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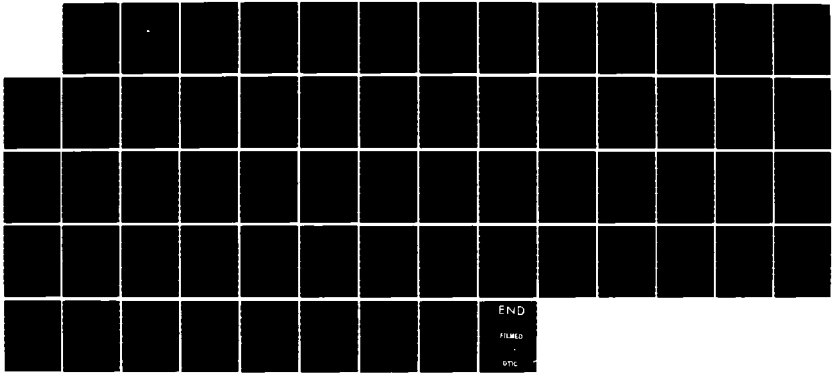

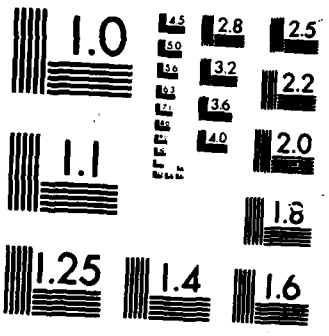

NAVAL POSTGRADUATE SCHOOL
Monterey, California

THESIS

IMPROVING THE NAVY'S MATERIAL OBLIGATION VALIDATION RESPONSE RATE

by

Michael A. Anderson

December 1985

Thesis Advisor: Alan W. McMasters

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Improving the Navy's Material Obligation Validation Response Rate

by

Michael A. Anderson
Lieutenant Commander, United States Navy
B.A., Washington State University, 1976

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Author: _____
Michael A. Anderson

Approved by: _____
Alan W. McMasters, Thesis Advisor

_____
Barry A. Frew, Second Reader

_____
Willis R. Greer, Chairman,
Department of Administrative Sciences

_____
Kneale T. Marshall,
Dean of Information and Policy Sciences

ABSTRACT

The purpose of this study was to identify reasons for customer activity non-response to Material Obligation Validation (MOV) requests submitted by the Navy Inventory Control Points (ICP). If the non-response rate can be reduced, significant savings in procurement and transportation dollars can be realized. MOV data was extrapolated from ICP files to identify who the major non-responders to MOV requests were for calendar year 1984. Each activity was then contacted to ascertain reasons for non-response. In addition, in-depth interviews and procedural reviews were conducted with the individuals responsible for processing MOV requests at the Aviation Supply Office, Ships Parts Control Center and the Defense Automated Addressing System Office (DAASO). There are numerous reasons identified at the ICP, Defense Automated Addressing System Office (DAASO) and end use activity which prevent an MOV response from getting processed. This study identifies the potential areas for procedural errors and makes recommendations for improvement at each level in the MOV process.

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I. INTRODUCTION

A. BACKGROUND

The Material Obligation Validation (MOV) process is a Department of Defense (DOD) required procedure (DOD Manual 4140.17) designed to purge DOD Inventory Control Point (ICP) of backordered requisitions which are no longer required by the customer.

Formal MOV procedures were established by the Department of Defense (DOD) in July 1967. Earlier in that year a General Accounting Office (GAO) report to Congress had estimated that the Air Force could reduce outstanding orders by about $103 million if prompt identification and validation procedures were established. Consequently, in July 1967, DOD established uniform policies and standard procedures for the MOV process. These policies and procedures were first publicized in Change 5 to Chapter 7 of the Military Standard Requisitioning and Issue Procedures (MILSTRIP) Manual (DOD4140.17) and were subsequently modified in October 1971 with minor changes on cutoff dates. Except for additional emphasis on the performance of the validation by customer activities and interservice changes to help improve the process, DOD policy has remained unchanged since 1971.

In general terms, the MOV process is conducted quarterly. It begins at the ICP with computer generated validation requests

(MOV's) which are then submitted to customer activities on electronic automated machine (EAM) cards in MILSTRIP format via the Defense Automated Addressing System (DAAS). Customer activities must respond, in MILSTRIP format, via DAAS, to the ICP within a required time frame or risk requisition cancellation by the ICP.

