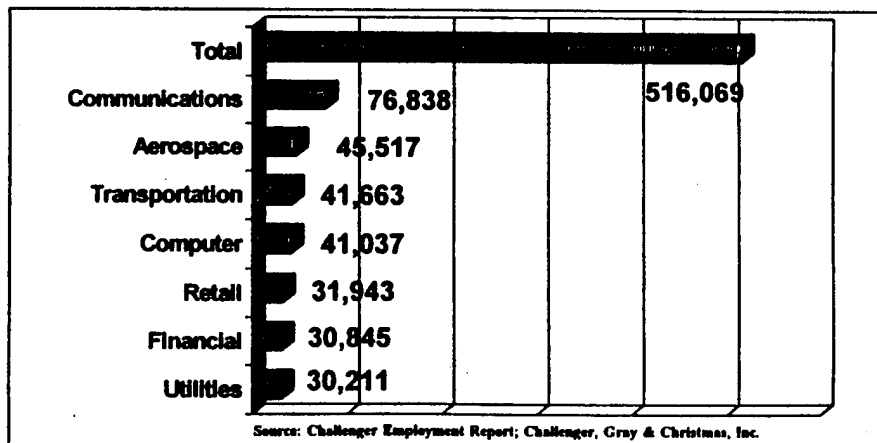


**Empowerment is responsibility
and accountability**

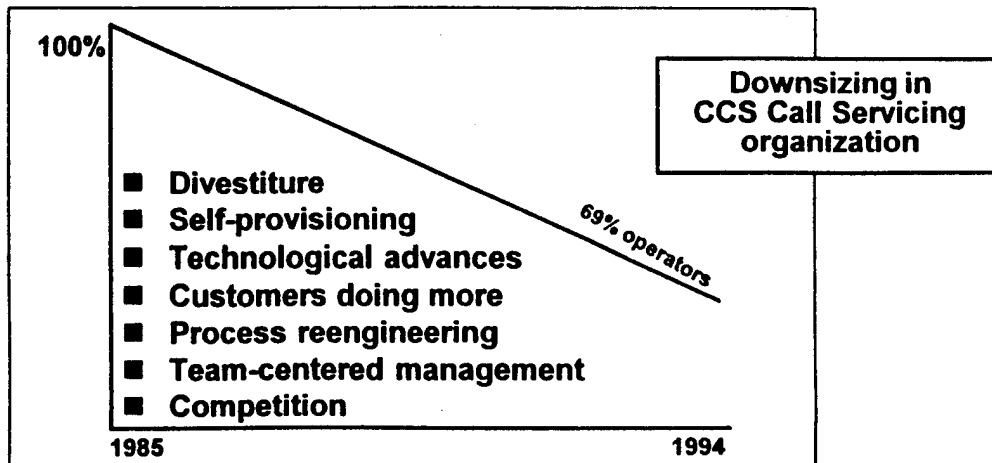
1. Do I know why I'm doing this work?
2. Have I identified and notified everybody - customers and internal groups - who will be directly affected by this work?
3. Can I prevent or control service interruption?
4. Is this the right time to do this work?
5. Am I trained and qualified to do this work?
6. Are the work orders . . . and supporting documentation current and error-free?
7. Do I have everything I need to quickly restore service if something goes wrong?
8. Have I walked through the procedure?



Downsizing in 1994 continues across all industries



And since 1985, change has had dramatic impact on major portions of our business

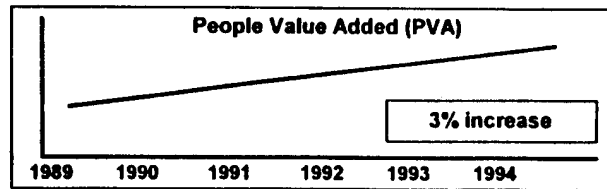


We're committed to helping our associates land on their feet

- Relocation -- allowance
- Personal skills development
-- financial support
- Resource Center --
placement support services
- Transition Center -- 24-hour
response staff

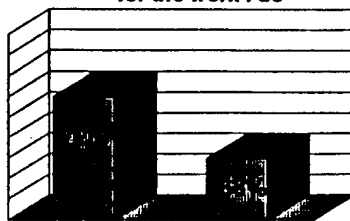


Our PVA results are moving up despite the complexities of our environment



Training

"Adequate preparation for the work I do"

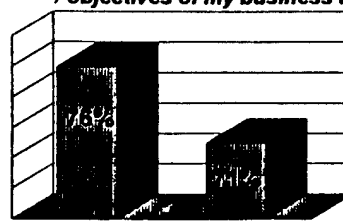


AT&T
CCS

High-performing
norm

Performance Management

"Understand how the work I do relates to goals / objectives of my business unit"

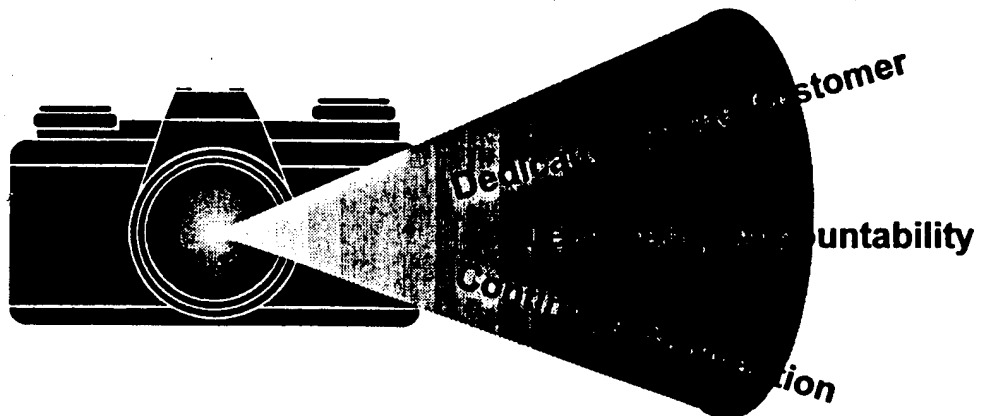


AT&T
CCS

High-performing
norm



Focus! Focus! Focus!



Our 10 recommendations for achieving excellence

- 1. Serve the customer**
- 2. Value and respect people**
- 3. Set measurable, actionable goals**
- 4. Find change... before it finds you**
- 5. Take risks... learn from failure**



Our 10 recommendations for achieving excellence

- 6. Value the role of leadership**
- 7. Recognize and celebrate success**
- 8. Do what's right - always**
- 9. Make timely decisions**
- 10. Accept that your work is never
really over**



**"QUALITY IS EXCELLENCE
CONTINUOUSLY REINVENTING ITSELF."**





Malcolm Baldrige Winners: How they Did it

Mike Simms

Plant Manager, Wainwright Industries, St. Peters, MI

BIOGRAPHY

Michael S. Simms

Michael Simms was born September 27, 1954 in Louisville, Kentucky. He attended grade and high schools in Florissant, MO and received a Bachelor of Science Degree in Meteorology from St. Louis University.

In January, 1977 Simms joined General Motors as a Material Expediter and was elevated to the position of Material Supervisor which he held for two years.

In November, 1979, Simms joined Wainwright Industries, Inc. as Shipping and Receiving Supervisor. During his tenure Simms has been elevated to the positions of Quality Manager, Sales Manager and Plant Manager, the position he has held since 1986.

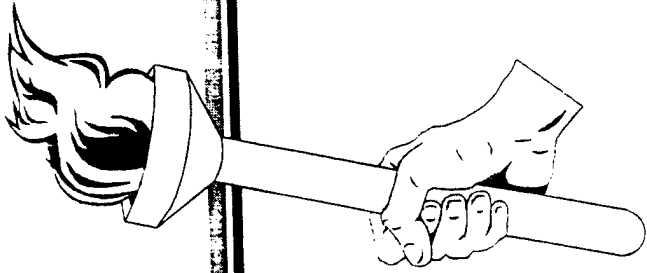
He is married and has two children.



BenchNet

Pamela Johnson

National Performance Review Colonel Dan Cleary,
Department of the Army



From "Good Enough" to the "Best in business:" Benchmarking for Public Sector Managers

Pamela R. Johnson, National Performance Review

Wednesday, October 25, 1995

*Achieving Breakthrough Improvement
through Benchmarking and Reengineering*

Common Sense Government

FOREWORD BY
PRESIDENT BILL CLINTON
INTRODUCTION BY
PHILIP K. HOWARD
Author of The Death of Common Sense

COMMON
SENSE
GOVERNMENT
WORKS BETTER AND COSTS LESS

VICE PRESIDENT
AL GORE

E.O. 12862 on Customer Service

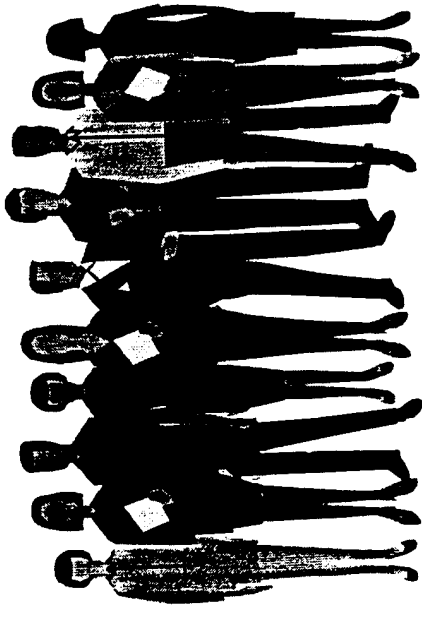
- Identify and survey your customers
- Post customer service standards and measure results
- ***Benchmark against the best in business***
- Listen to front-line employees
- Address customer complaints

What is benchmarking?

Benchmarking is the process of identifying, understanding and adapting practices from organizations anywhere in the world to help your organization improve its performance.

WHY BENCHMARK?

- Customer delight
- High employee morale
- Strong cost consciousness
- Externally focused planning
- Network
- Enhances other change tools
- Breakthrough improvement comes from external learning

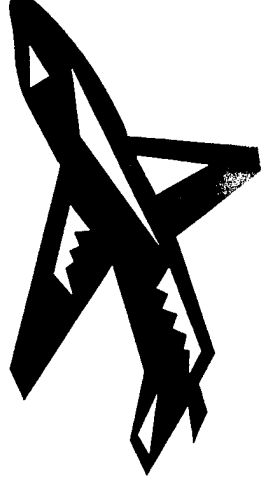


If we don't change direction,
we might end up where we
are headed

Chinese Proverb

The Power of Benchmarking in Industry

- Henry Ford & Meatpacking
- Southwest Airlines plane maintenance
- Toyota's just-in-time system
- Xerox turnaround
- Lots more

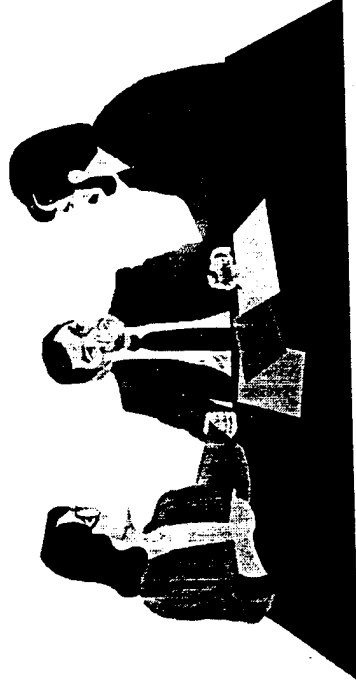


The Power of Benchmarking in Government

- Air Force wins International Benchmarking Clearinghouse Award
- Social Security “world class” in teleservice courtesy, responsiveness
- Consumer Product Safety Commission wins Hammer Award, Ford finalist
- Wal-Mart benchmarks AF pharmacy
- NSA best-in-business in travel reengineering
- *Lots more*

BenchNet

- On-line benchmarking support for federal managers
- A network of federal managers benchmarking to achieve world class performance



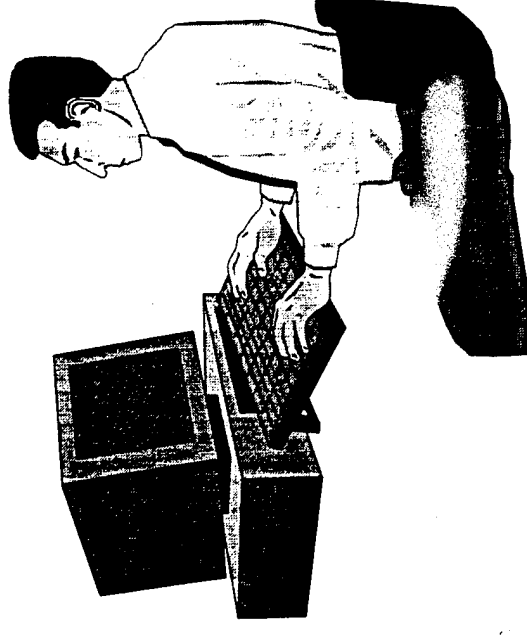
Why BenchNet?

- Urgent need and desire for quantum improvement in performance of federal agencies and programs
- Need to create a learning organization
 - - sharing success and information
- Desire to make the most of benchmarking with the private sector

BenchNet: On-line

Inaugurated on FedWorld 5/1/95

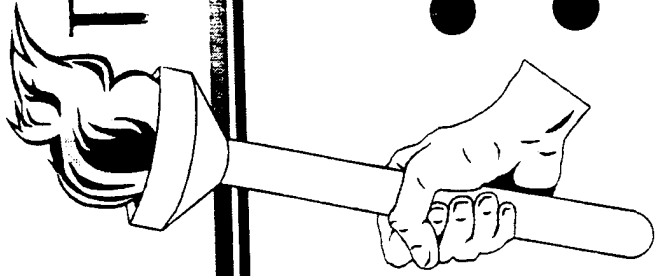
- Promising Practices
- Hammer Awards and Quality Awards
- Key word search
- Calendar of events
- BenchPress and other references



Promising Practices

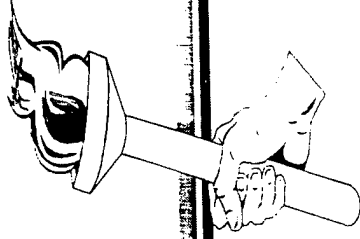
- How Red River Army Depot builds teams
- How a public private partnership in LA is getting homeless Vets into safe housing
- How IRS provides one-stop solutions for taxpayer problems in North Carolina
- How the Oklahoma City VA cut waiting time in half for patients needing prescriptions
- *Lots more*

BenchNet: A Network of Benchmarking Champions



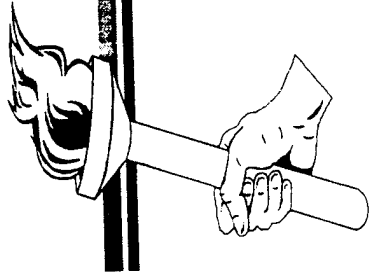
- Sharing Promising Practices
- Benchmarking with each other
- Doing consortia studies
- Synergistic federal effort to give world class customer service to American public

Proposed FY 1996 Consortia Studies



- Closing and downsizing facilities
- Achieving world class courtesy
- Claims processing
- Customer driven strategic planning
- Licensing and permitting processes
- One stop approaches to customer service
- *Others . . .*

Benefits of Consortia Studies



- Topics of broad interest
- Cross-government learning and support
- “Quick off the mark” studies
- Emphasis on implementation

Choosing the right topic

Why Complaints?

- Critical customer service process
- Big problem area - cost, customer satisfaction
- Identify root causes
- Part of recovery strategy
- Industry and government best practices

Benchmarking Complaint Resolution

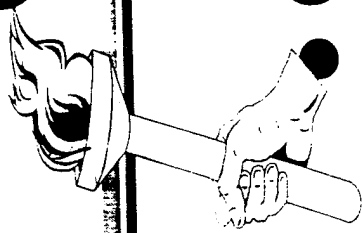
Federal Partners

- VA
- IRS, Customs, Treasury
- Parks, Interior
- FEMA, PTO, OCC
- USDA
- Postal Service
- NSA
- NPR, FQI

Private Partners

- USAA
- USA Today
- Delta
- Texas Instruments
- Toyota
- Canadian Revenue
- Others

Cross government learning



- Closing and downsizing facilities
- Achieving world class courtesy
- Claims processing
- Customer driven strategic planning
- Licensing and permitting processes
- One stop approaches to customer service

"Quick off the mark" studies

- Up front executive commitment
- 90-day timing
- Just-in-time-training
- Use of groupware to develop consensus around questionnaire
- Multiple site visit teams
- Report written in parallel
- Reinforcing network



Benchmarking Teleservice

Federal Partners

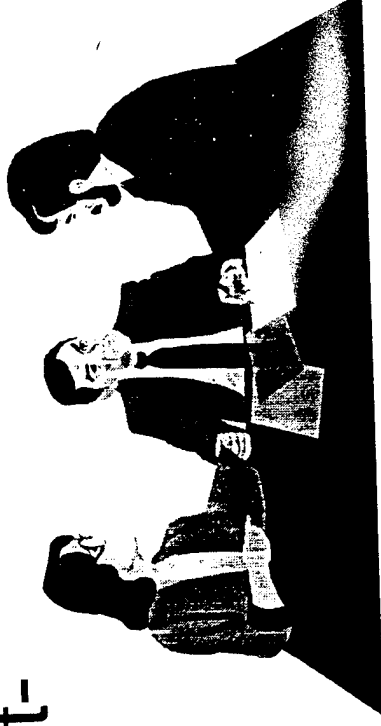
- SSA
- IRS
- Census
- DOD
- GSA
- CPSC
- INS
- EPA
- NPR

Private Partners

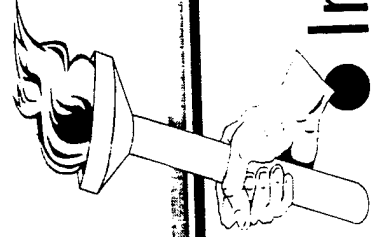
- American Express
Travel
- AT&T Universal Card
- Bell Canada
- Citibank
- Duke Power Company
- GE Answer Center
- Saturn Corporation
- USAA Insurance

Focus on implementation

- Agency assembled team
- Conducted gap analysis
 - Developed recommendations
- Briefed stakeholders
- Developed implementation approach
- Did it!

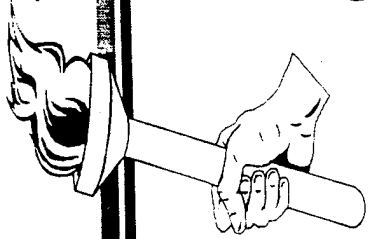


Focus on implementation



- Implementation underway
- Hammer Award to Consumer Product Safety Commission
- World Class recognition to SSA
- Invitation to apply for International Benchmarking Clearinghouse Prize
- Performance contract for call centers

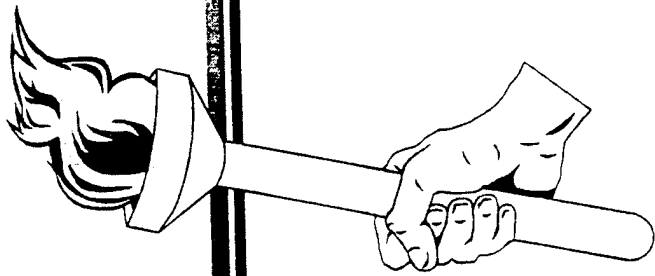
How can you be involved?



- Participate in consortia studies
- Get on BenchNet
- Submit Promising Practices
- Use Promising Practices
- Achieve breakthrough performance in your organization

Here is Edward Bear, coming downstairs now,
bump, bump, bump on the back of his head,
behind Christopher Robin. It is, as far as he
knows, the only way of coming downstairs,
but sometimes he feels that there really is
another way . . . if only he could stop bumping
for a moment and think of it.

Winnie the Pooh, A.A. Milne



from "good enough"
to the
"best in business"



American Productivity Quality Center

Paul Murphy

Director, Total Quality Management, Houston, TX

BIOGRAPHY

PAUL F. MURPHY, Ph.D.

The "Laughing and Learning" Management Speaker. Motivation, Leadership, Quality Improvement, Communication Benchmarking, Reengineering, Change Management Expert

Dr. Paul F. Murphy has lectured and given seminars in 14 countries, including Canada, Russia, Chile & China. The unique presentation style of this entertaining educator has been termed "Laughing & Learning". From his house to the White House, Murphy uses his experiences to illuminate concepts & topics in a light-hearted and persuasive manner. In 1994 he won the Hal Holbrook Cup - top speaker's award at the 163d Int'l Platform Assn. Convention. An outstanding platform lecturer he has emceed, presented or was Banquet Speaker, at major events such as the 1992 NASA Space Congress & US Chamber of Commerce's Quality Learning TV Series.

Dr. Murphy is co-founder & partner of APQC Consulting Group, a multi-million dollar international firm serving government & industry in creating and managing improvement efforts. He works with CEOs and line workers to help them achieve their goals.

As Director, Total Quality Management, Paul Murphy developed & implemented the Initial TQM Program for Aerojet TechSystems, a \$280 million rocket firm. He guided a 1700 person, \$5.1 million TQM training program. He also served as a founding member of TQM user groups at the space system division - a pacesetter approach! As Senior Program Director, Aeroflex Systems Corp., he directed consultants supporting business operations & integrated logistics support for a \$3 billion avionics program, trimming overhead, shortening schedules & saving millions of dollars.

As a White House Special Asst. to Director & Dep. Director of OMB - Office of Mgt. & Budget, he on occasion, wrote speeches for the President. As Military Asst. to the Asst. Sec'y of Defense, he spoke on personnel & management matters at major national and international forums. As Senior Behavioral Scientist in the Leadership & Motivation Directorate at Air Force headquarters, he served as Special Asst. to Director of Human Resource Development. He commanded ICBM operations & maintenance units and was Director of ICBM Maintenance for Strategic Air Command.

Dr. Murphy has taught at a number of universities and was Chairman, Dept. of Command & Management, at the Air War College. In that position he revamped the curriculum and faculty to better meet students needs earning him the Air Force's highest award for contributions to military education. He earned a US Naval Academy BS. in Engineering, a University of Missouri MBA, and Ph.D. in Business Administration from Syracuse University.

Dr. Murphy writes as he speaks, with wit and wisdom, and co-authored *Focused Quality: Managing for Results* (1994). He has contributed a number of articles to journals and periodicals in the management field.

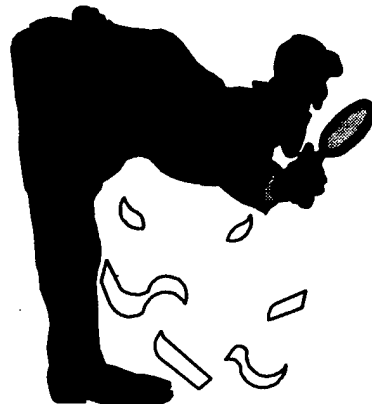
Exclusively represented by:

Speaker's Connection Global Program Bureau, 3530 Pine Valley Drive, Sarasota, FL 34239-4335
Tel: (813) 924-3251 Fax: (813) 924-8080

Benchmarking = Innovation

- **Fast changeover** ... *Racing pit crews*
- **Program Management** ... *Yacht Crew*
- **Shell Casing Manufacturing** ... *Lipstick tube manufacturing*

A benchmarking study on Sales Force Effectiveness



*BMC = The
Benchmarking
Company*



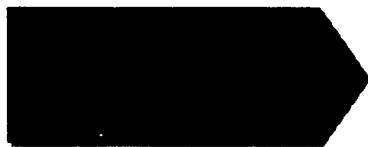
BMC Needed Help!

Compared to Competitors, BMC Sales Reps..

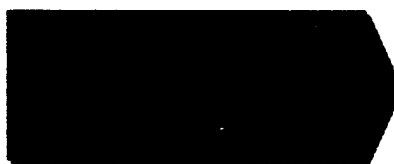
- Made the least number of sales calls
- Generated the lowest revenues per sales rep
- Converted the lowest percentage of prospects to customers
- Lagged all other firms in customer satisfaction



A Two-Phase Initiative



- **12-week duration**
- **Four competitors studied**
- **Two non-competitors (best-in-class)**



- ◆ **36-week duration**
- ◆ **Facilitated work teams**
- ◆ **Key processes redesigned:**
 - ◆ **Recruiting/training**
 - ◆ **Compensation**
 - ◆ **Customer/account mngmt.**

Stretch Goals Set

<i>Improvement Objectives</i>	<i>Target</i>
Increase Revenues/Rep	50%
Improve Customer Satisfaction	30%
Increase Market Share	3 points

Results Exceeded Targets

<i>Objectives</i>	<i>Target</i>	<i>Actual</i>
Increase Revenues/Rep	50%	58%
Improve Customer Sat.	30%	40%
Increase Market Share	3 points	>4 points

Worth it?

**Management
estimates that the
sales effectiveness
project's value is
over \$20 million
annually.**

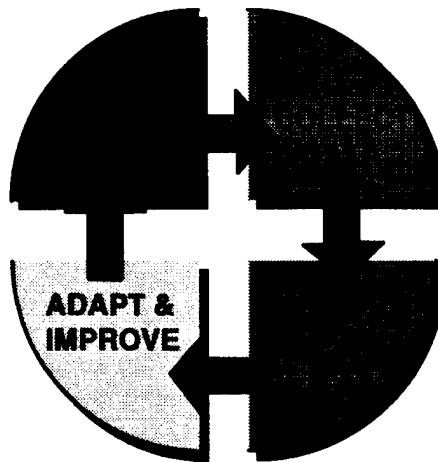


BENCHMARKING

- What is it?
- Why should we do it?
- *How should we do it?*
- How much does it cost?
- Where does it fit?



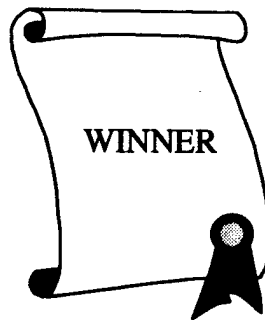
APQC Benchmarking **Four Phase Model**



The Four Step Approach

- **PLAN** - Prepare the Benchmarking study plan, select the team, select partners, analyze your process
- **COLLECT DATA** - Prepare and administer questions, capture the results, follow-up with partners
- **ANALYZE** - Analyze performance gaps, identify Best Practices, methods, and enablers
- **ADAPT AND IMPROVE** - Publish findings, create an improvement plan, execute the plan

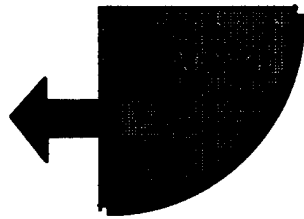
**Some Results from IBC
Benchmarking Award Winners**



GM: AC Delco Systems
Fuel Pump Motor
Technical Competitive Analysis
Results

- Doubled efficiency of 1996 model pump
- Reduced vibration magnitude by 5 x
- Increased durability from 4,200 hours to 10,000 hours

Analysis Phase



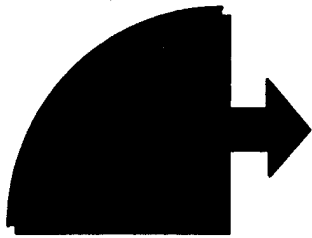
- Identify gaps
- Analyze performance & best practice data
- Identify best practices, methods, and enablers
- Identify enablers in each of the study areas

Adapt and Improve Phase



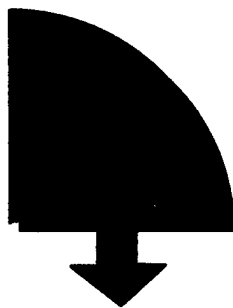
- Secure management support
- Establish long and short term improvement goals
- Formulate and obtain approval for Action Plan
- Track progress of Action team
- Adapt changes, update measurement process, then, as appropriate, recycle the benchmark

Planning Phase



- **Select the benchmarking team**
- **Establish the scope of the study**
- **Document your process**
- **Establish Family of Measures**
- **Determine your process performance**
- **Identify potential partners (secondary research)**

Collection Phase



- **Prepare and administer questions (survey & telephone)**
- **Develop database to tabulate responses**
- **Determine primary partner relationships**
- **Conduct site visits if needed**

Pacific Bell

Benchmarking Customer Satisfaction Measurement

Results

- Changed the sampling and measurement process
- Implemented company-wide
- *Saved \$ 5 million annually on \$ 70,000 study*



A Member Internal Benchmarking Study facilitated by Benchmarking Services

- Global consumer goods manufacturer
- Benchmarked manufacturing processes across European and US plants
 - Packaging
 - Maintenance
 - Operating Structure

Management has documented potential savings of \$33 million from adopting best practices.

Rules of the Game:

The Benchmarking Code of Conduct

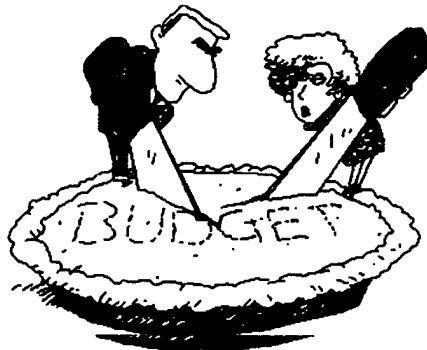
To contribute to efficient, effective and ethical benchmarking, individuals agree for themselves and their organization to abide by the following principles for benchmarking with other organizations:

- Principle of Legality
- Principle of Exchange
- Principle of Confidentiality
- Principle of Use
- Principle of First Party Contact
- Principle of Third Party Contact
- Principle of Preparation



BENCHMARKING

- What is it?
- Why should we do it?
- How should we do it?
- *How much does it cost?*
- Where does it fit?



Study Costs

- Benchmarking team
 - 5-7 people
 - One day per week
- Study duration
 - 3-12 months average
 - 6 months typical
- Secondary research
- Primary research
 - site visits
- Analysis
- Implementation

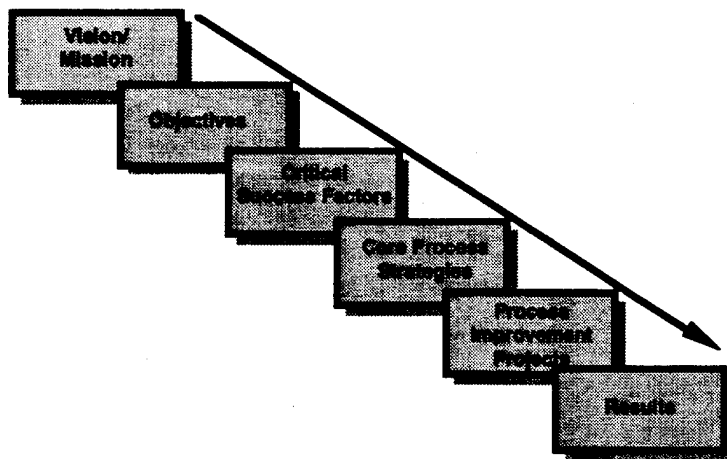


BENCHMARKING

- What is it?
- Why should we do it?
- How should we do it?
- How much does it cost?
- *Where does it fit?*

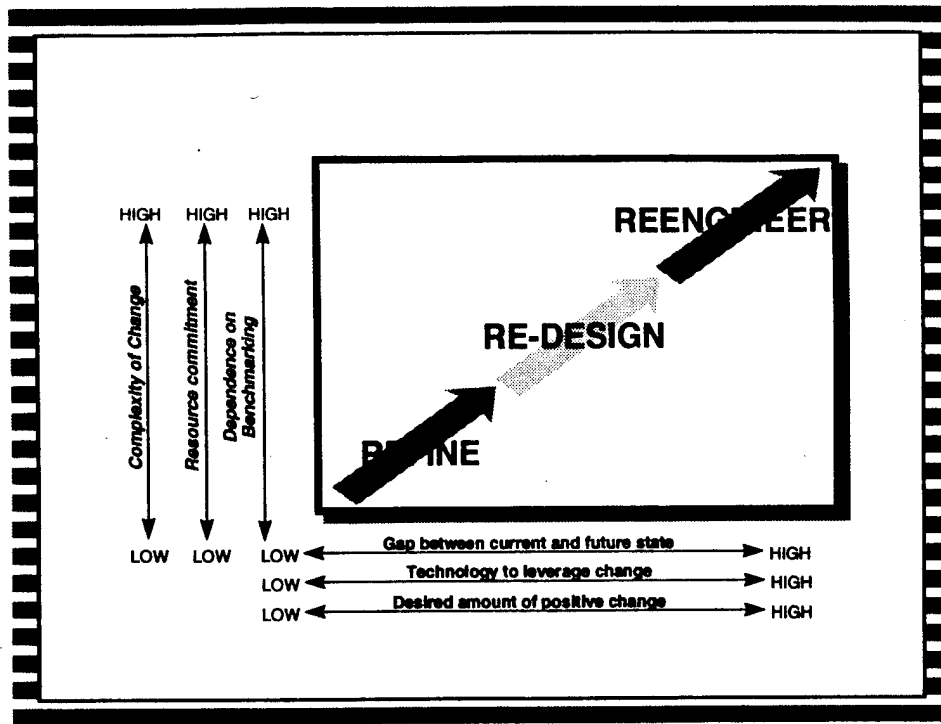


Strategic Quality/Business Planning



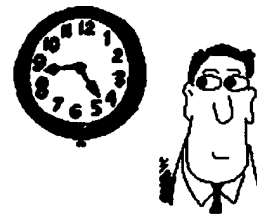
What Should Companies Benchmark?

- Areas of strategic importance
- Significant to quality, cost or cycle time
- High potential for success
- Critical Success Factor for the organization -
 - New Product Development Cycle Time
 - Customer Service Systems
 - Distribution and Delivery
 - Capital Investment Decisions
 - Maintenance Practices
 - Strategic Planning Process
 - Minimization of Administrative Costs



Benchmark When --

- Quantum improvements are needed
- Process is complex
- Resources are available
- Others do it better
- There's a commitment to change



Will Benchmarking Succeed?



Benchmarking **Critical Success Factors**

- Do the right study (something important)
- Be committed to implement the results
- Use an appropriate benchmarking process
- Choose and empower the right teams
- Know your own process first
- Choose the right partner
- Agree to a code of conduct
- Test adaptability of practices and enablers
- Verify the results of implementation

General Benchmarking Mistakes

- Leaving your own process unexamined**
- Scope - Parameters too broad**
- Metrics vs. processes**
- Lack of Management or team commitment**
- Insufficient homework - Wrong benchmarking partners**
- Ignoring comparisons outside your industry**
- Failure to follow-up and implement findings**



Benchmarking is a Journey - Not a Destination

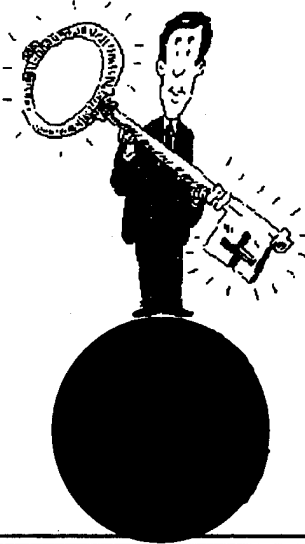
- Not a tool, but a process**
- Not an end, but a means**
- Not a one-time event, but a continuous practice**



Benchmarks need to be recalibrated

Studies need to be recycled

Benchmarking -- Key to World Class Excellence!



The Role Of The International Benchmarking Clearinghouse



Who We Are....

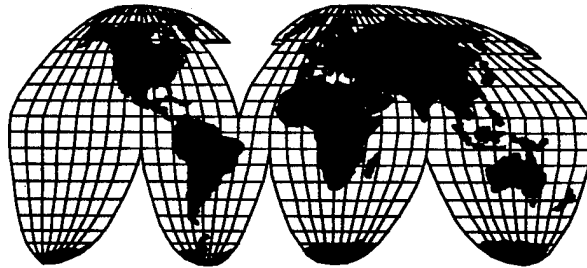
APQC International Benchmarking Clearinghouse

- A benchmarking service to support our members and customers. Founded: February, 1992
- Over 380 organizations world-wide are now members
- We have operations and members in North America, Europe and UK, Australia, and the Pacific Rim
- Selected services and features
 - Conduct benchmarking studies
 - Identify who is good/best at various processes
 - Identify and analyze best practices
 - Use our extensive information resources and contacts for benchmarking and competitive analysis
 - Operate domestically & internationally

Ways we work with Members...

- Facilitate teams throughout a benchmarking study
 - Define the process improvement and measurement objectives
 - Identify information they need and how to use it
 - Formulate improvement options
- Identify best practice partner organizations
- Gather benchmark information to understand the nature and size of the improvement opportunity
 - Access our Databases
 - Access our Members to gather metric and process information
- Facilitate the translation of benchmarking information into process improvement and re-engineering
- Train specialists and teams in every facet of benchmarking

The Clearinghouse is Truly International

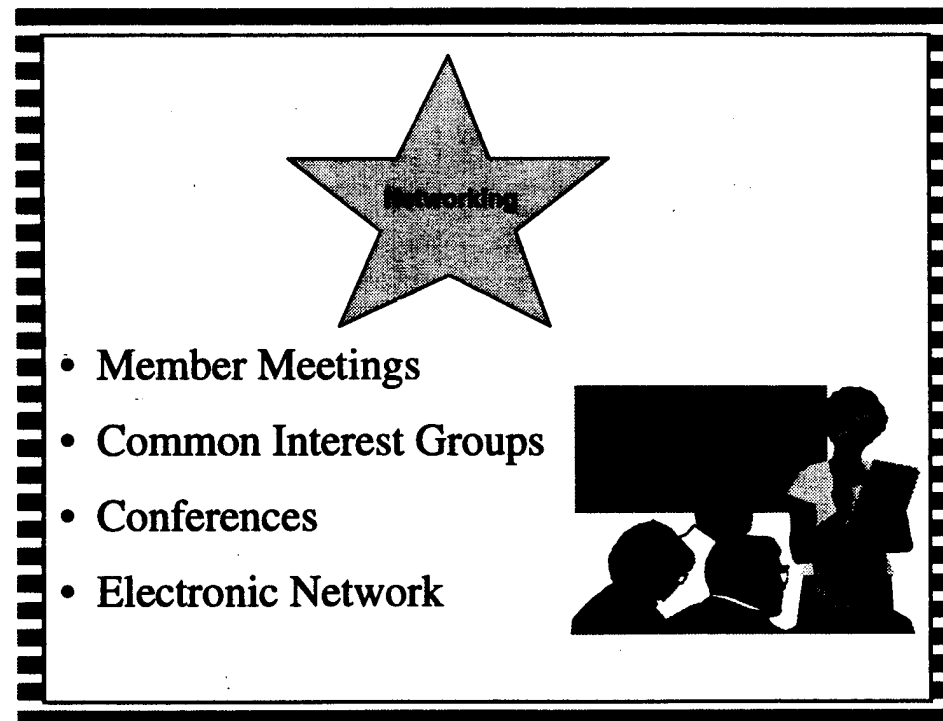
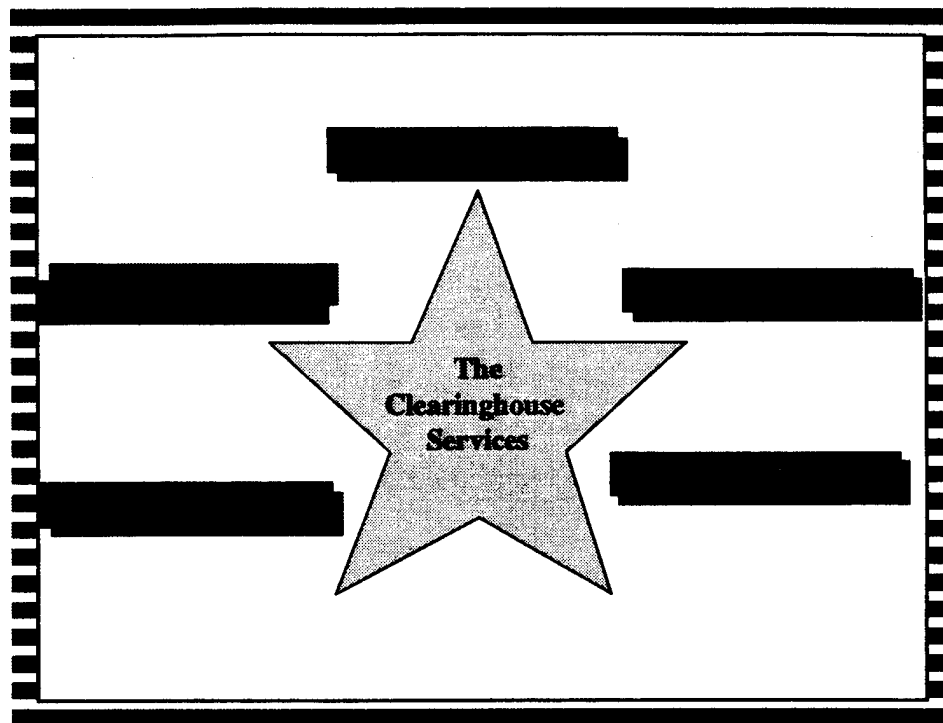


- ◆ Europe
- ◆ Pacific Rim
- ◆ Canada
- ◆ Mexico
- ◆ Australia

Current Membership Over 380 Organizations

The following industries are represented:

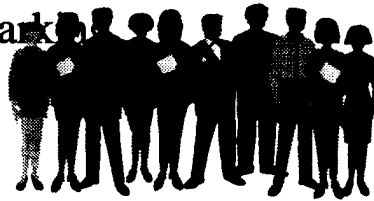
- Aerospace/Defense
- Automotive
- Banking
- Chemical/Petroleum
- Computers/Electronics/Electrical
- Consulting/Accounting
- Consumer Goods
- Distribution
- Education
- Food/Beverage
- Forest Products
- Government
- Health
- Hotels
- Insurance/Financial
- Office Products
- Manufacturing
- Mining
- Pharmaceutical
- Retail
- Telecommunications
- Transportation
- Utilities
- Waste Management
- And More ...