B. POLICY

A material obligation is defined as representing:

> that unfilled quantity of a requisition that is not immediately available for issue to the requisitioner, but is recorded as a commitment against existing or prospective stock dues or direct delivery from vendors. [Ref. 1]

Material Obligation Validation (MOV) procedures pertain to those items requisitioned for which the ICP assigns status codes BB, BC, BD, BP and BV (backordered, long delay or procurement actions). Status codes identify what action the ICP has taken on a specific material requirement.

Material obligations are subject to these procedures when:

> Uniform Military Movement and Issue Priority System (UMMIPS) Priority Designator (PD) 01 through 08 requisitions have aged to 30 days past the requisition date.
>
> UMMIPS PD 09 through 15 requisitions have aged to 75 days past the requisition date. [Ref. 1]

MOV requests are sent from the ICP to the requisitioner on a cyclic basis. Uniform Inventory Control Point (UICP) program Application/Operation (A/O) B13 produces these requests. These requests from an ICP to a requiitioner are for comparison of records and for validation of continued requirements held as material obligations.

The requisitioner must reply to the MOV request, advising the ICP to hold the material obligation until supplied, or cancel all or a portion of the material obligation.

C. NON-RESPONSE PROBLEMS

When customer activities fail to respond to MOV requests, problems are created for the customer, the Defense Automated Addressing System Office (DAASO) and the ICP.

1. Problems at the ICP

At the ICP level stock fund dollars can remain obligated preventing other requirements from being funded. The amount of resources, time and labor, expended in procuring items no longer required can negatively affect procurement lead time by burdening the ICP procurement organization with additional procurement actions and negatively affecting supply material availability for specified items. Due to ICP policy, a proportion of MOVs cancelled due to non-response are reinstated. Because of the procedural nature of reinstatements, much time is spent manually preparing and inputting these requisitions back into the ICP data base. Due to the amount of customer interface required and the time spent at the ICP actually reinstating the requisition this procedure is not considered an efficient use of manpower.

Customer responses may also be received by the ICP but, for whatever reason, do not get processed by the ICP. Consequently unneeded requirements are filled even though the customer did submit an MOV response.

2. Problems at the Defense Automated Addressing System Office (DAASO)

When the large numbers of MOV requests are not responded to, DAASO becomes more heavily involved in retransmission of ICP MOV packages to specific activities. Additionally, DAASO must monitor acknowledgements of MOV packages, manually prepare messages to some activities experiencing problems in receipt and submission of MOV requests and, on occasion, manually prepare blanket validation requests for certain activities. Blanket validation results in the filling of unneeded requirements, thereby expending budget constrained stock fund and transportation dollars.

3. Customer Activity Problems

At the activity level non-response to an MOV may lead to cancellation of needed material. Automatic validation of MOV requests may lead to receipt of unneeded material. Such material may ultimately be excessed and turned into a Defense Property Disposal Site for final disposition (sale at a percentage of acquisition/transportation cost).

D. OBJECTIVE OF RESEARCH

The objective of this study is to develop a set of recommendations and actions to be taken by the Naval Supply Systems Command (NAVSUP), Navy ICP's and DAASO to help reduce the MOV non-response rate from Navy ICP customers.

E. PREVIEW

The MOV process is described in detail in Chapter II. Chapter III identifies the methods of research utilized in performing this study. Chapters IV through VI discuss, in detail, customer activity, DAASO and ICP MOV processing procedures and provide recommendations that could improve the overall MOV response by each activity. A summary of the study as well as conclusions and recommendations are provided in Chapter VII.

II. MATERIAL OBLIGATION VALIDATION PROCESS

A. CYCLE SCHEDULE

The annual schedule of MOV cyclic validations is as follows: [Ref. 1]

Cycle No.	Cutoff for Supply Sources to Prepare and Forward Validation Requests	Maximum Ending Date by which Requisitioner Responses are Due Back to Supply Source
1	20 Jan	5 Mar
2	20 Apr	5 Jun
3	20 Jul	5 Sep
4	20 Oct	5 Dec

The response deadlines are applicable to all activities. DAAS collects MOV requests from all ICPs. ICPs are required to transmit MOV requests to DAAS on or before the cutoff date at the beginning of each MOV cycle. This allows DAAS to send them to the activities concerned no later than five days from the established cutoff date of each cycle. MOV requests received at DAAS after the cutoff date are converted to MOV responses automatically and returned to the generating ICP(s) by DAAS.