Member Meetings

- 3 to 4 times per year
- Build relationships face to face
- Learn latest techniques in Benchmarking



Common Interest Groups

- Intended for process owners or functional managers
- New Product Development
- Customer Satisfaction Management
- Corporate Performance Measurement
- Information Systems
- Human Resources
- Strategic Planning
- Distribution & Logistics
- ISO 9000
- Order Management
- Environmental



Note: Formation of CIG's is driven by needs of our membership

Rules of the Game:

The Benchmarking Code of Conduct

To contribute to efficient, effective and ethical benchmarking, individuals agree for themselves and their organization to abide by the following principles for benchmarking with other organizations:

- Principle of Legality
- Principle of Exchange
- Principle of Confidentiality
- Principle of Use
- Principle of Contact
- Principle of Preparation
- Principle of Completion
- Principle of Understanding & Action



Electronic Network

- Communication with other member companies
- Share benchmarking data
- Find benchmarking partners
- Introduce/publicize surveys





Electronic Network Examples

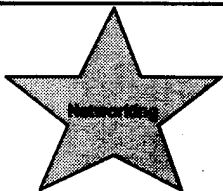
Company A:

"Has anyone had success using computer voice response to answer customers' calls? Have you measured customer satisfaction in this area? If so, please respond to me on the network or contact...?"

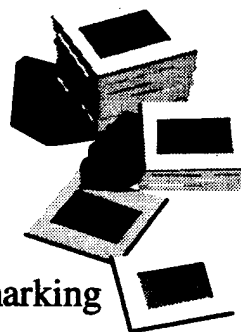
Company B:

(Response)

"I just read the on-line article about (XYZ) doing just that. If you're interested, I can fax you the article."



Conferences



- Networking opportunities
- Training
- Latest tools / techniques in benchmarking and process areas
- Includes non-members as well as members
- Designed to be highly interactive
 - Formed based on Customer needs



Benchmarking

- Consortium Studies
- Turnkey Studies
- Industry Focused Studies
- Metric Studies
- Benchmarking Reports/Publications
- Contact & Screen Potential Partners
- Facilitation/Planning Days



Facilitation

We can assist you with :

- Identifying Critical Success Factors
- Defining Processes to Benchmark
- Develop Scope & Timeline for Study
- Track Progress and Regroup
- Project Focused Training



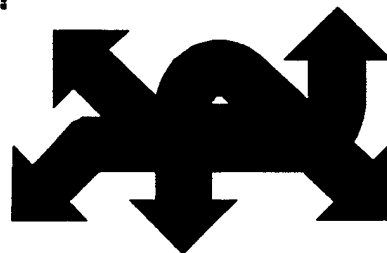


Consortium Studies

- Provides a lower cost alternative to one-on-one benchmarking through cost sharing
- Facilitates learning of the benchmarking process through guidance from a facilitator and other participants
- Neutral third party facilitates study
- Increases probability of securing "best practice" participants
- Promotes environments of sharing and learning in participating organizations
- Provides an ongoing network of partners to continue benchmarking sharing and networking

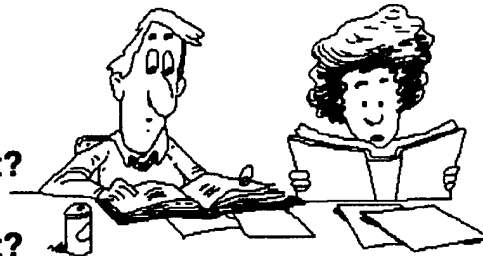
BENCHMARKING

- **What is it?**
- **Why should we do it?**
- **How should we do it?**
- **How much does it cost?**
- **Where does it fit?**



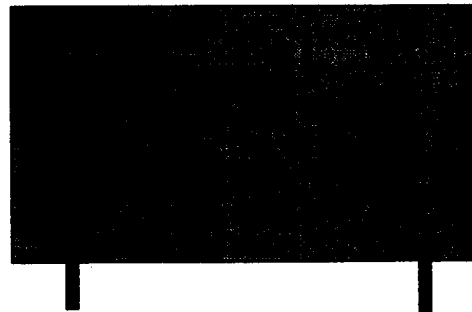
BENCHMARKING

- ***What is it?***
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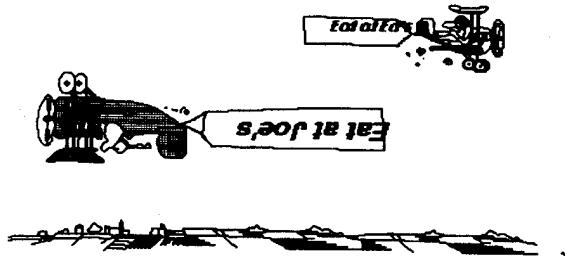
What is Benchmarking?

BENCHMARKING is the process of identifying, understanding and adapting outstanding practices from organizations anywhere in the world to help your organization improve its performance.



What is Benchmarking?

Benchmarking is the practice of being humble enough to admit that someone else is better at something and wise enough to try and learn how to match and even surpass them at it.



Benchmarking is not...

- Only competitive analysis
- "Number crunching"
- Site briefings and industrial tourism
- Just "copying" or "catch-up"
- Spying or espionage
- Quick and easy



Benchmarking is an Ongoing Process

- Understand your own process or approach
- Compare processes, practices & results
 - Within your organization
 - To World-Class organizations
 - in your industry
 - outside your industry
 - domestic or foreign
- Take action to match/exceed the best



Types of Benchmarking

<u>Internal</u>	– With other units in the same organization
<u>Process</u>	– Analysis of best practice processes and functions regardless of industry
<u>Competitive</u>	– Analysis of strategies, processes and practices with competitors and companies in the same industry
<u>Strategic</u>	– Proactive analysis of emerging trends options in markets, processes, technology and distribution that could affect strategic direction and deployment

BENCHMARKING

- What is it?
- *Why should we do it?*
- How should we do it?
- How much does it cost?
- Where does it fit?

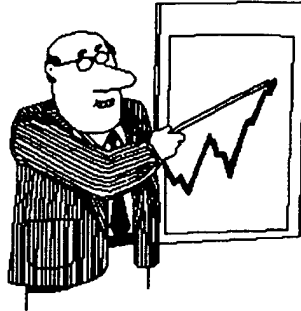


Why Benchmark?

- Improve profits/effectiveness
- Accelerate and manage change
- Set stretch goals
- Achieve breakthroughs/innovations
- Create sense of urgency
- Overcome NIH complacency or arrogance
- See "outside the box"
- Understand world class performance



Objectives of Benchmarking



- Benchmarking accelerates the rate of change
- Identifies breakthrough processes
- Results in customer satisfaction and competitive advantage
- Creates a fact-based climate for generating consensus

Benchmarking Studies Create Value

- Self assessment through collecting structured internal data
- Understanding of the relative positioning in an industry, function or process
- Ability to use measures to manage business
- Consensus building around findings
- Encouraging innovation



Benchmarking = Survival

Example: Supply Management

	<u>Company A</u>	<u>World Class</u>
Supplier Lead Times	150 days	8 days
Order Input Times	6 min	0 min
Late Deliveries		2%
Shortages/Year	400	4
Suppliers/Buyer	34	5.3

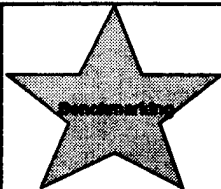
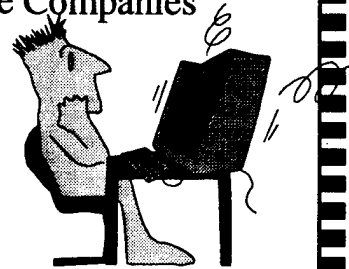
Current IBC Studies based upon Member Feedback

- Customer Satisfaction Measurement
- Internal Communication Measurement
- Supply Chain Management
- Team Based Rewards & Recognition
- Corporate Performance Measures
- New Product Development/Market Research & Cycle Time Reduction
- Sales Force Effectiveness
- Shareholder Based Management
- Human Resources and Business Strategy
- Knowledge Management
- Pollution Prevention (P2)
- and hundreds of others by our members



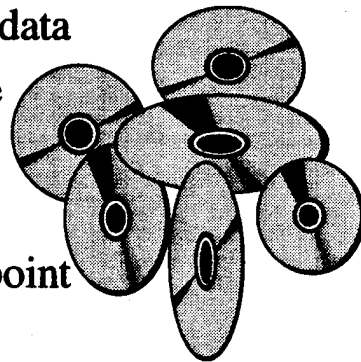
Turnkey Studies

- IBC completes study when you cannot
- Plan study
- Identify and Screen Best Practice Companies
- Design Questionnaires
- Conduct Site Visits
- Analyze Data
- Identify Gaps
- Develop Implementation Plan



Metric Studies

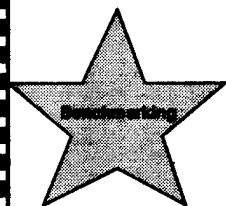
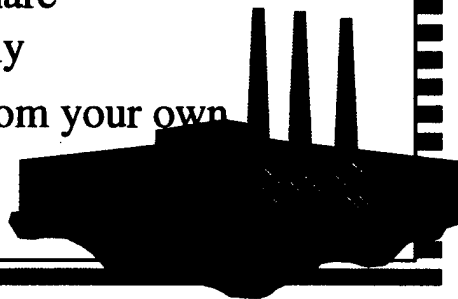
- Orientated at quantitative data
- Does not typically include practices and enablers
- Useful for gap analysis
- Most useful as a starting point





Industry Focused Studies

- Formation is driven by needs of members
- Addresses industry specific processes
- Allows competitors to share information confidentially
- Learn “best practices” from your own industry



Competitive Analysis

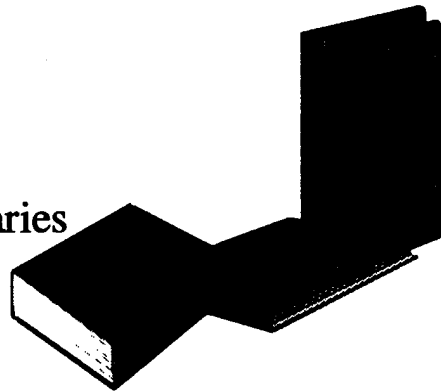
- IBC conducts research confidentially
- IBC conducts secondary information searches
- Data is blinded
- Report provided for participants





Benchmarking Reports/Publications

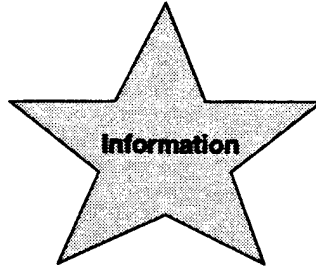
- Best of Benchmarking
- Case Studies
- White Papers
- Study missions/summaries
- Benchmarking Videos



Contact & Screen Potential Partners

- Established contacts with leading companies around the world
- Reduce cycle time in acquiring benchmarking partners
- Screening validates selection of appropriate benchmarking partners



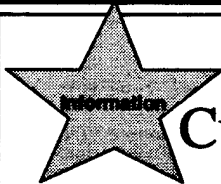


• Private Clearinghouse
Databases

• Quality & Productivity
Library

• Custom Information
Research

• Identify potential Best
Practice Companies



Custom Information Research

- Information search specialists are highly effective in locating outstanding practices and companies
- One on one interview to define needs and determine time & costs related to search areas
- Provide cases, articles, abstracts and Clearinghouse specific information from our databases, experts, and resources

Identify Potential Best Practice Companies

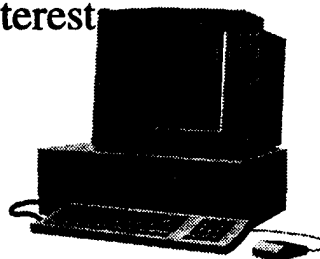


- Use your requirements to determine potential partners
- Conduct thorough secondary research
- Analyze and interpret information
- Rapid turnaround

Clearinghouse Databases

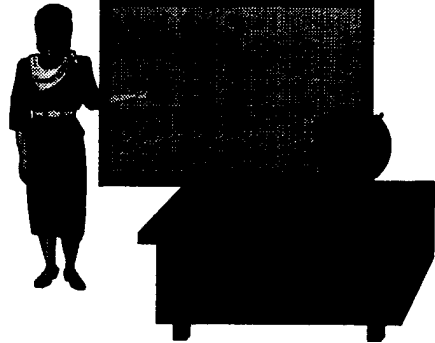


- Best Practices: Index and Abstracts
- Benchmarking Studies/Interest Registry
- Information Resources



**Training &
Conferences**

- Benchmarking
- Re-engineering
- TQM
- Productivity
- Change Management
- ISO 9000

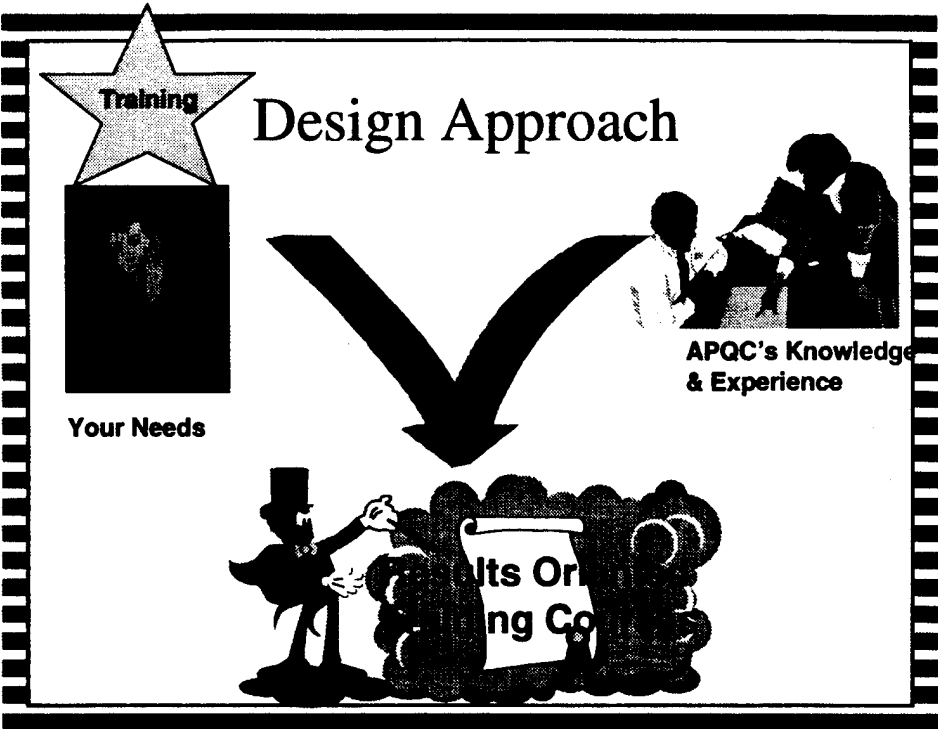


Training

Benchmarking Training

- Applying Benchmarking in your Organization: Skills, Tools & Techniques
- Organizing and Managing Benchmarking
- Internal Benchmarking and The Transfer of Best Practices







Business Process Reengineering Tool

John Tieso

Assistant to Director for Business Process
Reengineering, OASD(C31)

BIOGRAPHY

JOHN V. TIESO

Assistant Director (Functional Process Improvement), Office of the Deputy Assistant Secretary of Defense (Information Management) Arlington, Virginia 22202

John V. Tieso was appointed to the Functional Process Improvement Staff of the Office of the Deputy Assistant Secretary of Defense (Information Management) on 12 April 1992. His previous assignment was as an Information Planner in the Office of the Director of Information Management, Headquarters, United States Army Corps of Engineers.

Mr. Tieso has over 27 years experience in automation and began his career in 1967 in Boston, MA as a Trust Systems Analyst. Among his early achievements was the development of the first automated stock certificate tracking system and initial development efforts on the Common Uniform Security Identification Program (CUSIP) in the securities industry. He subsequently held a series of progressively challenging civilian and military management positions.

In 1984, following separation from active military duty, Mr. Tieso joined the United States Department of Labor where he served, successively as the Assistant Director of the Veterans' Reemployment Rights Program and as Special Assistant to the Assistant Secretary for Veterans' Employment. During the next 6 years he directed a number of initiatives, to include the development of a caseload administration system involving veterans rights complaints; an RDBMS family of systems designed to monitor federal contractor requirements under the Rehabilitation and Equal Employment Opportunity Acts; and acted as program manager for development of a visual system for job applicants without literacy skills that is now utilized nationally through the National Job Bank System. His efforts in the development of the visual job applicant system "ALEX" resulted in a Government Computer News Award in Technology in 1993.

Mr. Tieso transferred to the US Army Corps of Engineers (USACE) in September, 1990 where he served as program manager for several major Army and DoD initiatives. He managed the initial development of ADAPT, an automated information architecture design tool in the CADD/GIS environment for OSD; managed the development of an integrated initiative tracking system; developed comprehensive information planning policy for USACE which is now the model for a number of Army commands; developed and described several technical and backbone long-haul telecommunications networks; and developed and published the USACE Master Telecommunications Plan.

During his current assignment, Mr. Tieso managed the creation of a DoD Process Model repository. Working with business and industry, he has been highly successful in securing industry development of prototypes of integrated toolsets which assist DoD managers in Business Process Improvement Activities. The ADAPT tool, initially developed while at the Corps of Engineers has evolved to a highly robust and reliable information architecture tool used widely throughout government and industry.

Mr. Tieso is widely respected in the industry for his encouragement of the use of collaborative technologies, such as groupware and electronic meeting systems to conduct business reengineering activities and interactive sharing of data. Introduction of these technologies throughout DoD alone has already saved the Department of Defense in excess of \$25 million in workshop costs.

His achievements also included the creation of an industry consortium to develop an integrated business reengineering toolset for development of the Healthcare segment of the National Information Infrastructure. For this effort, he was named a member of the "Federal 100" for 1995 by Federal Computer Week.

Born in Boston, MA, Mr. Tieso has a B.S. degree from Boston State College, and advanced degrees in Education and Business Administration. He received a Ph.D from the Florida State University. A 1980 graduate of the United States Army Sergeant's Major Academy at Fort Bliss, Texas, the United States Army Clinical Specialist Course at Ft. Bragg, NC., and the United States Army Logistics Management Course at Ft. Lee, VA., he is married and lives in Arlington, Virginia.

Business Process Reengineering Tools

Presentation to the Symposium on Achieving
Breakthrough Improvement through
Benchmarking & Reengineering
by

John V. Tieso
Assistant Director
Functional Process Improvement
Office of the Deputy Assistant Secretary of Defense,
Information Management

M(FPI)

10/10/95

1

Like Tools are not the Same

- ◆ Prior to 1989, BPR tools did not exist
- ◆ The three Ps: proprietary, puny, possessive
- ◆ What do you link & reuse?

M(FPI)

10/10/95

2

Creating an Initial Toolset

- ◆ Adopting models - 1990
- ◆ Creating architectures - 1991
- ◆ Simulation - 1992
- ◆ Groupware - 1992
- ◆ Functional Economic Analysis -1993
- ◆ Workflow Analysis - 1994
- ◆ Integration -1994
- ◆ Moving to the Desktop - 1995

Reuse & Repositories

- ◆ What is a repository?
- ◆ Why do we have them?
- ◆ What does the user need?
- ◆ Where are we going in the next generation?

Moving to an Integrated Environment

- ◆ DoD efforts at integration - 1992-1994
- ◆ The NIST Advanced Technology Program - 1994
- ◆ Current DoD Efforts
- ◆ Next Generation requirements



Business Process Reengineering Tool

Dave Carter

Defense Information Systems Agency

BIOGRAPHY

DAVID F. CARTER, Deputy Chief

Mr. Carter serves as the Deputy Chief of the Collaborative Engineering Management Office. In that capacity, he assists the Chief in the day to day operations of the Center which includes the conducting of various process improvement planning sessions, training, baseline, activity based cost, alternative, simulation, and economic analysis workshops. Mr. Carter is regarded as a leading expert in the Functional and Business Process Engineering field.

Prior to assuming his current duties, Mr. Carter has spent 30 years in the information technology and information engineering environment. Mr. Carter has over 20 years of federal service with the U.S. Departments of Defense and Labor as well as the General Accounting Office. Mr. Carter has 11 years experience in the private sector as an information management consultant and marketing executive.

Mr. Carter holds a Bachelors of Arts Degree in Business Administration from the University of Maryland. Mr. Carter has completed numerous continuing education courses at or beyond the master degree level in the information technology and management area. Mr. Carter holds professional certifications in Data Processing and Electronic Data Processing Auditing.



BUSINESS PROCESS REENGINEERING IN THE DEPARTMENT OF DEFENSE

*A Case Study Illustration
of Tools and Methods*

Mr. Dave Carter, D621
Voice : 703-681-2403, Fax : 703-681-2862
Email: carter1d @ ncr.disa.mil



The Purpose

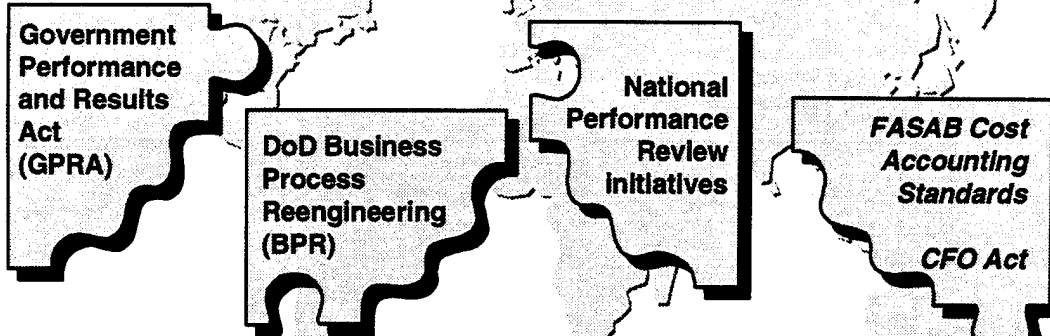
Is To:

- **Make Government Work Better**
 - Be an Improvement Laboratory
 - Be a Reinvention Laboratory
 - Advance Improvement Technology



The Requirement

New initiatives will change the way government is managed ...

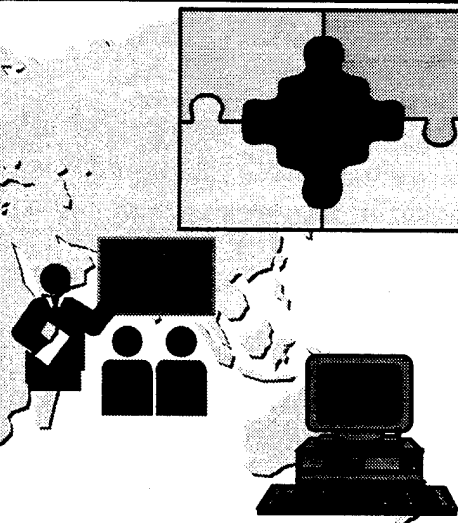


How can managers "put the pieces together" to improve service and reduce cost?



The TurboBPR Answer

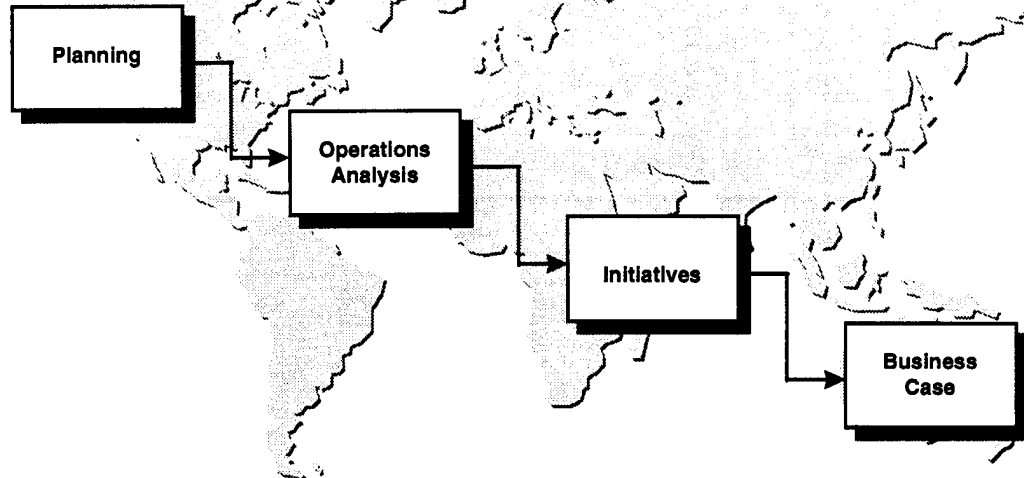
- An integrated perspective
 - Links strategic planning, operations analysis, and project evaluation
 - Core concepts validated by DoD managers from different functions
- Information technology used to facilitate the planning process
 - Identify *essential* planning elements
 - Assist with cost and performance calculations
 - Provide on-line reference materials
 - Generate formatted reports



TurboBPR Analytical Design

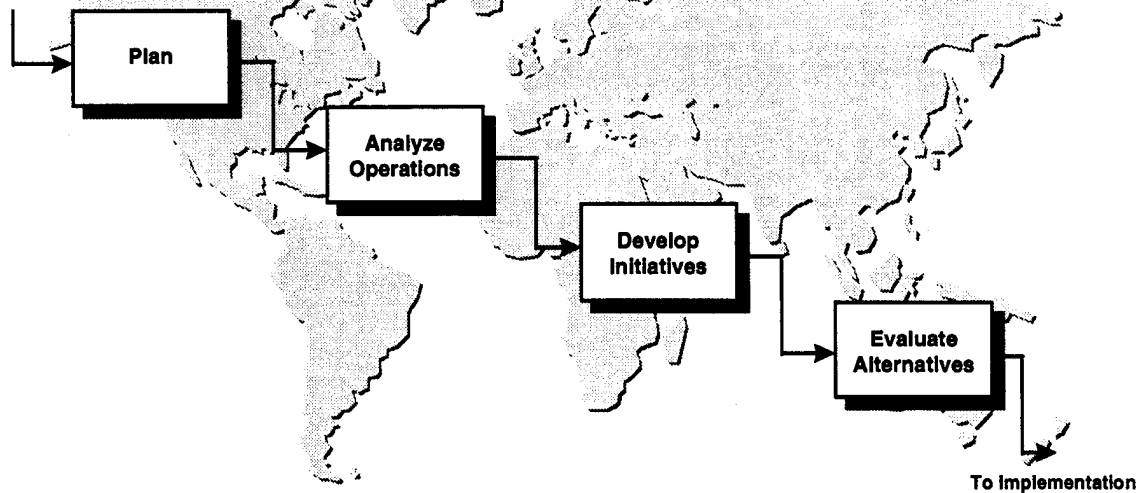


The BPR Process



The BPR Process

Top Management
Guidance





The BPR Process

Top Management Guidance

Plan

Goals
Performance Measures

Analyze
Operations

Improvement Strategies
Business Models

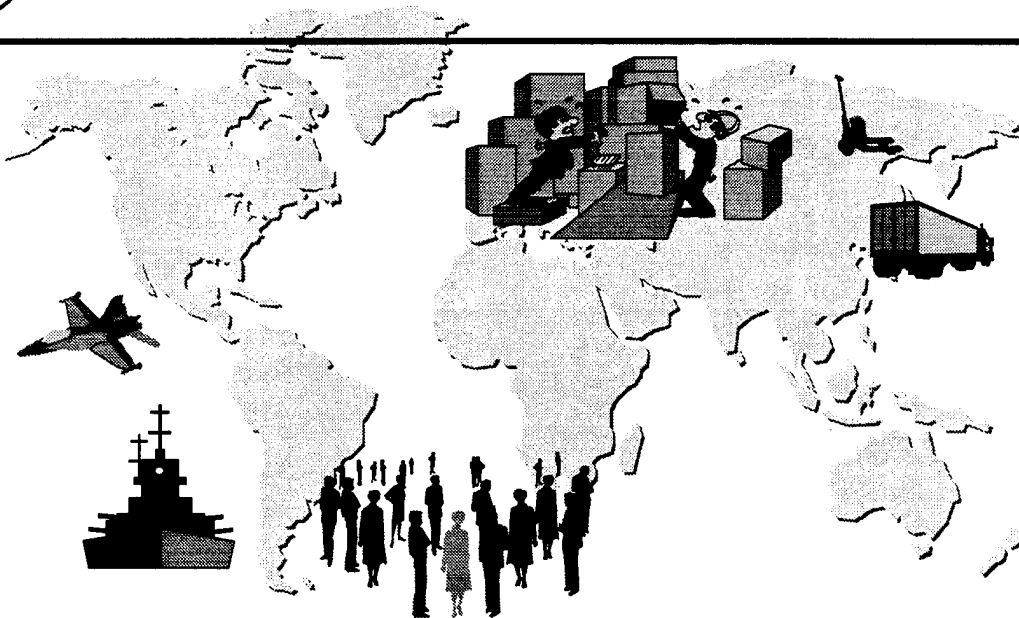
Develop
Initiatives

Implementation Plans,
Costs, Performance Impacts
Functional Requirements

Evaluate
Alternatives

FEA

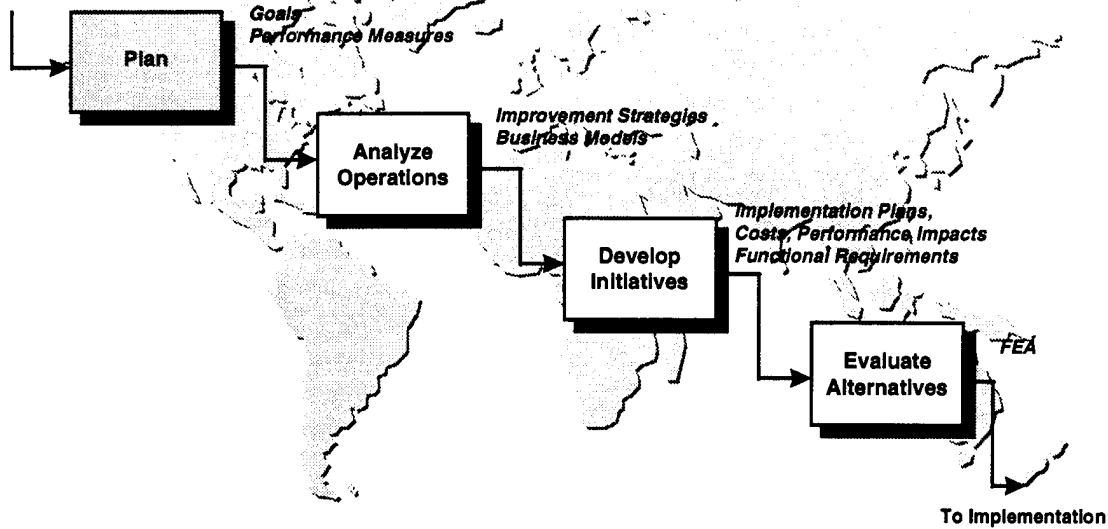
To Implementation





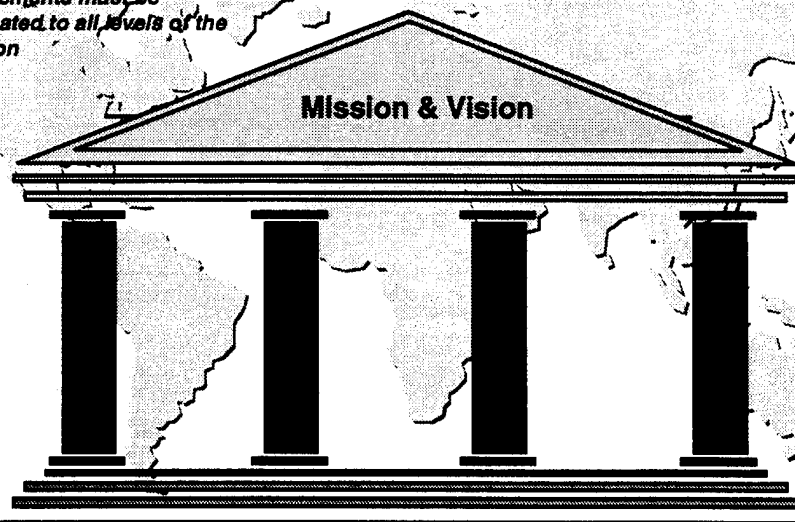
Strategic Planning

Top Management Guidance



Strategic Planning ...The Starting Point

for peak effectiveness, mission and vision statements must be communicated to all levels of the organization

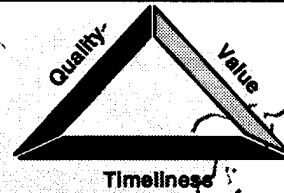




Performance Measures

...Objective Indicators of Effectiveness & Efficiency

- always measure quality, value, and timeliness
- think of ways to measure the attainment of each goal
- develop targets for each performance indicator



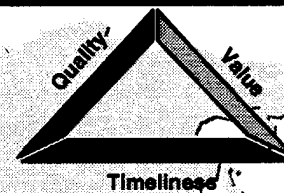
Government Performance and Results Act (GPRA)



Performance Measures

...Objective Indicators of Effectiveness & Efficiency

- always measure quality, value, and timeliness
- think of ways to measure the attainment of each goal
- develop targets for each performance indicator

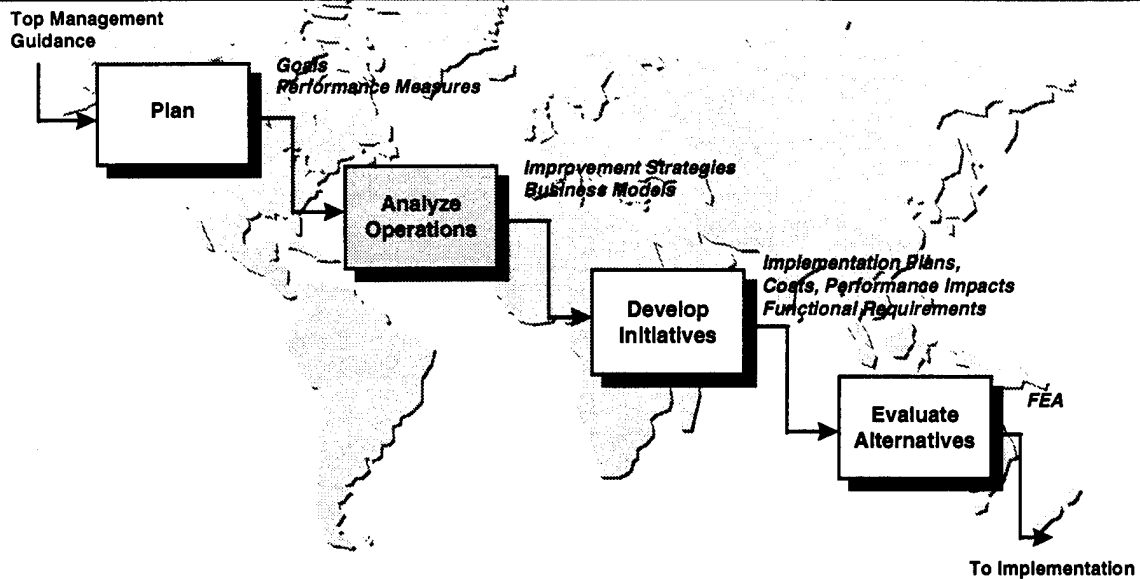


Performance Measure	Goal Supported
Order-Ship Time	Provide Supplies in a Timely Manner
Unit Cost	Reduce Costs
Inventory Level	Reduce Costs
Customer Satisfaction Ratings	Improve Customer Support

Government Performance and Results Act (GPRA)



Operations Analysis

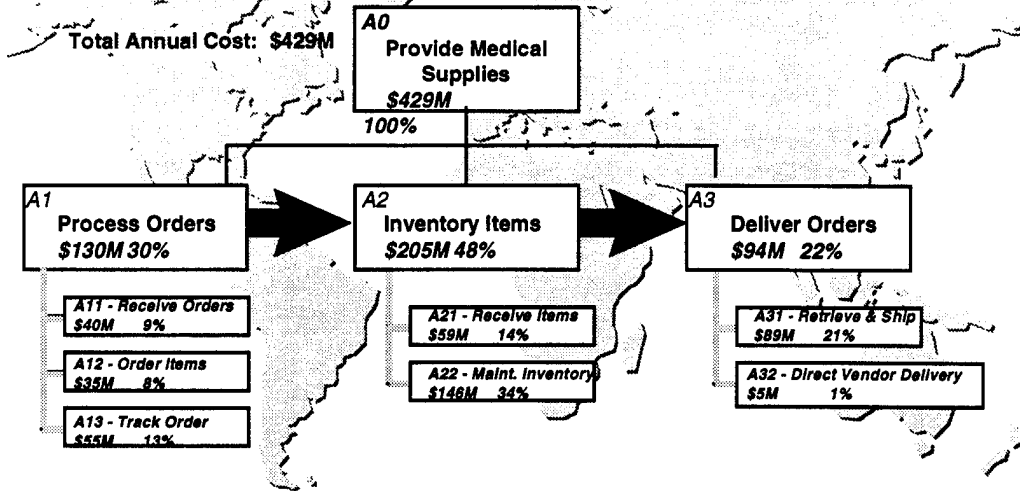


Operations Analysis ...The Who, What, and How of a Business

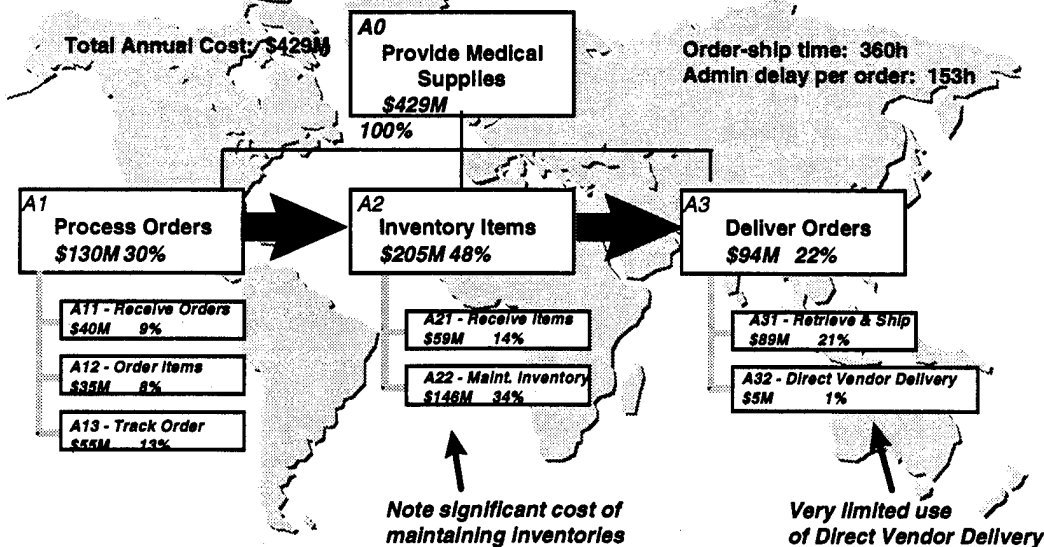
- Stakeholders, Products, and Services
- Business Modeling
 - Activity Modeling
 - Activity-Based Costing
 - Process Modeling & Simulation
 - Data Modeling
- Value-Added Analysis



Performance Report Card for As-Is Supply Process



Performance Report Card for As-Is Supply Process





Strategies

- Strategies describe what needs to be done to move toward To-Be goals
- Improvement strategies can be changes to correct problems or deficiencies, to emulate best practices, or to implement innovation

Successful Strategies:

- take advantage of opportunities
- exploit internal strengths
- mitigate threats
- correct or compensate for internal weaknesses



Strategies

- Strategies describe what needs to be done to move toward To-Be goals
- Improvement strategies can be changes to correct problems or deficiencies, to emulate best practices, or to implement innovation

Supply Strategies

JIT Inventory Management Practices

Enhance Vendor-Logistics Comm

Enhance Customer-Logistics Comm

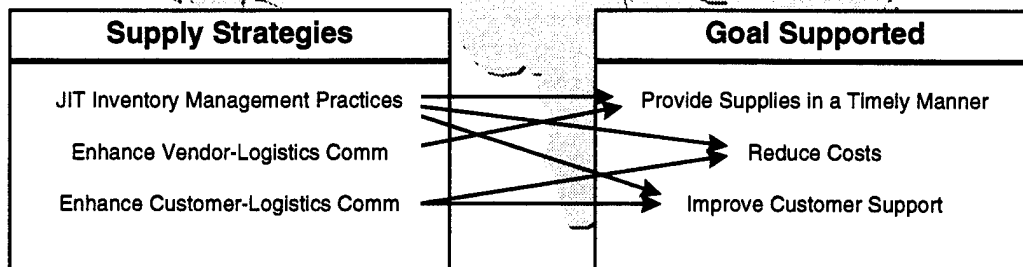
Successful Strategies:

- take advantage of opportunities
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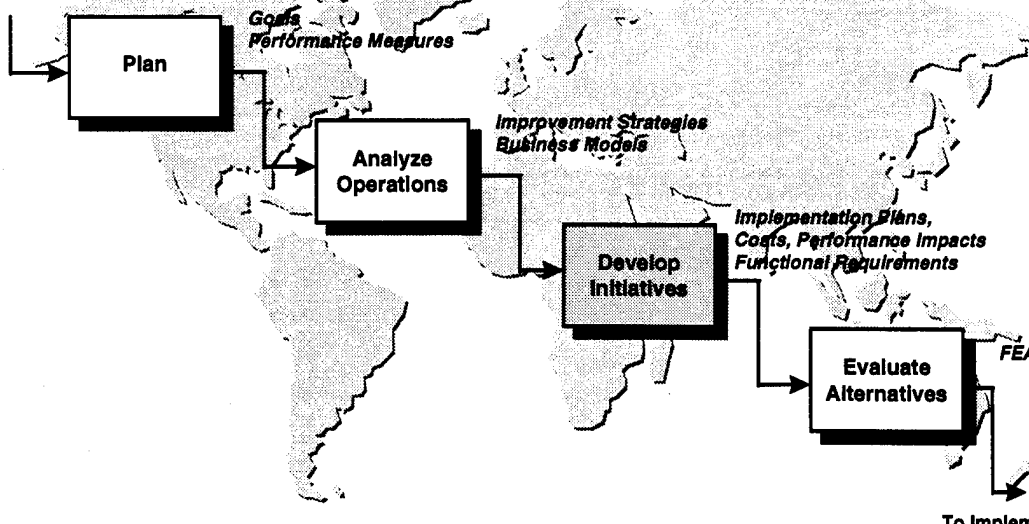
Strategies

- Strategies describe what needs to be done to move toward To-Be goals
- Improvement strategies can be changes to correct problems or deficiencies, to emulate best practices, or to implement innovation



Improvement Initiatives

Top Management Guidance

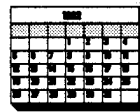


To Implementation



Initiatives....