B. MOV REQUEST FORWARDING INSTRUCTIONS

MOV requests are forwarded to the activities in accordance with the following rules:

To the activity designated by the Media and Status (M&S) code (card column (cc) 7) of the original requisition (requisitioner, supplementary addressee or activity designated in cc 54). When a zero is entered in the M&S code, to the activity designed in cc 54. When cc 54 contains a numeric (or is blank) and M&S code is 0, requests are forwarded to the original requisitioner.

MOV request documents, sent by the ICP to the customer, are identified by document identifiers (DOC ID) AN1 (to requisitioner), AN2 (to supplementary address), AN3 (to activity identified in cc 54).

C. BATCH CONTROL PROCEDURES

MOV requests forwarded to each activity are accompanied by an MOV control card DOC ID AN9 to be used for acknowledging receipt of the MOV batch. One AN9 control card is produced for each batch of AN_ cards forwarded by either AUTODIN or mail.

No more than 494 cards are included in a single AUTODIN message. Each batch of 494 includes its own control card. If a single batch exceeds 493 request documents additional AUTODIN messages are required.

There is no limit to the number of MOV request cards forwarded in a single mailing container.

D. RECEIPT OF REQUEST/ACKNOWLEDGEMENT PROCEDURES

The provision to verify receipt of the MOV batches is the first checkpoint in the MOV process. Therefore, acknowledgement

of receipt is required immediately upon receipt of the request documents. The MOV control card (AN9) information must be verified with the number of cards actually received.

1. Correct Count

If the count is correct and the number of cards match the control card, receipt is acknowledged by the customer by preparing an acknowledgement response (DOC ID AP9) specifying the date of receipt of the MOV documents. The response is submitted back to the supply source. A separate response is required for each supply source. This acknowledgement should be returned by AUTODIN, whenever possible, regardless of the receipt media. When this is not possible, it can be sent by message or mailed.

2. Incorrect Count

If the count is incorrect and the number of cards do not match the control card, the DOC ID, on the acknowledgement response, should be changed to APX and returned to the supply source. Return by AUTODIN is preferred but, if mail is utilized, the DOC ID of the control card can be crossed out, APX annotated and the card returned. The phrase "All MOV requests not received--Resubmit" should be added to the card if desired. All APX cards returned to the supply source serve notice that the supply source should retransmit that specific batch of MOV requests.

3. DAASO Notification

The second checkpoint built into the MOV process is where DAASO transmits a "Summary Notification of MOV Documents" message

to each recipient of MOV documents. Receipt of this message is a notice to the MOV customer that if the MOV cards are not received within 18 days from the date of the message, then the customer should send a follow-up to DAASO for retransmission of MOV documents. This is an important check within the system to ensure the MOV customer receives the validation requests.

4. Follow-Up On Non-Response

The third checkpoint to ensure receipt of MOV requests allows for ICP's to initiate follow-up action on a requested validation when no acknowledgement of the request card is received. Follow-ups can be transmitted 30 days after the cyclic cutoff dates.

The follow-up is in MOV control card format utilizing DOC ID ANZ or can be a reissue of current MOV request card documents.

If no acknowledgement of the follow-up is received and no response is received by the response due date, the affected material obligations can be cancelled by the ICP.

5. Fleet Unit Acknowledgement

When acknowledgement is not received from fleet units by the ICP, a duplicate of the follow-up MOV control card(s) (DOC ID ANZ) is also furnished to the appropriate fleet type commander (the activity indicated by the code in cc 54). The fleet type commander should advise supply sources by message within 10 days of fleet units which are unable to acknowledge receipt or to respond by the due date. ICP's can

temporarily suspend any cancellation actions until such time as the type commander furnishes an estimated date when the fleet units will be able to acknowledge receipt.

E. VALIDATION PROCEDURES

It is required that the recipient of validation requests conduct an item-by-item review with the user to determine continued need for each item, the quantity involved and the priority designator of the requirement. Customer activities should not submit MOV responses without actually validating whether the material is still required or not. Cursory reviews do not improve supply support. Each outstanding requirement for which an MOV request has been received must be validated to determine whether the total quantity is still required or whether the total quantity, or a partial quantity, can be cancelled. Outstanding quantities can not be increased and requisitions priorities can not be upgraded by the use of MOV responses in the validation process.

F. RESPONSE PROCEDURES

Responses to the validation requests are prepared on AP_ response documents. An AP_ document will be prepared in response to each DOC ID AN_ validation request received from a supply source (ICP).

The quantity field of each AP_ response document will indicate the quantity still required. If total cancellation is desired, the quantity field will be filled with a zero.

G. RESPONSE TRANSMITTAL

AP_ response cards should be transmitted via AUTODIN whenever the validating activity has access to an AUTODIN terminal with data pattern transmitting capability. An MOV control card is not required with AP_ response cards that are returned by mail or AUTODIN. AP_ response cards should be transmitted as individual cards or small batches and as early as practical after validation.

Accumulation of AP_ cards for large or one-time transmission is discouraged. Prompt transmission of AP_ cards will preclude shipment or release of items no longer needed.

Validating activities with no card punching capability may respond to scheduled validation requests by returning all request card documents under a letter of transmittal to the supply source. The letters of transmittal will indicate those items required to be continued as material obligations and those items required to be cancelled. AP_ cards will be hand annotated and returned in two batches, those items which have been validated as still required and those items for which cancellations are desired.

Responses received from the customer are processed by the ICP under UICP program A/O B01.

H. DEPLOYED/OVERSEAS ACTIVITY RESPONSE PROCEDURES

The current system developed for use by fleet units allows such units to respond to MOV requests using a MOD V telecommunications terminal. This procedure requires transmission

of one BMV card to indicate backordered requirements are valid. This system has now been extended to include remote overseas locations whenever MOD V terminals are available. Selection of locations to be defined as remote are at the discretion of CINCLANTFLT (Code 07), COMNAVLOGPAC (Code 41) and CINCUSNAVEUR (Code N42).

1. BMV Response Preparation

After validation of requirements, the requisitioner can transmit to DAAS according to the following rules:

For Cancellation. One DOC ID AP_ document for each AN_ document requiring cancellation.

For Validation. One DOC ID BMV document to certify all valid requirements. Only one document is required for each UIC regardless of the number of ICPs involved.

Receipt of the BMV document at DAASO results in automatic preparation of MOV responses for all MOV requests originally submitted to the customer, even those for which there was no MOV response received from the customer. For example, a customer activity does not have to prepare MOV responses for requisitions which do not require any cancellation action. DAASO will prepare MOV responses for automatic validation of those requirements provided a BMV document has been submitted to DAASO and that activity is authorized to use BMV procedures.

III. EXPERIMENTAL PROCEDURE

The MOV process encompasses the actions of three primary participants. The participants are the ICP, DAASO and the customer activity. In order to review and study MOV procedures and the reasons why material requirements were cancelled due to customer non-response to MOV requests, each participant was queried concerning problems and recommendations. The questions concentrated on why Navy customer activities have requisitions cancelled by Navy ICPs due to non-response to MOV requests. This does not necessarily mean that customer activities did not respond to MOV requests but that, for one reason or another, the ASO/SPCC data base showed that a response was not processed for a specific MOV request.

Since the major purpose of this study is to provide recommendations for NAVSUP, which has direct control of Navy ICPs and most formal Naval supply training courses, the study itself was directed toward policies and procedures controlled by the Navy.

The scope of this study was limited to CY 1984 data and began prior to the end of the first MOV cycle in CY 1985 (March 1985). Prior year data was not used for two reasons. Most individuals responsible for processing MOV request prior to CY 1984 had been transferred to other billets. Secondly, since the purpose

of this study is to provide primarily policy recommendations, prior year data was not considered necessary.

A. MAGNITUDE OF THE PROBLEM

The following table delineates the size and scope of the MOV non-response problem Data was extrapolated from NAVSUP memoranda to the Assistant Secretary of Defense (Manpower and Logistics) [Refs. 2-5] which were assembled from ASO and SPCC inputs.

TABLE 1

NAVY MOV STATISTICS CY 1984

	Number	Dollar Value
Total MOV Requests Initiated	626,349	$4,072,002
Total MOV Requests Verified as Valid by the Customer	540,646	3,545,567
Total Cancellation Requests Received from the Customer	52,655	306,260
Total Non-Responses to MOV Requests	33,048	220,175
Total ICP Cancellations Due to Non-Response	24,082	171,941
Percent of MOV Requests not Responded to	5.27%	5.41%
Percent of ICP Cancellations Taken Due to Non-Response	3.84%	4.22%

The data above shows that 5.27% of the total MOV requests initiated by Navy ICPs in CY 1984 could not be validated by ASO or SPCC due to customer non-response to MOV requests.