- Projects that realize functional improvements
- Describe how you will implement strategies in terms of specific actions, timelines, and resources:
 - SOFTWARE DEVELOPMENT
 - SYSTEM DESIGN
 - IMPLEMENTATION COSTS



The BPR Process

Top Management
Guidance



Goals
Performance Measures

Analyze
Operations

Improvement Strategies
Business Models

Develop
Initiatives

Implementation Plans,
Costs, Performance Impacts
Functional Requirements

Evaluate
Alternatives

To Implementation



Alternatives

- Logical groupings of initiatives to move a function toward its vision

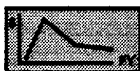
*Use initiatives like lego blocks to build alternatives:
- each initiative can be a part of one or more alternatives
- some initiatives may be in all alternatives*

- Alternatives are the proposed courses of action that are analyzed in the Functional Economic Analysis (FEA) or Business Case
 - required investment
 - ROI
 - performance impacts



Tracking ...the most overlooked step

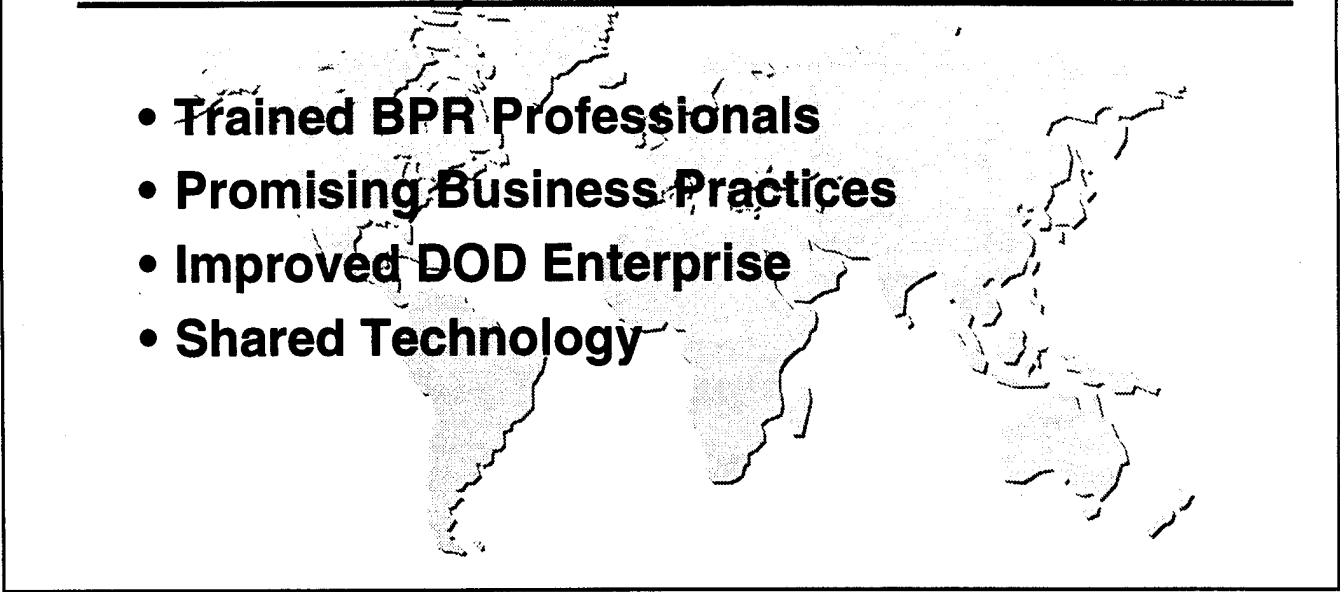
- Defined: monitoring post-implementation cost and performance impacts to understand differences between forecasted estimates and actual
- Essential for continuous process improvement and program evaluation activities
- Required by GPRA



INITIATIVE	1995	1996	1997	1998	1999
1	100	100	100	100	100
2	100	100	100	100	100
3	100	100	100	100	100
4	100	100	100	100	100
5	100	100	100	100	100



The Results

- 
- A faint, stylized world map is visible in the background of the slide, showing the continents of North America, South America, Europe, and Africa.
- **Trained BPR Professionals**
 - **Promising Business Practices**
 - **Improved DOD Enterprise**
 - **Shared Technology**



Training Resources & Networks

Lorie O'Leary

Head, Organizational Management Systems,
Department of the Navy

BIOGRAPHY

Laurie P. O'Leary

A Member of the TQL Office's Organizational Systems Division

A member of the TQL Office's Organizational Systems Division, Laurie O'Leary is Technical Advisor for the DON TQL curriculum. Ms O'Leary has over ten years experience in applying process improvement methodologies at Navy commands, and in teaching the techniques to others. She is a practiced facilitator for strategic planning and other organizational development interventions. Ms O'Leary holds a B.S. in Business Administration from Old Dominion University, and has pursued graduate work in Public Administration. She recently completed a course of instruction which certified her to teach Covey Leadership Center's "Seven Habits of Highly Effective People."

Department of the Navy
Total Quality Leadership (TQL)

Training Resources and Network

Laurie O'Leary
Technical Advisor
October 25, 1995

TQLO

TQL E&T Rationale

- Educate and train critical mass (150,000) by 1996
- Build an in-house training capability to ensure that:
 - ▶ Concepts and their delivery are consistent across DON
 - ▶ Quality of instruction and materials are manageable
 - ▶ Costs are reduced

TQLO

TQL E&T Strategy

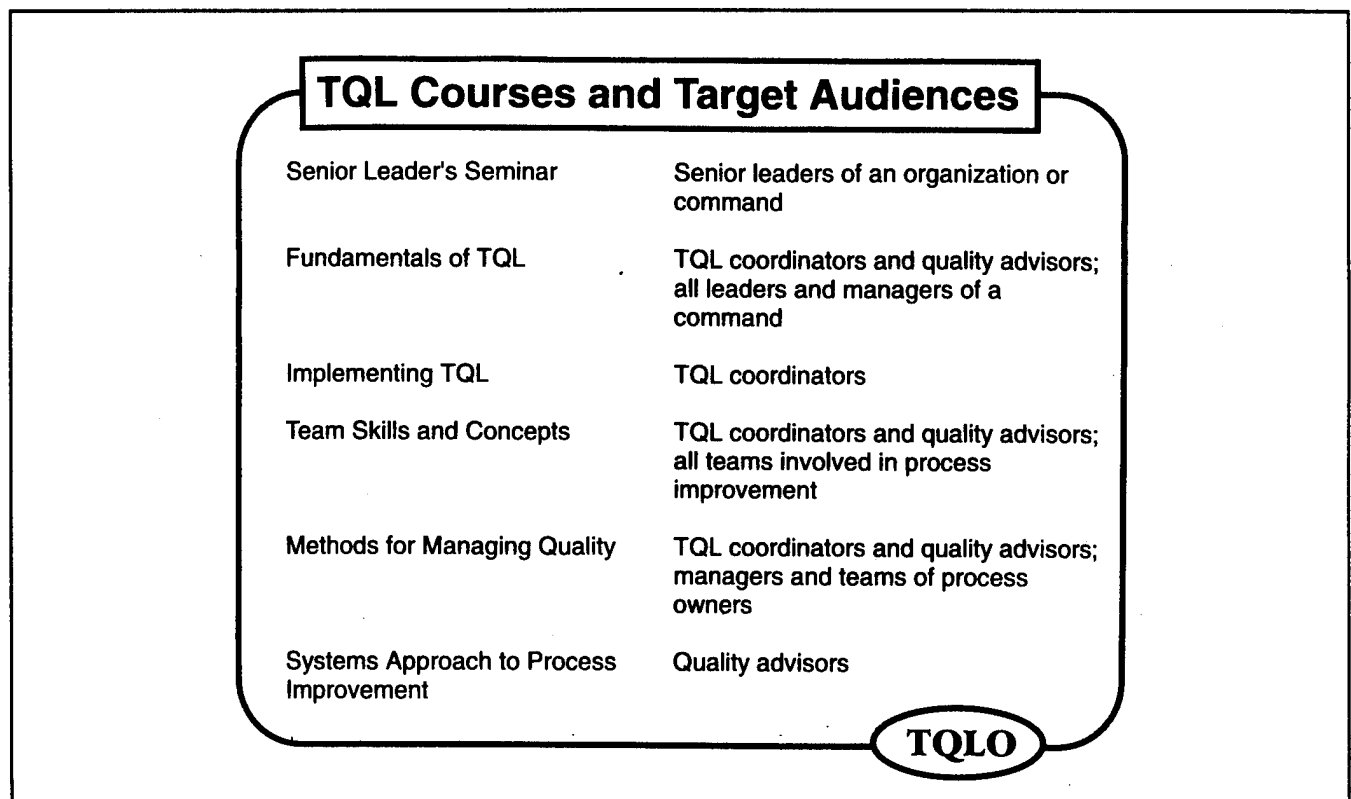
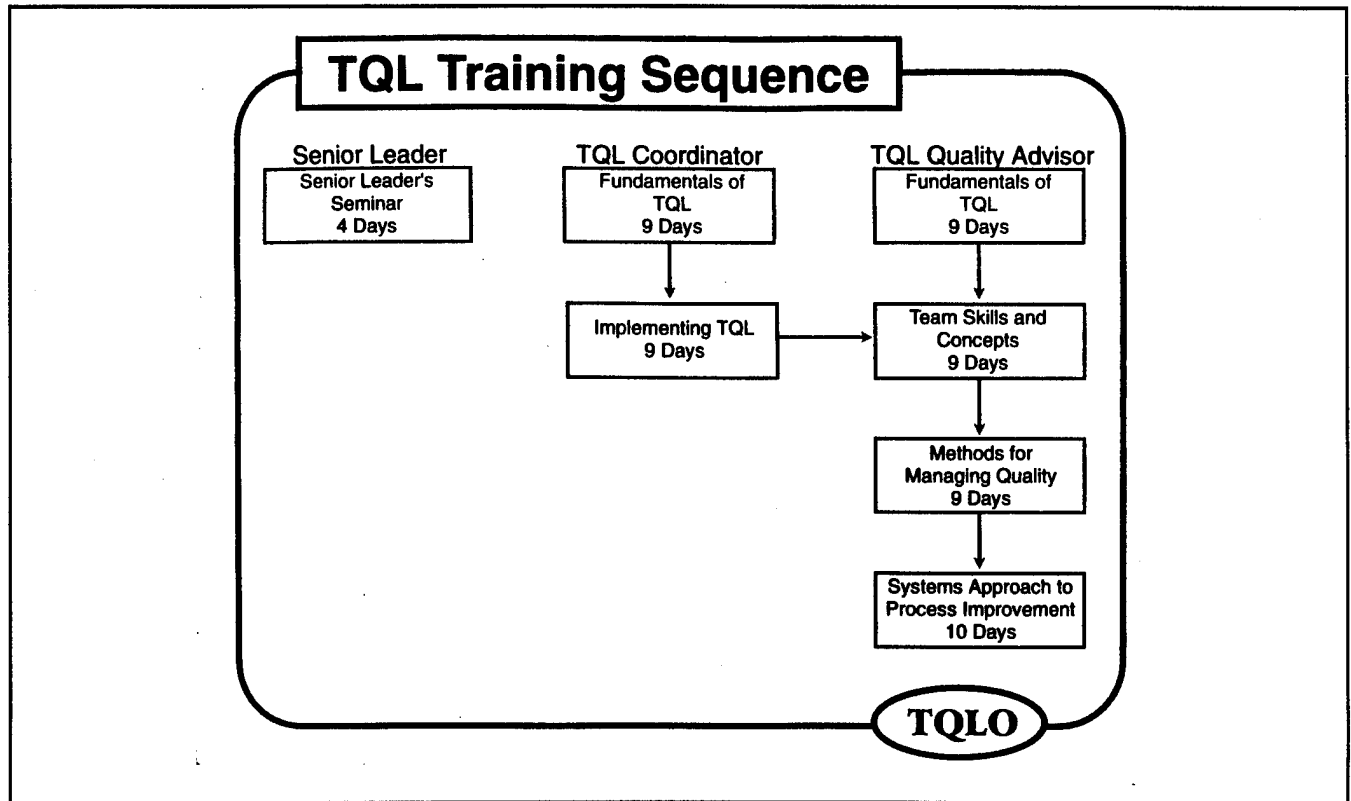
- In-house training capability
- Train-the-trainer concept
- Top-down implementation
- Education before training
- Just-in-time skills training
- Team training
- Integrated training

TQLO

DON TQL Courses

- Senior Leader's Seminar
- Fundamentals of Total Quality Leadership
- Implementing Total Quality Leadership
- Team Skills and Concepts
- Methods for Managing Quality
- Systems Approach to Process Improvement

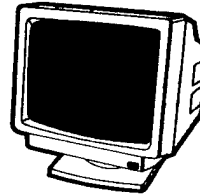
TQLO



TQLO Bulletin Board System

• CONTENT

- ✓ TQL publications and events
- ✓ Speeches and presentations
- ✓ Implementation stories
- ✓ Education and training information
- ✓ Information exchange via conferences



TQLO

TQLO Bulletin Board System

• USERS

- ✓ DON personnel
- ✓ DOD personnel
- ✓ Other public sector organizations
- ✓ Private sector organizations



TQLO

TQLO Bulletin Board System

- **ACCESS**

- ✓ Documents available for downloading in ASCII, WordPerfect 5.0, and Adobe Portable Document



- ✓ Direct modem access: (703) 602-9094

- ✓ For technical assistance: BBS Systems Operator (703) 602-8970

- ✓ 24 hours access

TQLO



Training Resources & Networks

Lieutenant Colonel Dan Porter

Director of the Air Force Innovation Center



Training Resources & Networks

Lieutenant Colonel Bill Danzeisen

Chief, Army Management Practices Branch

BIOGRAPHY

WILLIAM H. DANZEISEN III

LTC, United States Army

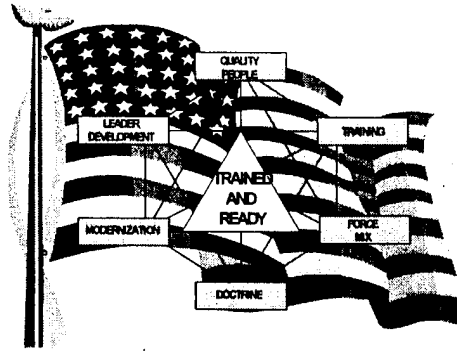
Lieutenant Colonel William H. Danzeisen was born on 26 September 1954 in Frankfurt Germany. He was a Distinguished Military Graduate of the Virginia Military Institute receiving a Bachelor of Arts Degree in History in 1976. He also holds graduate certificates from the University of Southern California in Safety Systems Management and Accident Investigation.

Lieutenant Colonel Danzeisen's previous assignments include a variety of Artillery, Aviation, Quartermaster and Staff Officer positions. He served as a Forward Observer, Fire Direction Officer and Battery Executive Officer with the 101st Airborne Division (Air Assault) at Fort Campbell Kentucky; Section Leader in an Aeroweapons Platoon of an air cavalry troop in Korea; Battery Commander at Fort Rucker, Alabama; Supply Officer, Aviation Maintenance Officer and Operations Officer of the Corps Forward Support Battalion with the 18th Airborne Corps at Fort Bragg North Carolina; Materiel Systems Analyst at the U.S. Army Concepts Analysis Agency in Bethesda, Maryland; and is currently the Chief of the Management Practices Branch, Office of the Chief of Staff, Army at the Pentagon, Washington, D.C.

Lieutenant Colonel Danzeisen's military education includes Airborne School, Air Assault School, Officer Rotary Wing Aviators Course, Artillery Officer Basic and Advanced Courses, the Combined Arms Services and Staff School, and the Command and General staff College.

Lieutenant Colonel Danzeisen's awards include the Meritorious Service Medal, Army Commendation Medal, Army Achievement Medal, National Defense Service Medal, Army Service Ribbon, Overseas Service Ribbon, Aviator's Badge, Parachutist Badge, Air Assault Badge, and the Army Staff Identification Badge.

Lieutenant Colonel Danzeisen's Quality education includes attendance at the Deming Four Day Seminar as well as training at the Army Management Engineering College and the Juran Institute. LTC Danzeisen was active in the implementation of Total Quality Management within the Concepts Analysis Agency and has served as the Army focal point for the Defense Performance Review, the Department of Defense component of Vice President Gore's "Reinventing Government" Initiative.

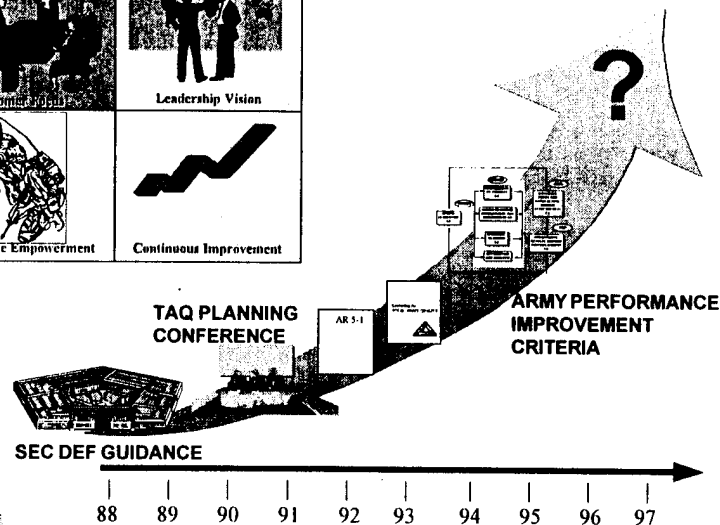
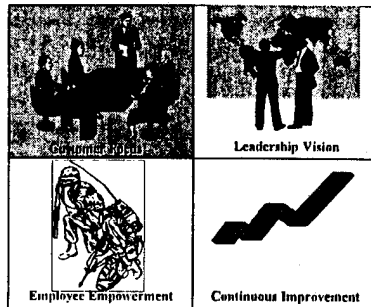


Total Army Quality Training Strategy for the 21st Century

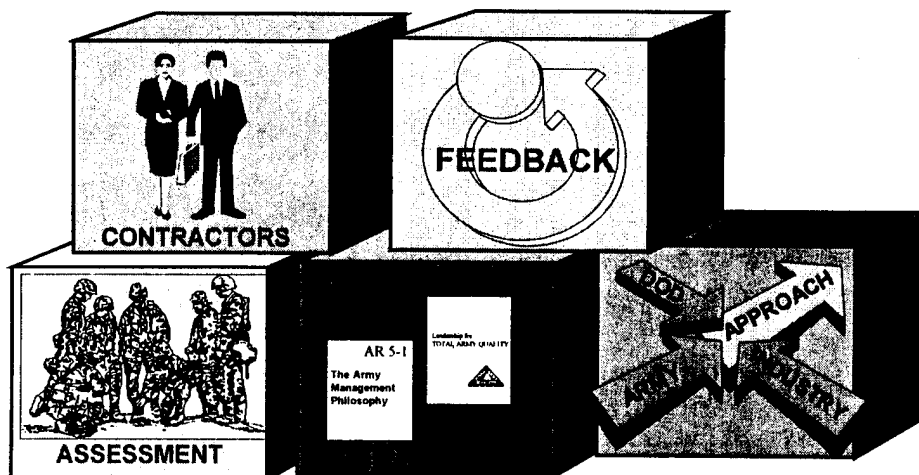
LTC Bill Danzeisen
HQDA, OCSA (DACS-DMC)
703-695-6931 (DSN 225)



Total Army Quality (TAQ)



Army Quality Institute



Cornerstone of Continuous
Process Improvement

BOTTOM LINE: Great Resources Expended- ROI??



Army Quality Institute

MISSION

Army Quality Institute provides senior leaders and their organizations a common framework to achieve a Total Quality Army through integrated application of education, training, assessments, consultant services, strategies, partnerships and recognition.



Army Quality Institute

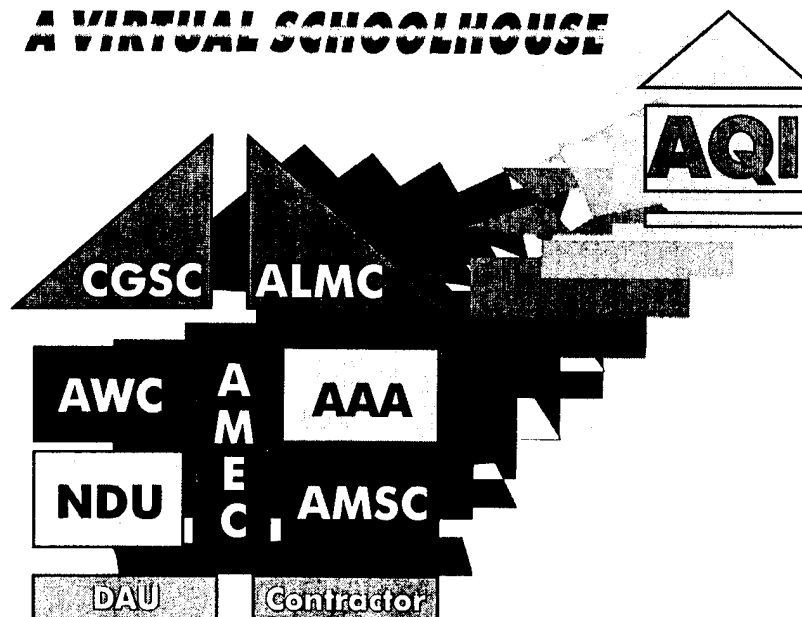
VISION

The Army Quality Institute, a virtual organization, will be the catalyst for cultural, intellectual, and physical change within America's Army.

It will foster continuous evolution America's Army as a premier learning organization through Army-wide deployment of the Total Army Quality philosophy.



A VIRTUAL SCHOOLHOUSE



Virtual- What Does it Mean?

SCHOOLHOUSE (TASK FORCE)

- Tailored to mission
- Continuously enhancing inter-relationships between organizations, suppliers and customers
- Constant refinements to internal operations

PRODUCTS/SERVICES

- One that is customized and available on demand

EMPLOYEES

- Highly skilled, reliable and educated

ENVIRONMENT

- Teamwork (employees, management, customers, suppliers, gov't)

GOAL- MISSION ACCOMPLISHMENT

- Conduct information networking
- Foster change management.



What's the Approach?

TRADOC FOCUS

TRADOC is a Reinvention Center

AQI is pilot

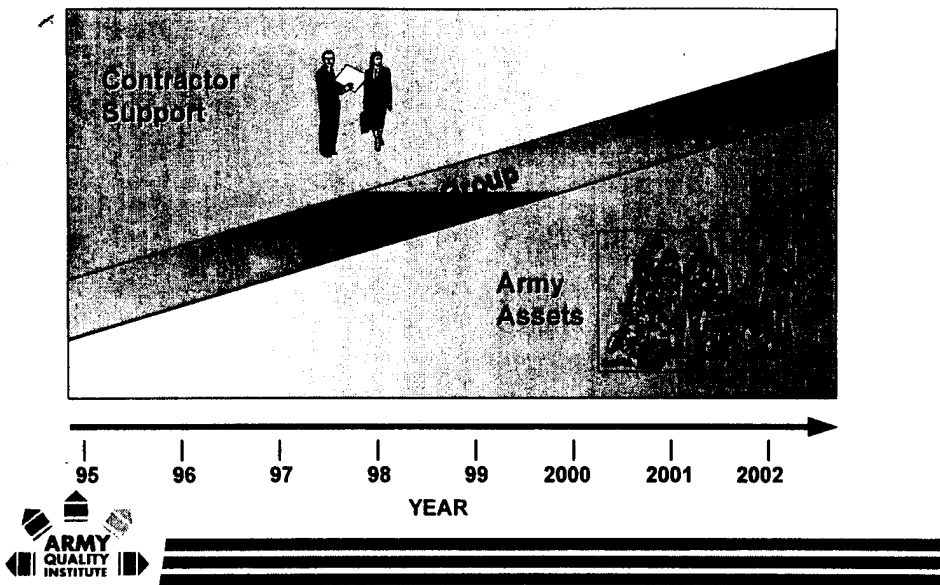
TRADOC/DM partnership

- Develop approach/deployment of AQI

Potential model for re-engineering of Army education approach.



AQI Composition



Army Quality Institute

What's next?

Conference (focal group)

- Determine players, roles, responsibilities, approach (plan the plan)

Benchmark approach/deployment

Refine

Brief commanders (Four Stars)

Other considerations

- Contractor support
- Partnership w/ private sector/other services.





Army Virtual Schoolhouse

Alignment? Standardization? Synchronization?

Requirements	PROVIDERS						
	ALMC	CGSC	AWC	AMSC	AMEC	AAA	AFQI
Sr. Ldr. Tr.					✓(-)		✓
Facilitator Tr.					✓		✓
Tr. the Trainer					✓		✓
Fam. Tr.		✓	✓	✓(-)			✓
Tools/Tech	✓				✓		✓
Assessment						✓(-)	✓
Consultation					✓		✓
Course Dev					✓(-)		✓
Awds Recog.							✓
Network/Conf.							✓
Doctrine Dev.							✓
Integration Writing							✓
Ldr Dev.		✓(-)					✓
Partnerships							✓
Exec. Agent	✓						✓
Resourcing							✓





Reinvention & Reengineering: A View from the Hill

Jerome Climer

President, Congressional Institute



Reengineering US Customs Service

Philip Metzger

Director, Office of Planning and Evaluation

BIOGRAPHY

PHILIP METZGER

Director, Office of Trade Compliance

Phil Metzger is the Director, Office of Trade Compliance, in the recently created Office of Field Operations in Washington, D.C. The new Office of Field Operations has merged with what were previously the Offices of Commercial Operations and Inspection and Control. That portion of field operations now managed by Mr. Metzger encompasses cargo control, the entry of cargo, trade enforcement, import specialists operations, FP&F and seized property, and special operations such as draw back, quota, and antidumping and countervailing duty.

Mr. Metzger began his career in 1971 as an import specialist at JFK Airport, becoming a National Import Specialist by 1978. Soon thereafter he went to the Regional Commissioner's Staff as an Operations Officer. In 1980 he was promoted to Program Officer in the National Import Specialist Division at the Seaport. He returned to the Regional Commissioner's Staff in 1981 as Chief Program Analyst for Commercial Operations.

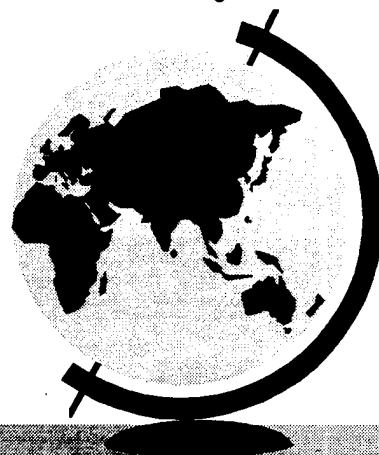
In 1983 he moved up the managerial ladder becoming first the Assistant Area Director at the New York Seaport and subsequently the Deputy Assistant Regional Commissioner for Commercial Operations.

He was tapped in 1992 to become the Director, Office of Trade Operations, under the "old" office of Commercial Operations. Under the reorganization, he became the Director, Trade Compliance.

During his most recent positions, Mr. Metzger has been extensively involved in the automation of customs procedures and processes.

PEOPLE, PROCESSES AND PARTNERSHIPS

The Customs Service for the 21st Century



Nothing is more difficult to plan, more doubtful of success, more dangerous to manage, than the creation of a new system. The initiator has the enmity of all who would profit by the preservation of the institutions and merely lukewarm defenders in those who would gain by the new one.

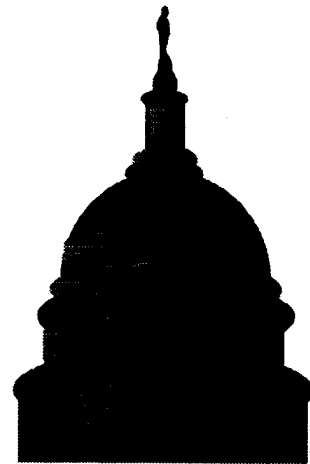
Machiavelli



CALL TO ACTION

EXTERNAL ENVIRONMENT

- Government downsizing
- Legislative mandate for informed compliance
- Increasing trade complexity
- Growth in trade and travel
- Negative external scrutiny



CALL TO ACTION

INTERNAL ENVIRONMENT

- Lack of uniformity
- Unclear organizational direction
- Antiquated organizational structure
- Internal conflict
- Labor/Management conflict



PEOPLE, PROCESSES AND PARTNERSHIPS

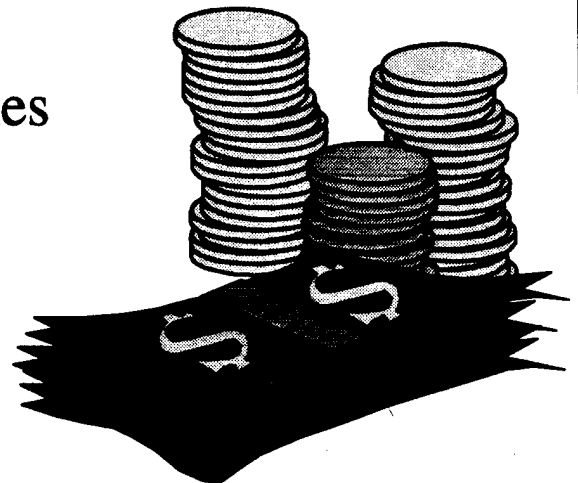
Implementing the Vision

- Manage by process
- A customer focused organization
- Employee involved organization
- A new organizational structure

IMPLEMENTING CHANGE

STRATEGIC TRADE

- Major trade issues
- National focus/priorities
- Informed compliance
- Estimates of risk
- Increased revenue



IMPLEMENTING CHANGE

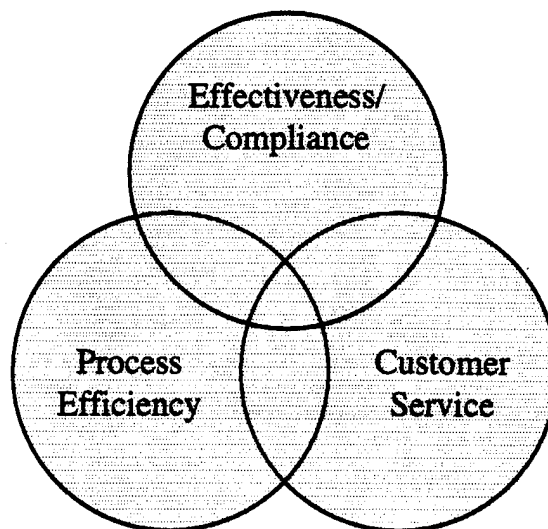
TRADE PROCESS REENGINEERING

- Customer involvement
- Unifying cross-functional approach
- Reengineering automated systems
- From transactions to accounts
- Enabling change at Port level



IMPLEMENTING CHANGE

PERFORMANCE MEASUREMENT



IMPLEMENTING CHANGE

EMPOWERING THE PORTS

- Executing the process
- Primary trade contact
- Uniformity
- Engaged in change agenda - Process Improvement
- Operational budget authority



Strategy Planning/Performance Measures

Karen Alderman

Director, Performance Measures and Results/Travel
Reengineering, OUSD(C)

BIOGRAPHY

KAREN CLEARY ALDERMAN

Director for Performance Measures and Results in the DoD Comptroller

As Director for Performance Measures and Results in the DoD Comptroller, Ms. Alderman is responsible for developing performance measurement policies, overseeing implementation of the Government Performance and Results Act in DoD, coordinating National Performance Review and Defense Performance Review recommendations affecting budget and financial management, identifying best practices for improvement, and deploying quality and productivity improvement tools and incentives in DoD activities. She co-chaired the DoD Travel Reengineering Task Force and, in 1995, became Director of the DoD Travel Reengineering Transition Office responsible for implementing the DoD travel reform initiative.

Ms. Alderman has 20 years experience in manpower analysis, research, policy evaluation, economics, and planning, programming & budgeting. She has applied these capabilities in senior Department of Defense positions responsible for total force management, active and reserve military personnel policy, civilian manpower and personnel management, and DoD-wide productivity and quality improvement policy and strategies. She joined the Department of Defense in 1979 as a Senior Labor Economist. Three years later, was promoted to the Senior Executive Service. She has served as Director of Civilian Requirements and Analysis, Director of Productivity and Civilian Requirements, and as Acting Deputy Secretary of Defense for Civilian Personnel Policy and Requirements.

Prior to joining Civil Service, Ms. Alderman was a Research Associate at George Washington University's Center for Manpower Policy Studies, served as staff on the Presidential Commission on Military Compensation and the Defense Resource Management Study, and as a consultant to industry and government on work force and manpower issues.

Ms. Alderman co-authored books on the military as an employer, veterans issues, and women's labor force and child care issues. Also, she has authored many articles on management, performance measurement, and productivity and process improvement.

She received a B.A. degree in Political Science from Rosemont College and a Masters in Public Affairs from George Washington University. She is active in professional societies including the American Society of Military Comptrollers, the DoD Senior Professional Women's Association, the Manpower Forum, the Inter-Agency Seminar Group, among others. She resides in Arlington, Va. with her husband, Kim, and four children, Sean, Chris, Mike, and Meg.



Reengineering Temporary Duty Travel In DoD

Undersecretary of Defense (Comptroller)
Travel Reengineering Task Force
October 1995



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BRIEFING OUTLINE

- Reengineering Approach
- Charter
- Problem
- Reform
- New Concept
- What's Happened Already?
- What's to Happen Next?
- Achieving Transformation



2



Reengineering Approach

- Senior Level Charter & Accountability
- Stakeholder Involvement
- Performance Goals
- Facilitation
- Team Orientation
- Identify Current System Paradigms



3



Rules of Engagement (cont'd)

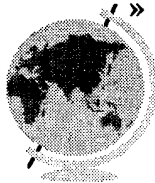
- Customer Impact
- Benchmark Best Practices
- Design to Customer Needs
- Flowchart Customer Needs
- Flowchart Current Process
- Design Strategy to Move From Current to Objective State



4

TRAVEL REENGINEERING TASK FORCE CHARTER

- “Develop a fair and equitable temporary duty travel system for all DoD organizations.”
- That:
 - » meets operational mission requirements
 - » reduces overall cost to Government
 - » improves service to customers



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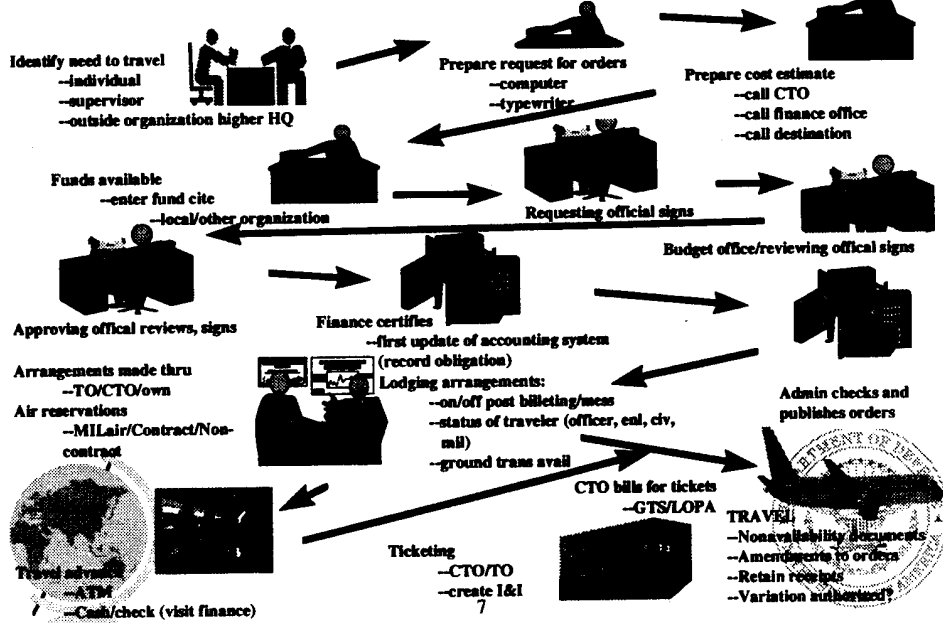
THE PROBLEM

- Symptoms
 - » Expensive
 - » Not Mission-Oriented
 - » Not Customer-Oriented
- Diagnosis
 - » System Is Not Integrated; Responsibilities Are Fragmented and Stovepiped
 - » Compliance Versus Performance Focus
 - » Not Using Best Business Practices

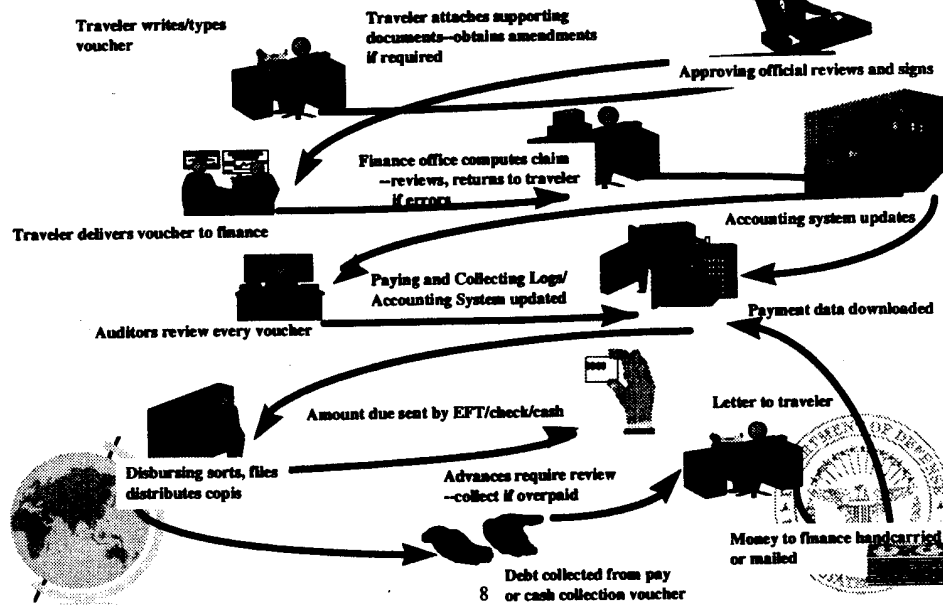


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CURRENT PRE-TRAVEL SYSTEM



CURRENT POST-TRAVEL PROCESS



THE SYSTEM IS EXPENSIVE (But How Expensive?)

- Mission Costs

- » Direct TDY Costs FY 93 = \$3.5 B

- Operating System Costs

- » Total System Costs Unknown

- » \$500 M Identified for Parts of the Process

- 8.2 M TDY Vouchers: \$35/USAF Order; \$11/Voucher Payment;

- \$29 Airline Ticket Invoice Payment

- » Other Administrative, Arrangement, and Processing Costs Not Identified

- Traveler Costs

Financial (Float to Government)

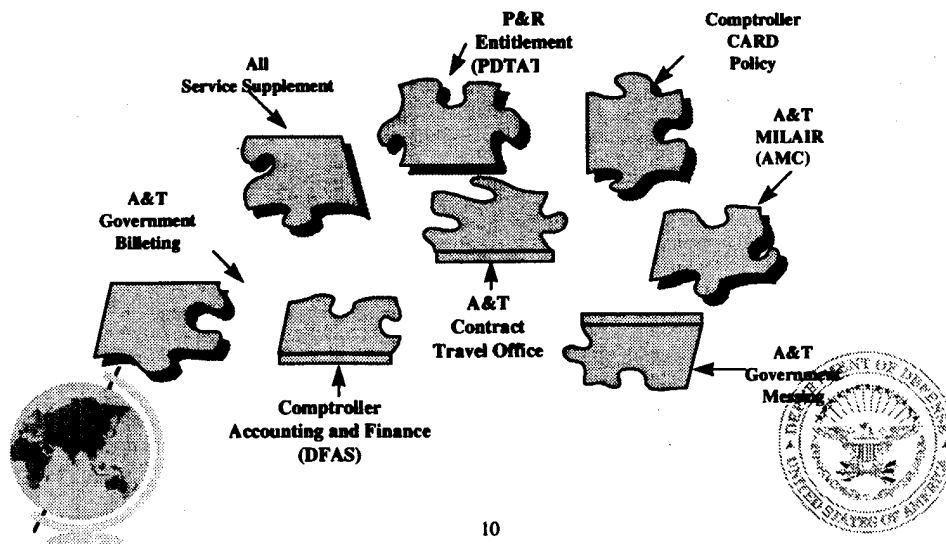
Quality of Life (Time-in-Line and Hassle)

Reducing Average Time to Fill Out Voucher From 6 Hrs. To 1 Hour (Best Base) equals 21,000 Manyears



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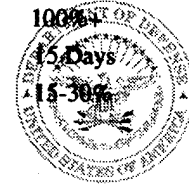
NOT AN INTEGRATED SYSTEM *Pieces never were designed to fit together*



10

PRIVATE SECTOR VS. DOD: HOW DO WE COMPARE?