Only 3.84% of the total MOV requests initiated were ultimately cancelled by the ICP due to non-response (i.e., the ICP actually prevented cancellation action from taking place). This is primarily due to ICP exemptions and reinstatements of specific activities and requisitions respectively.

The percentage dollar value of cancellation due to non-response is a little higher than total non-response numbers (5.41% for non-response and 4.22% for actual cancellations taken due to non-response).

Table 2 provides an understanding of the types and numbers of activities, under Navy control, which were designated as major non-responders to ASO and SPCC generated MOV requests in CY 1984. Activities which are identified as major non-responders were those whose response rate was less than ninety-five percent of the total MOV requests generated by ASO or SPCC to that activity during any one cycle in CY 1984. These activities included both end use and intermediate level stocking activities.

By far the majority of SPCC customers which had requisitions cancelled due to MOV non-response were ships. The majority of non-responders to ASO MOV requests were more evenly distributed among several activities.

Several activities received cancellations due to non-response for more than one cycle and from both ASO/SPCC. This is indicative of organizational/institutional type problems at the customer level.

TABLE 2

BREAKDOWN OF NAVY ACTIVITIES IDENTIFIED BY NAVY ICPS AS MAJOR NON-RESPONDERS TO MOV REQUESTS IN CY 1984

ACTIVITIES	ASO	SPCC
SHIPS	5	33
NAVAL SUPPLY CENTER/DEPOT	6	3
DEPOTS (SHIPYARDS, NARF, SRF)	4	8
AIR STATION/AIR FACILITY/NAVSTA	18	5
MARINE CORPS	3	2
CONTRACTORS	6	0
NAVCOMSTA/NAVSECGRU	0	6
MISCELLANEOUS (NWS, TRAGRU, NALC, NAVPRO, ETC.)	7	5
TOTAL NUMBER OF ACTIVITIES	49	62

Considering the number of ASO/SPCC customer activities which took part in the MOV process during CY 1984 the total number of activities which had cancellations processed due to MOV non-response appears to be small. However, the dollar and time savings that can be achieved, in the areas previously noted, is of importance and should not be passed off as insignificant.

B. ICP REVIEW

ASO and SPCC procedures were personally reviewed on site. This included in-depth interviews with those personnel directly

responsible for processing MOV requests, acknowledgements and responses, and the system analysts who are primarily responsible for MOV-related UICP programs. Recommendations concerning customers non-response to MOV requests and suggestions for improvement in the process were also solicited. Finally, supervisory personnel were queried concerning their ideas and recommendations. Results are presented in Chapter VI.

C. DAASO REVIEW

DAASO was also visited personally and those individuals directly responsible for monitoring, reviewing and processing MOV requests, acknowledgements and responses were interviewed. DAASO personnel were able to provide a good deal of information concerning the MOV communication interface. Results are presented in Chapter V.

D. CUSTOMER ACTIVITY REVIEW

In order to answer the basic question of the study, specific activities had to be identified which did not respond to ASO/SPCC MOV requests in CY 1984.

1. Customer Identification

As a general rule ASO and SPCC, on a quarterly basis, identify activities which fail to respond to at least 95% of all MOV requests submitted to their activity for a specific cycle. ASO or SPCC will cancel a requisition for customer non-response if, and only if, the MOV response is not processed by the ICP for any reason. An activity may in fact respond to

MOV requests but still have requirements cancelled due to non-response. Chapter VI provides further information concerning this circumstance.

2. Questionnaire Usage

A questionnaire (Appendix A) was developed and sent to each activity designated as a "nonresponder" to find out exactly what the reasons were for non-response. As shown in Table 2, 111 Naval and contractor activities were identified as non-responders for CY 1984.

The questionnaire was divided into four areas. The first area dealt with specific reasons why MOV responses were not submitted. The second area asked questions on activity organization and procedures utilized to process MOV requests. The third area requested comments on ICP/DAAS procedures while the fourth area asked for recommendations to improve the MOV process itself. Results of the questionnaire and analysis are provided in Chapter IV.

E. LITERATURE REVIEW

A Defense Logistics Studies Information Exchange (DLSIE) review was also conducted for any article dealing with material obligation validation. Unfortunately, only three studies were determined to be of any value to this thesis; A Department of the Navy, Naval Audit Services Northern Region audit of SPCC Inventory Management functions relating to backorders and releases of requisitions [Ref. 6], a Comptroller General of

the United States Report to the Congress concerning better methods for cancelling orders for material no longer required [Ref. 7] and another Naval Audit Services Northern Region Audit of service-wide material obligation validation procedures [Ref. 8]. The majority of data within these articles was based on review of specific validation procedures and not reasons for non-response to MOV requests. The information from the articles did suggest procedural areas for possible review at the ICP level.

F. NAVSUP POLICY REVIEW

NAVSUP provided policy review recommendations and direction in reviewing ICP, DAASO and customer activity procedures. These recommendations are integrated into Chapters IV-VI under potential for error and problem areas. As the sponsor for this study, NAVSUP (032) provided the statistical information presented in Table 1.

IV. CUSTOMER ACTIVITY PROCEDURAL REVIEW AND RECOMMENDATIONS

Through statistics provided by ASO and SPCC, those customers who failed to respond to more than 95% of MOV requests initiated by ASO/SPCC in any cycle during CY 1984 were identified. A questionnaire was sent to these activities in an attempt to ascertain why MOV responses were not processed by the ICP. The results of the questionnaire are outlined below.

A. POTENTIAL FOR ERROR

It is imperative that the ICP and the customer activity meet strict time frame and procedural requirements for submission of MOV requests and responses. Any delay in this process could ultimately result in responses not being processed or received by the ICP. Subsequently, the ICP would identify the activity as a "non-responder" regardless of the reason for non-processing of the MOV response(s). So where in the process could the customer err or be perceived as erring by the ICP?

1. Time Delays

In order to have enough time to validate MOV requests and prepare MOV responses the customer must receive a complete MOV request package early in the MOV cycle. The process assumes that all documents sent to the customer by the ICP did, in fact, arrive in correct format and with enough time to respond. The MOV process requires that DAASO forward the MOV packages to customer activities within 5 days from the

beginning of the MOV cycle. DAASO forwards the individual packages to the customer activities via mail. Assuming a 3-7 day mail delay for non-deployed activities and a 7 to 21 day delay for deployed activities, this reduces the total time for customer response by as much as 3 to 21 days out of a 45-day cycle. If the customer activity is organized such that the individual(s) responsible for processing the MOV package is different from the individual who first receives the MOV package then there could be another 1 to 3 day delay in administrative forwarding of the package to the right person. This also assumes that the individual initially receiving the MOV package is able to identify its contents and the ultimate consignee.

2. Satellite Activities

Organizations with satellite activities, such as the NAS North Island Supply Department for NSC San Diego, may not receive the MOV package. Depending on the use of the media and status code, signal code, and cc 54 annotation on the MOV request document, the MOV package may not arrive at the activity responsible for the accounting or maintenance of due-in/due-out files. In this case MOV responses may not be prepared unless the package is properly identified and forwarded correctly to the processing/validating activity.

3. Validation of Requisitions Not Requiring Cancellation Action

Once the MOV package is received a validation must take place. If, due to a lack of understanding of the process,

the validation occurs but responses are not prepared, then the ICP will cancel the valid requisition, due to non-response. This coincides with the BMV action required for ships and activities identified as being in a deployed status. One BMV is required to validate all outstanding requisitions which require no cancellation action. If the BMV response card is omitted by the customer, valid requisitions will be cancelled by the ICP due to customer non-response.

4. Non-Receipt of MOV Request Cards

If the customer activity does not receive the MOV package within 18 days of receipt of the DAASO message (stating that the MOV package was sent), then follow-up to DAASO by the customer is required. If, for any reason, the customer never receives the DAASO message then a customer follow-up may never be sent. If the MOV package arrives late or not at all then all the respective requisitions will still be cancelled by the ICP due to non-response in the required time frame.

5. Incorrect Response Preparation

The MOV response must be prepared in correct MILSTRIP format either through message to DAASO or the preparation (keypunch) of response cards via AUTODIN directly to DAASO. If the response is prepared with any error (i.e., off by one card column) then the response will reject at DAASO or the ICP and be cancelled for non-response. In such cases the customer does have a chance to correct a DAASO reject back to the customer but cannot correct or identify ICP rejects.