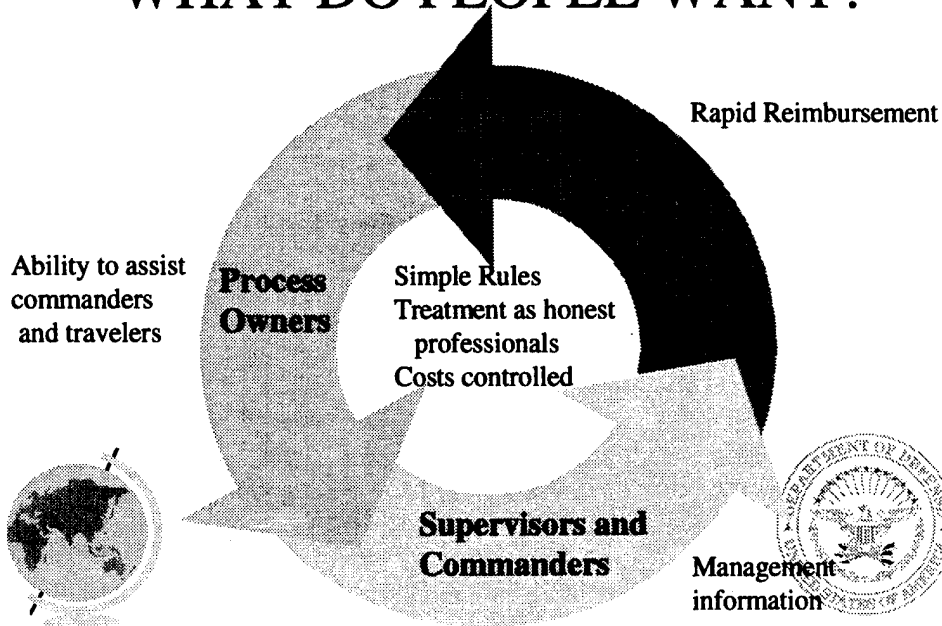
• Simple Published Travel Policy	CONRAIL: 19 Pages Marriott: 13 Pages	JTR/JFTR: 230 Pages "Tip-of-Iceberg"
• Traveler's Supervisor		
- Authorizes Travel/Approves Expense	2-4 Steps	17+ Steps
- Manages/Monitors Use		
• Full-Service Commercial Travel Offices	1-Stop-Shop 1-800-Help	Multiple Sources "Figure It Out"
• Max Use of Corporate Card	100%	16%
• Random Audit	Exceptions	100%
• Prepayment	2-5 Days	15 Days
• Administrative Cost/Direct Cost Ratio	5-6%	15-30%



THE REFORM EFFORT



WHAT DO PEOPLE WANT?



VISION

A seamless, paperless temporary duty travel system that meets the needs of travelers, commanders, and process owners; it must reduce costs, support mission requirements, and provide superior customer service.





TEN KEY FEATURES

1. Travelers, commanders and supervisors are honest and responsible
2. Supervisor controls budget and approves voucher
3. Simple, clear rules govern travel
4. One-stop shopping at Commercial Travel Office



Whole process on one piece of paper



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TEN KEY FEATURES

6. Eliminate bureaucratic burdens on travelers
7. Prompt payment by the Government
8. Minimum bookkeeping - travelers keep receipts
9. Use best industry finance practices
10. Continuously reassess for improvement



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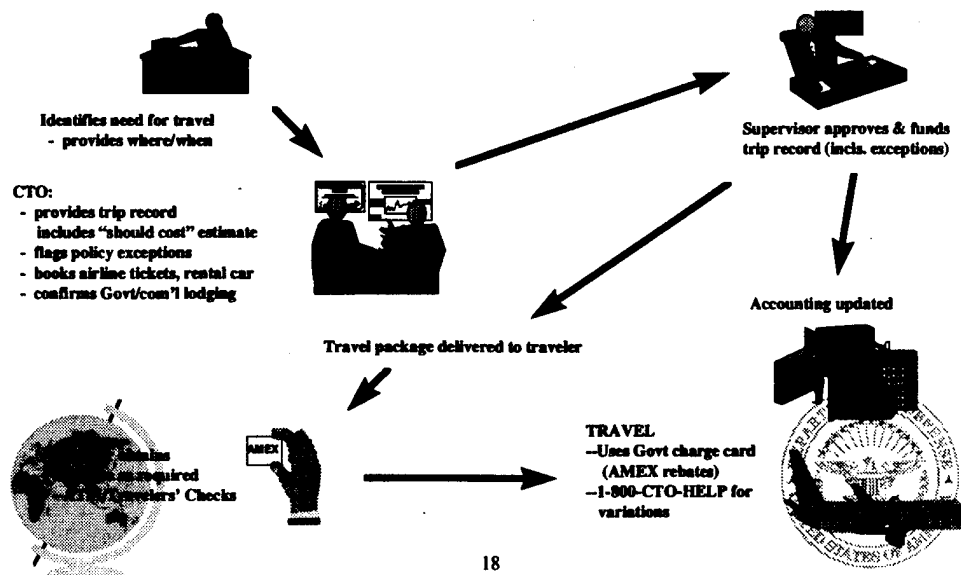
KEY REFORM INITIATIVES

- Simplify Rules/Entitlements - Focus Them on Mission
- Budget/Expense Approval to Commander/Supervisor
- Exploit Private Sector Capabilities
 - » Full Service CTO for All Arrangements/Estimates
 - » Travel Card to Pay
 - » Use CTO/Card MIS
- Cut Reimbursement Time
 - » Supervisor Approves Voucher
 - » EFT/Split Disbursement
- Exploit System Controls/Random Audits



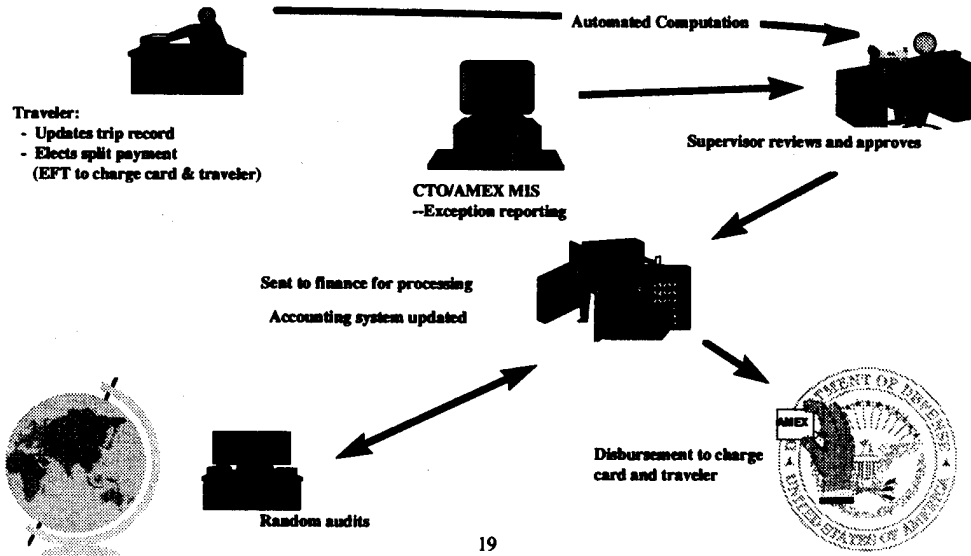
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PROPOSED PRE-TRAVEL SYSTEM



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PROPOSED POST-TRAVEL PROCESS



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THE IMPLEMENTATION PROCESS

- DepSecDef Direction to USD(C)
- Flag-Officer Steering Group From Services
- 06 Action Officers From Services/Agencies/DoD Staff
- Functional Area Teams With Representatives From Across DoD
- Small, Multifunctional Staff Provides Oversight and Control

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OBJECTIVES FOR 29 PILOT SITES

- Communicate & Educate The New Concept of Operations
- Get Buy-In
- Identify Industry Capabilities
- Test and Assess Performance
- Use Lessons Learned to Refine



21



PERFORMANCE MEASURES

- Overall TDY System
 - » **Direct Cost** -- Equal To or Less Than "Standard Government Arrangements" for 95% of Trips
 - » **Indirect Cost** -- Steps, Processing Time & Cost of Entire Process
 - » **Meets Mission Needs** -- AO Mission Met 99 % of Trips
 - » **Customer Satisfaction** -- % of AO's/Traveler's Reporting Improvement: Mission Support, Administrative Burden, Service -- for All Elements of Travel



Process Element Measures

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WHAT'S HAPPENED ALREADY ?

- DepSecDef Memo Issued 1/23/95
- Simplified Entitlements Issued 10/1/95
 - » Reduced JFTR/JTR From 230 Pages to 17 Pages
 - » Waivers Obtained From GSA, GAO, IRS
 - » Pilots Use All Simplified Entitlements
 - If Test Plan/Systems Approved
 - » Other DoD Use Selected Entitlements Effective 11/1/95
 - 75% MI&E First and Last Day (not for local travel)
 - \$75 Receipt Threshold, Except Lodging



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WHAT'S HAPPENED ALREADY ? (cont'd)

- Electronic Funds Transfer For Travel Reimbursement
 - » Mandatory For Military Effective 11/1/95
 - » Civilians Phase-In Beginning 1/96
- Standard Use of Travel Card Policy Effective 10/1/95
 - » Eliminates Finance Office Travel Advance
- Policy Delegating Obligation Authority Issued 3/95
- Policies on Random Audits and Simplified Accounting Effective 10/1/95
- Policy Eliminating Paper Nonavailability Statements Effective 10/1/95



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WHAT'S GOING TO HAPPEN NEXT?

- Pilot Assessment of Concept of Operations - 7/95 to 7/96
 - » Baseline
 - » Test Policy and Software Enablers
 - » Assess Performance
- Release Draft Standardized Travel Management Statement of Work - November 1995



Final Travel Management Contract Award -
December 1996



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THE CHALLENGE

Overcoming Barriers:

- » Cultural
- » Standardization
- » Streamlined Processes
- » Commercial Delivery



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ACHIEVING TRANSFORMATION

- Establish Sense of Urgency
- Form Powerful Guiding Coalition
- Create & Communicate Vision
- Empower Others to Act On Vision
- Plan & Create Short Term Wins
- Consolidate Improvement/Use a Platform
- Institutionalize Change





Benchmarking Process

Blair Ewing

Director, CFO Support, OUSD(C)

BIOGRAPHY

BLAIR G. EWING

Director for Chief Financial Officer Support

Blair Ewing is the Director for Chief Financial Officer Support, Under Secretary of Defense (Comptroller) (OUSD(C)). He has held this position since April 1986. The Director is responsible for the development of recommendations for management improvement in OUSD(C), for policy guidance for the Internal Management Control Program for the OUSD and for support to the Comptroller in his role for providing guidance for financial management education and training.

He is also Director of the Office of Performance Improvement and management Re-engineering, which is responsible for the National Performance Review initiatives in DoD.

Until April 1986, Mr. Ewing was a senior management analyst with the U.S. Office of Management and Budget (OMB). He was responsible for the development of plans for implementation of a new government-wide productivity improvement program, designed to bring about major efficiency gains in the way the government delivers products and services. Mr. Ewing was also Project Manager for the Personnel/Payroll Project at OMB, a position he had held since June, 1983.

His professional experience includes 2 years as the Deputy Director of the Office of Management at the U.S. Office of Personnel Management (OPM), 2 years as the Assistant Director of the Workforce Effectiveness and Development Group at OPM for the Office of Productivity Programs, 2 years as the Director of the National Institute of Law Enforcement and Criminal Justice, the research arm of the Law Enforcement Assistance Administration, and 2 years as the Director of Planning and Evaluation for LEAA. Mr. Ewing also was Director of Public Safety for the Metropolitan Washington Council of Governments, Director of the Office of Criminal Justice Plans and Analysis in programs in the Office of the Assistant Secretary for Planning and Evaluation HEW. He has done management consulting on personnel administration, planning and management improvement in both the public and private sectors.

Mr. Ewing taught political science and public administration at the State University of New York for 5 years, and criminal justice administration as an Adjunct Professor at the Georgetown University Law Center. He has been a member of the Montgomery County (MD) Board of Education since 1976, serving as Chairman of the Audit Committee, Chairman of the Research and Evaluation Committee, Chairman of the Strategic Planning Committee, and twice as President of the Board. He was also a newspaper reporter for three years.

In 1990, Mr. Ewing was given the Distinguished Civilian Service Award by the Secretary of Defense. In 1991 he received the Presidential rank award, Meritorious Senior Executive. In 1983, he received the Director's award for Distinguished Service from the OPM Director.

Mr. Ewing has a BA degree from the University of Missouri and a Master's degree from the University of Chicago in political science, and has done advanced work beyond the master's level, at the University of Bonn in Germany and the University of Chicago.

He is the author of a book entitled "Peace through Negotiation" and of many articles on management, public administration, political science and government.



BENCHMARKING IN DEPARTMENT OF DEFENSE

The Search for Best Practices



BRIEFING CONTENT

- ★ **National Framework for Benchmarking**
- ★ **Continuous and Breakthrough Improvements**
- ★ **Benchmarking Process and Benefits**
- ★ **Major DoD Initiatives: Four Examples**
- ★ **Conclusions and Next Steps**



NATIONAL PERFORMANCE REVIEW (NPR) FRAMEWORK

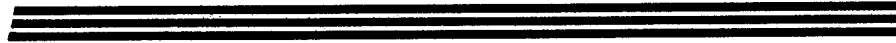
- ★ September 1993 Vice President Gore Issued NPR
 - ★ Four Hundred Recommendations
 - ★ Make Government Work Better and Cost Less
 - ★ Benchmarking is Recommended
 - ★ EO 12862 Points to "Best in the Business"
 - ★ Creation of Networks for Sharing Information
-
-

PERFORMANCE IMPROVEMENTS & MANAGEMENT REENGINEERING FRAMEWORK

- ◆ October 1994 DoD Streamlining Plan Prepared
 - ◆ DoD Programmed 22% Reduction in Direct Hire Civilians from FY 93-99
 - ◆ Three Primary Strategies Employed for Rightsizing
 - Outsourcing
 - Consolidations
 - Better Business Practices
 - ◆ DoD Comptroller Responsible for Two Tools to Improve Practices: Benchmarking and Performance Measurement
-
-

WHAT IS BENCHMARKING?

Benchmarking is a systematic process of comparing, measuring, and analyzing the products, services, or processes of an organization against current best practices of other (preferably world-class) organizations in order to attain superior performance



BENCHMARKING PROCESS

- ♦ **Determine what to Benchmark**
- ♦ **Plan the Study to include Determining Scope and Approach of the Study, Forming and Training a Team, Defining Tasks, and Setting Milestones**
- ♦ **Systematically Collect Data and Analyze Internal Process and Operations**
- ♦ **Identify Potential Benchmarking Partners and Solicit their Interest**
- ♦ **Collect Data from Partners and Analyze**
- ♦ **Implement Best Practices**



BENEFITS OF BENCHMARKING

- ◆ **Customer Requirements are Satisfied More Effectively**
 - ◆ **Measures of Productivity, Performance and customer Service are Determined**
 - ◆ **Strategic Targets or "Stretch Goals" are established Representing Current Best Practice**
 - ◆ **Acceptance of Breakthrough Thinking Helps Overcome Resistance to Change**
 - ◆ **Better Performance Often is attained by Adapting and Using Best Practices**
-
-
-

BENCHMARKING CODE OF CONDUCT

- ◆ **Legality**
 - ◆ **Exchange of Information**
 - ◆ **Confidentiality**
 - ◆ **Use**
 - ◆ **First Party Contact**
 - ◆ **Third Party Contact**
 - ◆ **Participation**
 - ◆ **Completion**
-
-
-

CONCLUSION AND NEXT STEPS

- ♦ **Benchmarking Contributes to Better performance
and Lower Costs**
- ♦ **Education and Networking are Needed**
- ♦ **Benchmarking Holds even Greater Promise in the
Future for Major Breakthroughs in Management
Efficiencies**





Business Process Reengineering

Mike Yoemans

Director, Business Process Reengineering,
OASD(C31)

BIOGRAPHY

MICHAEL S. YOEMANS

Director of Business Process Reengineering

Mr. Yoemans is the Director of Functional Process Improvement, Office of the Deputy Assistant Secretary of Defense for Information Management, ASD (C3I). Mr. Yoemans is a recognized national leader in the area of Business Process Reengineering (BPR) and is one of the early pioneers in this field, having been involved in establishing two BPR programs at both the Office of the Secretary of Defense and Army Major Command levels. Mr. Yoemans has been a member of the Senior Executive Service (SES) since 1992.

In his current position, Mr. Yoemans designed and implemented the DoD Business Process Reengineering Program. This program has produced thousands of improvement opportunities, over \$10 billion in documented savings, and won several national awards. Moreover, many of the techniques created by this program are now being extensively used throughout the Federal, state and local government levels.

During his 12 year tenure with the US Army Corps of Engineers, Mr. Yoemans helped to establish a model Army Information Management Program to include the creation of a \$35 million process improvement program, which produced \$300 million in savings and provided modern decision support systems, project and financial software applications and corporate databases at 260 locations world-wide.

Mr. Yoemans holds a Bachelor of Science degree in Accounting from Maryland University, and a Master of Science degree in Information Science from American University.

Over the past 24 years, Mr. Yoemans has held positions as systems accountant, operating accountant, budget analyst, and auditor. He is the recipient of the Distinguished Civilian Service Award from both the Army and Secretary of Defense. He is also winner of the 1994 Federal "100" Award, which recognizes him as one of the top 100 Federal IRM executives.

Business Process Reengineering (BPR) within DoD



**A Presentation to
The Symposium on Achieving Breakthrough Improvement
through Benchmarking & Reengineering
by
Michael S. Yoemans
Director Functional Process Improvement
Office of the Assistant Secretary of Defense for Command, Control,
Communications and Intelligence (C3I)**

October 24, 1995

BPR Implements Administration's Government-wide Goals in DoD

- "Business organizations in many sectors have found that automating existing work processes based on a tradition of processing paper does not always provide the greatest benefits from investments in automation.
- Efficiency gains from the new technology often can only be captured if changes are made in the structure of their organizations and the way they are managed."

**Source: President Clinton and Vice President
Gore Technology and America's Growth
February 1993**

WHITE HOUSE Goals



Implemented



through CIM



Preparation and Submission of Budget Estimates

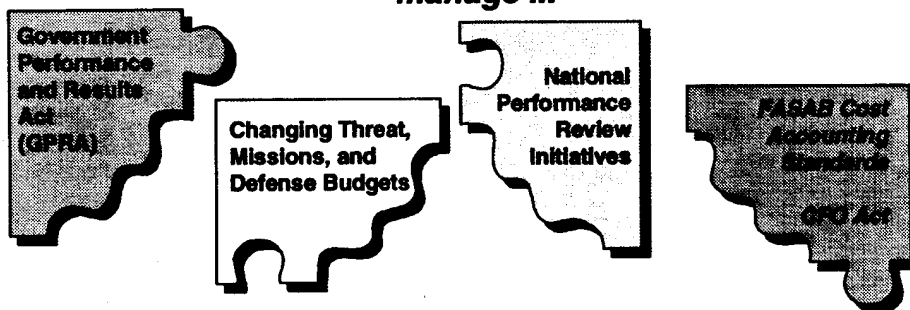
OMB Circular A-11 (June 1995)

New Guidance on IT Investment Budget Requests (Section 43)

- **Business/mission analysis.**-Task needs to be done by the organization
- **Reengineering.**-Process is the most efficient and cost-effective ...
- **Planning and requirements.**-(OMB Circular No. 130)
 - *Benefit-cost* analyses for IT investments
 - **Link** information system plans to *strategic business plans* to budget requests.
 - In addition,
 - Identify and *manage* information systems *investments* as a *portfolio*, comparing quantifiable measures of benefits, risks, and cost across projects.
 - Develop management, cost, schedule, and mission *goals and measures using GPRA* and Acquisition Streamlining.
 - Include continuous *monitoring*
- **Acquisition strategy.**-
 - *Short-term modules* that can be evaluated and *allow change in direction*
 - Use COTS technology & *consult with industry* on technology and alternative approaches.

The Management Environment

***New initiatives are changing the way we must
manage ...***

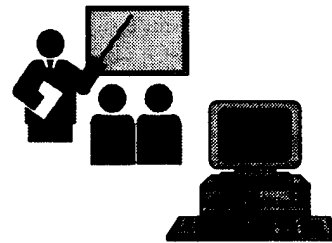
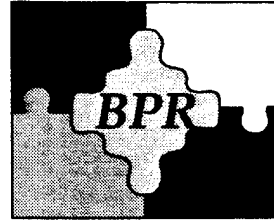


***How can managers "put the pieces together" to
improve readiness and reduce cost?***

BPR Helps Fit the Pieces Together

BPR uses:

- An integrated perspective
 - » Links strategic planning, operations analysis, and project evaluation
 - » Core concepts validated by DoD managers from different functions
- Information technology used to facilitate the planning process
 - » Identify *essential* planning elements
 - » Assist with cost and performance calculations
 - » Provide on-line reference materials
 - » Generate formatted reports



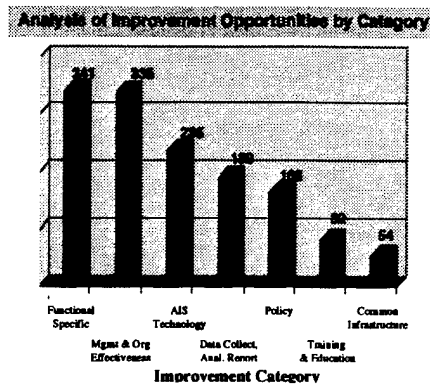
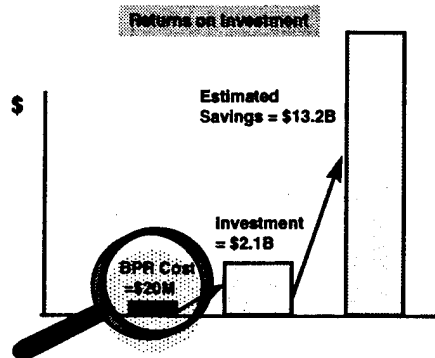
BPR: Achieving Dramatic Breakthroughs

- ***BPR is a DoD-wide program for improving all types of processes to eliminate no-value added activities and exploit new technologies***
- ***148 projects covering all DoD functions for OSD, JCS, Services, and CINCs***
- ***Examples of significant breakthroughs***
 - ▶ ***Marine Corps Combat Development: Provided military leaders improved ability to generate, field, and sustain combat-ready Marine Air-Ground Task Forces***
 - ▶ ***Air Force Wing Level Base Reengineering: Streamlining processes to have "one wing, one base, one boss"***
 - ▶ ***Navy Reengineering: Initiating NAVSEA, NAVAIR, Shore Installation process improvement projects***
 - ▶ ***Civilian Personnel Reengineering: From a form-driven, base level mainframe process to an on-line regionally distributed, job action process with dramatic civilian personnel reductions***
 - ▶ ***Defense Investigative Service: Dramatic decrease in time to process security clearances***
 - ▶ ***Medical Logistics: Order-ship time in hours rather than weeks with significantly reduced inventory maintenance requirements***
 - ▶ ***Management of Consumables: Reduced cycle time for small purchases from 100 days to 4 days***
 - ▶ ***Frequency Management: Reduced frequency assignment time from 3-6 months to three weeks***
 - ▶ ***Telemedicine: Easier, more rapid access to full range of health care services at reduced cost***

The continued involvement of the DepSecDef is central to success

BPR Payoffs are Substantial and Cross the Department

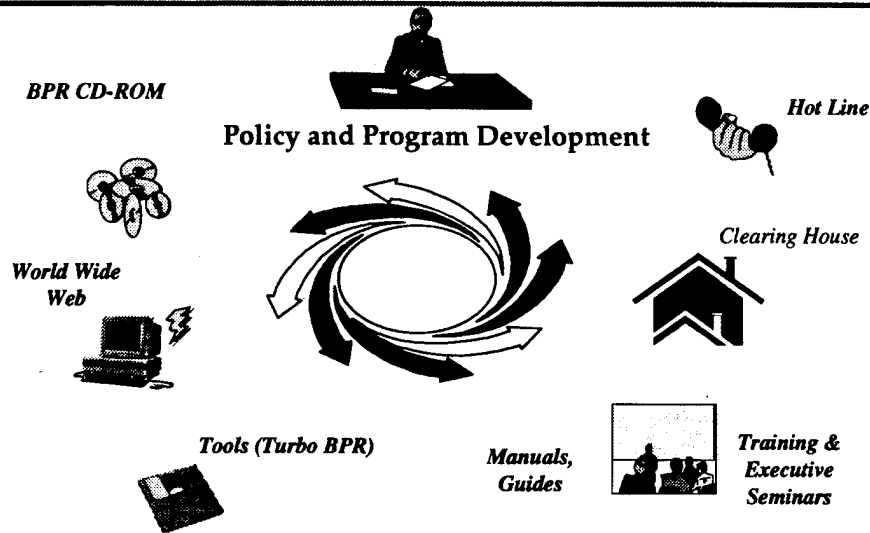
- Over 148 reengineering projects completed through the analysis phase recommending 1300 Improvement Opportunities
- Forecast of over \$13.2 Billion in savings estimated on 44 projects that have progressed through business case analysis
- Implementation depends on timely decisions, effective change management, and appropriate investment funding



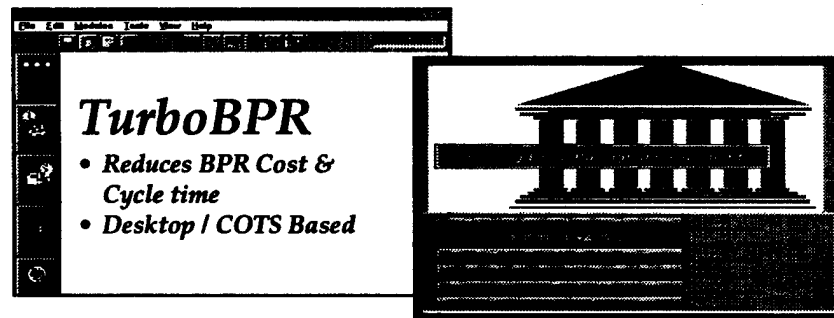
Responsibilities

	DEPSECDEF	All PSAs, Services, & CINCs	ASD [C3I]
Top Management Commitment	X	X	
Guiding Principles	X		X
Directives			X
Leadership [Change Agent]	X	X	X
Project Identification		X	
Business Process Improvement Execution		X	
Program Review and Oversight	X	X	
Cross-Functional Integration	X	X	X
Technical Elements			X
Budget		X	X

Department-wide BPR Support



DoD's State of the Art Toolset



- Extensive Loaner Toolset
- Repository
- Access to Groupware
- Toll Free Help Lines

"Electronic" University

- Over 200 documents and Tools
- On CD-ROM and World-wide Web

Management and Technical Barriers

- ***Lack of managerial commitment and buy-in***
- ***Focus on current operations***
- ***Difficulty in identifying customers and customer-based performance measures***
- ***Functional and technical stovepipes***
- ***Aversion to job elimination, risk, and change***
- ***Policies on job descriptions, training, and reassignment***

Management Issues

- ***Timely completion of cost benefit analysis and selection of improvement initiatives for implementation***
- ***Investment funds to support implementation***
- ***Rapid response "change management" approach with aggressive functional implementation plans***
- ***Overcoming barriers and resistance to implementing change***
- ***Synchronizing reengineering and migration***
- ***Increased management accountability and effective method for DepSecDef to monitor progress***

Conclusion

- ***BPR is a Department-wide initiative that establishes a new breakthrough mindset.***
 - ◆ ***Strategic Plans are the performance foundation***
 - ◆ ***Treat Government like a business for improvement purposes***
 - ◆ ***Focus on outcomes targeted at the warfighter***
 - ◆ ***Quantify products and services***
 - ◆ ***Total Product/Service life cycles***
 - ◆ ***Benchmark with best practices***
 - ◆ ***Leverage results for improved performance***
 - ◆ ***Build simple business case***
- ***Personal involvement of senior officials is critical***



Quality Management

Dr. Archester Houston

Organizational Management Systems,
Department of the Navy

BIOGRAPHY

ARCHESTER HOUSTON, Ph.D.

Department of the Navy.

Archeater Houston's career in the Department of the Navy started in the Summer of 1980. He worked as a research intern for the Navy Personnel Research and Development Center (NPRDC) in San Diego, California. His internship lasted three summers and involved work in training and organizational management systems. Following graduation from Oklahoma State University with a Doctorate in Social Psychology in 1982, he was hired by NPRDC.

From 1982 to 1990, he was involved in research and consulting efforts aimed at improving the performance of naval logistics organizations. These efforts provided much of the foundation for the DON's Total Quality Leadership approach. In addition to working with naval logistical activities, he provided consultation to Air Force, Army, and DOD logistical organizations.

In 1990, he was transferred from NPRDC to the DON Total Quality Leadership Office. Since that transfer, he has worked as a technical advisor to the Under Secretary on special groups. These groups included the DON Executive Steering Group, Shipyard Advisory Board, and the DON Review Committee. He has also served as a facilitator in the Navy Special Warfare Community strategic planning effort and a Defense Performance Review initiative development group.



Quality Management

Major Bryan Zak

Quality Division, Department of the Air Force

BIOGRAPHY

MAJOR BRYAN ZAK

United States Air Force

Major Bryan Zak, United States Air Force, a former B-1 DSO and B-52 Electronic Warfare Officer is currently a Program Manager for the Headquarters Air Force, Directorate of Programs and Evaluation, Quality Division (PEQ). Major Zak provides direct support to all MAJCOM quality advisors through the AF Quality Council Working Group and is the Executive Secretary of the AF Quality Council (AFQC). He holds a BA (Youth Agency Administration from Pepperdine University, 1979; an MA in Counseling, from Eastern Washington University, 1989.

AF Organizations Using “MBNQA” Criteria

- **1990 - less than 5%**
- **1991 - Between 5 and 10%**
- **1992 - less than 10%**
- **1993 - Approximately 60%**
- **1994 - Approximately 80%**
- **1995 - 90%**

AF Organizations Using “MBNQA” Criteria

- **Air Force has adapted the MBNQA Criteria in the form of AFI 90-501**
- **AF uses the 7 Categories to forecast their “quality” roadmap**



Quality Air Force Roadmap

QAF Roadmap Review

- **Where we are today - - Oct 95**
- **Plan the next steps**

QAF - Taking Action

Purpose of the QAF Roadmap

- **Integrate quality principles with the Air Force strategy**
- **Provide the Air Force plan to reach our vision**
- **Frame agenda for the Quality Council**
- **Demonstrate leadership commitment**
- **Guide Quality Council Working Group (QCWG) in shaping issues for the AF Quality Council**

"Keep the action at Quality Council"

Scope of Roadmap

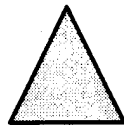
- **Document past actions**
- **Future objectives**
- **Not tied to specific time frame**

Updates reflect the QAF Criteria and lessons learned through USAs/QAFAs

Roadmap Legend



Completed



Started

1990 - 1993

Leadership	◆ AF Restructure ◆ Commit to Quality ◆ Vision ◆ Leadership Training ◆ Communication Plan ◆ Quality Council ◆ Quality Air Force Defined ◆ Values, Principles, & Operating Style ◆ Mission
Information & Analysis	◆ AF Policy Directives/Metrics ◆ Define AF/MAJCOM-level Metrics
Strategic Planning	◆ Global Reach ◆ Global Power ◆ Quality AF Roadmap ◆ Air Staff /MAJCOMs Cascade Strategic Planning
Human Resources Development	◆ AFQI ◆ Ed & Trng Architecture ◆ Human Resource Strategy ◆ Empowerment ◆ Year of Training ◆ Career Review ◆ SECAF/CSAF Quality Awards ◆ Year of Equipping ◆ Review ◆ "Quest for Quality" Symposium
Process Management	◆ JUSE ◆ Common QAF Approach ◆ Review/Align Resources Allocation Process ◆ Crosstell System ◆ Assessment Approach (QAFA, USA)
Performance Results	◆ Process/Performance Metrics ◆ PD Metrics ◆ Identify/publicize QAF Payoffs
Customer Focus	◆ Customer Communication Systems
Quality Councils Jan 92 May 92 Jun 92 Jul 92 Sep 92 Nov 92 Aug 93 Oct 93	

	1994	1995
Leadership	◆ QAF Policy	
Information & Analysis	▲ Comparative Analysis	▲ AF MIS ▲ AFPD Metric Review
Strategic Planning	▲ Focus & Align Quality Improvement with Strategic Planning Process ◆ QAF Roadmap Review	▲ Align QAF, NPR, DPR, GPRA ▲ Align QAF Criteria in Gvt
Human Resources Development	▲ Ed & Trng Architecture Review ◆ Climate Assessment	◆ "Shaping the Future" Symposium ◆ CSAF Team Quality Awards ◆ SECAF Unit Awards ▲ "Leadership" Symposium
Process Management	◆ EBB	◆ Review QAF Criteria ▲ Benchmarking Structure ▲ Define Key Processes ▲ ID Key Indicators ▲ Focus Process Improvement
Performance Results		▲ AF MIS ▲ Alignment with GPRA ▲ Review/Publicize QAF Payoff
Customer Focus	▲ Executive Order "Setting Customer Service STD"	▲ NPR Customer Survey / Requirements
Quality Councils	Mar 94 Aug 94 Oct 94	

Leadership (Category 1)

Air Force Criteria	1991 - 1994	1995	Beyond
Leadership	◆ AF Restructure ◆ Commit to Quality ◆ Vision ◆ Quality Council ◆ Quality Air Force Defined ◆ Leadership Training ◆ Communication Plan	◆ Mission ◆ Values, Principals, & Operating Style	▲ QAF Policy ▲ Charter Review

• Accomplishments/Continuing

- Restructure of the USAF
- Commit to Quality
- QAF Defined
- Vision, Mission, Values, Principles & Operating Style
- Senior Leader Training
- Communication Plan
 - SAF/PA plan for promoting and communicating leadership commitment and QAF principles
- QAF Policy--policy directive/instructions deploying Quality Council decisions
- QAF Implementation Study
- Charter Review - - QAF review of progress to date

Information Analysis (Category 2)

Air Force Criteria	1991 - 1994	1995	Beyond
Information Analysis	◆ AF Policy Directives/Metrics	◆ PD Metrics	→
	◆ Define AF/MAJCOM-level Metrics	◆ AF PD Metrics Review	→
		◆ Comparative Analysis	→
			→

• Accomplishments/Continuing

- Policy Directives
- Define AF/MAJCOM-level Metrics
 - Alignment of a senior leader Management Information Systems (MIS) to link customer requirements and drive priorities
- Comparative Analysis
 - Measurement of AF/MAJCOM process levels relative to "best in class"
- AF Policy Directivemetrics review

Strategic Planning (Category 3)

Air Force Criteria	1991 - 1994	1995	Beyond
Strategic Planning	◆ Global Reach - Global Power		→
	◆ Air Staff/MAJCOM Cascade Strategic Planning		→
	◆ QAF Roadmap	▲ Update	→
		▲ Align QAF, NPR, DPR, GPRA	→
		▲ Align QAF Criteria in Gvt	→

• Accomplishments/Continuing

- Global Reach - Global Power
 - AF overarching strategic framework to attain the AF vision
- Air Staff/MAJCOMs cascade strategic planning
- Align QAF, National Performance Review, Defense Performance Review, and Government Performance & Results Act
- Align QAF Criteria in Government
 - Alignment of AF, Federal Quality Institute, and other government quality criteria with Baldrige Criteria

Human Resources Development and Management (Cat 4)

Air Force Criteria	1991 - 1994	1995	Beyond
Human Resources	◆ AF QI		▲ Review
	◆ Ed & Trng Architecture		▲ Review
	◆ Year of Training	◆ Year of Equipping	
		◆ SECAF/CSAF Quality Awards	◆ SECAF/CSAF Quality Awards
	◆ Symposium	◆ Symposium	◆ "Leadership" Symposium
	◆ Human Resource Strategy	◆ Career Review	▲ Climate Assessment
	◆ Empowerment		

• Accomplishments/Continuing

- Establishment of AF Quality Institute
- Education and Training Architecture
- Year of Training
- Year of Equipping
- Human Resource Strategy
 - Review and alignment of personnel policies and practices with QAF principles
- Empowerment
 - Responsibility & authority pushed to the lowest appropriate levels
- SECAF & CSAF Quality Awards
- "Shaping the Future" Symposium
- 1994 Climate Assessment
- 1995 Climate Assessment
- "Leadership" Symposium

Process Management (Category 5)

Air Force Criteria	1991 - 1994	1995	Beyond
Process Management	◆ JUSE	◆ Assessment	▲ Review QAF Criteria
		Approach (QAFA, USA)	
	◆ Common QAF Approach		▲ Review
	◆ Review/Align		▲ Review Improvements
	Resources Allocation Process	◆ EBB	▲ Benchmarking Structure
	◆ Crosstell System	▲ Define Key Processes	▲ ID Key Indicators
			▲ Focus Process Improvement

• Accomplishments/Continuing

- JUSE Orientation
- Assessment Approach
- Common Approach
- Review/Alignment of Resource Allocation Process
- Crosstell System
- Review QAF Criteria
 - Formalize QAF Criteria in AF pamphlet and align with Baldrige cycle
 - QFAI & IG contingencies involvement
- Benchmarking Structure
 - Establish structure for benchmarking approach, structure (wing champions) and deployment through training, electronic bulletin board system (IG, AFQI), etc
- Focus Process Improvement
 - Tied to AF Quality Improvement goals - - commit to improve a few key processes

Performance Results (Category 6)

Air Force Criteria	1991 - 1994	1995
Performance Results	◆ Process/Performance Metrics	◆ PD Metrics
	◆ Identify/publicize QAF	▲ Alignment with GPRA ▲ Review /Publicize QAF Payoff

• Accomplishments/Continuing

- Process/Performance Metrics
 - Alignment of key process performance indicators (ex. ACC QPMs, Policy Directives (PD) Metrics, AF MIS)
- Identify/Publicize QAF
- Alignment with GPRA
 - Alignment of AF metrics with GPRA requirements
- Review/publicize QAF Payoffs
 - SECAF Quality Awards
 - CSAF Team Quality Awards
 - AF-Climate Survey
 - QAF PD Metrics

Customer Focus and Customer Satisfaction (Category 7)

Air Force Criteria	1991 - 1994	1995	Beyond
Customer Focus	◆ Customer Communication Systems		
		▲ Executive Order "Setting Customer Service Std"	▲ NPR Customer Survey/Requirements

• Accomplishments/Continuing

- Customer Communication Systems
 - Review and align communications and metrics to capture customer requirements and satisfaction
- Executive Order "Setting Customer Service Standards"
 - NPR Customer Survey/Requirements
 - Align AF customer communication systems with NPR requirements

What is important to our customers is what must be absolutely essential to us



Quality Management

Wayne Wheelock

Director & President, Tank Automotive Research
Development Engineering Center (TARDEC)

BIOGRAPHY

WAYNE K. WHEELLOCK

Director of Tank-Automotive Research, Development and Engineering Center (TARDEC), U.S. Army Tank-Automotive and Armaments Command (TACOM), Warren, Michigan 48397-5000

Mr. Wheelock received his B.S. Degree in Mechanical Engineering from Michigan Technological University in 1958 and completed the National Security Management Course from the Industrial College of the Armed Forces in 1971.

He was assigned as chief of the Army Tank-Automotive Command's Propulsion Systems Division in 1982, being responsible for engine and transmission R&D for the Army's ground vehicles.

In 1986 Mr. Wheelock was assigned as Deputy Director, Tank-Automotive Technology Directorate and retained that position until May 1988 when he was assigned to the position of acting Technical Director. In January 1989, he was officially assigned to this position as a member of the Senior Executive Service. On 1 March 1994, Mr. Wheelock was assigned Acting Deputy for TACOM's Research, Development and Engineering Center. Effective 19 February 1995, he was officially assigned as the Director of TARDEC.

Before joining the Army Tank-Automotive Command, Mr. Wheelock served as a project engineer for the Boeing Company from 1958 to 1965.

He is a member of the Society of Automotive Engineers, The Association of the United States Army, the American Defense Preparedness Association, and the Senior Executives Association.



Quality Management

Pam Watts

Associate Director for Quality &
Reengineering, TARDEC

BIOGRAPHY

PAME S. WATTS

Dean of TARDEC University, Army Tank-Automotive RD&E Center, Warren, MI

EMPLOYER: U.S. Army Tank Automotive Research Development and Engineering Center.

POSITION: Dean of TARDEC University

MISSION: TARDEC University's mission is to enhance U.S. automotive competitiveness through education for TARDEC associates, academia, and the automotive industry.

EDUCATION: Bachelor of Science in Education
Master of Science in Human Resource Management

EXPERIENCE: Twenty-five years with the United States Army

SPECIAL ASSIGNMENTS: Served on task force for U.S. Army Strategic Support to East Germany and Poland refugees during the collapse of the Berlin Wall.
Provide human resource support for families of soldiers deployed to Saudi Arabia.

AWARDS: Department of Army Commander Award
Achievement Medal

Presently serving a developmental assignment as team leader of quality and reengineering. Served on the Federal Quality Award Strategic Planning Committee.



Concluding Remarks

Mike Yoemans

Director, Business Process Reengineering,
OASD(C31)

BIOGRAPHY

MICHAEL S. YOEMANS

Director of Business Process Reengineering

Mr. Yoemans is the Director of Functional Process Improvement, Office of the Deputy Assistant Secretary of Defense for Information Management, ASD (C3I). Mr. Yoemans is a recognized national leader in the area of Business Process Reengineering (BPR) and is one of the early pioneers in this field, having been involved in establishing two BPR programs at both the Office of the Secretary of Defense and Army Major Command levels. Mr. Yoemans has been a member of the Senior Executive Service (SES) since 1992.

In his current position, Mr. Yoemans designed and implemented the DoD Business Process Reengineering Program. This program has produced thousands of improvement opportunities, over \$10 billion in documented savings, and won several national awards. Moreover, many of the techniques created by this program are now being extensively used throughout the Federal, state and local government levels.

During his 12 year tenure with the US Army Corps of Engineers, Mr. Yoemans helped to establish a model Army Information Management Program to include the creation of a \$35 million process improvement program, which produced \$300 million in savings and provided modern decision support systems, project and financial software applications and corporate databases at 260 locations world-wide.

Mr. Yoemans holds a Bachelor of Science degree in Accounting from Maryland University, and a Master of Science degree in Information Science from American University.

Over the past 24 years, Mr. Yoemans has held positions as systems accountant, operating accountant, budget analyst, and auditor. He is the recipient of the Distinguished Civilian Service Award from both the Army and Secretary of Defense. He is also winner of the 1994 Federal "100" Award, which recognizes him as one of the top 100 Federal IRM executives.