6. Communication Interface

Most customer activities must interact with a communication center to receive and send MOV requests and responses respectively. Administrative delays, poor document preparation or submission and various transmission-related problems can prevent responses from being received by the ICP. Coordination and control by those responsible for the MOV process with the communication center is required.

B. QUESTIONNAIRE RESULTS

1. Reasons for Non-Response

According to the customer activity responses the major reasons for customer non-response were the following:

Transmission Problems (lost MOV cards, non-receipt of MOV cards by the activity or ICP)	37%
Training (lack of understanding of MOV process and response preparation)	17%
Late submission of responses to the ICP	12%
ADP (keypunch) errors at the customer activity	12%
Satellite activities (MOV responses not received or processed by activity initiating the requisition)	8%
Automatic cancellation desired (no action taken deliberately)	8%
No BMV submitted for automatic validation of outstanding requisitions	2%
Response cards prepared incorrectly	2%
Incorrect ICP processing	2%

The data above clearly points to transmission problems, training, untimely submission of responses and ADP (keypunch)

errors as the major problems. Of note is the small number of responses indicating that the ICP or DAASO had erred in the process.

2. Procedural Responses

Seventy-three percent of the respondents stated that they had received the MOV packages with enough time to process the validation responses. Eighty percent of those activities eligible to use BMV procedures did in fact submit a BMV to validate outstanding requisitions for the period in question.

It is important to understand who initially received the MOV package and who was responsible for preparing the MOV package acknowledgement and the appropriate AP_ responses. In 46% of the responses received, supply administration or customer services initially received the MOV package. Stock control initially received the package in 39% of the cases. The remaining 15% were divided among receipt control, ADP, the mail room and the Department Head. However, 26% of the responses stated that supply administration/customer services prepared the MOV acknowledgement while 37% of the time stock control prepared the acknowledgement. In other words, some segregation of duties did occur in receiving the MOV package and preparing MOV responses.

Of major importance is whether the same person who validates the MOV package also prepared the MOV responses. In 71% of the cases the same individual who was responsible for

the administration of the validation process also prepared the MOV responses.

Regardless of who receives and validates MOV requests or prepares MOV responses, if supervisory personnel are not monitoring the process or reviewing subordinate procedures then the MOV response rate could certainly be lower than normal (95%). Approximately 76% of the questionnaire respondents stated that the MOV process and responses were monitored by their Department/Branch Head or a supervisor.

The final procedural question concerned training in the MOV process. Eighty-six percent of the responses stated that the majority of training received on MOV procedures was on-the-job. The remaining 14% of the respondents stated that formal training had been received.

3. Procedural Recommendations for the ICP

It is important to understand customer activity feelings towards the processing of MOV requests and responses by the ICP. A major concern was that MOV responses were sent by the customer activity but never received by the ICP. In such cases, the customer activity would receive a BS cancellation action (requisition cancelled due to non-response to an MOV request). In 60% of the responses, customer activities had received BS status for requisitions for which a specific MOV response was sent. There are several reasons for this and they are discussed in Chapter VI.

Customer activities were asked how ASO/SPCC could improve their actions in the MOV process. Recommendations were

evenly split between use of more follow-ups (DOC ID ANZ) when an acknowledgement is not received from the customer activity, cross checking of specific AP_ responses with AN_ request documents, allowing more time for the MOV process itself, creating an automatic process to reinstate requisitions cancelled due to no response, submitting a "kick-off message" at the beginning of the MOV cycle to advise ICP customers of impending validation actions required, submitting MOV requests to the correct activities and utilizing only one vice three AN_ (AN1, AN2, AN3) documents. Most of these recommendations have some merit and will be discussed in more detail in the following chapters.

4. Recommendations for Improvement in the MOV Process

The last portion of the questionnaire asked for recommendations to improve the MOV process.

The most frequent recommendation was related to timing. Approximately 60% of the respondents requested that their MOV requests be received early enough that they had adequate time left in the cycle to validate the requisitions and prepare the MOV responses.

The second recommendation was for the establishment of some formal training for those individuals processing MOV responses.

The remaining recommendations were evenly split among utilizing listings vice cards (cards get lost or mixed in with regular status cards), having the ICP's provide intermittent feedback (messages, data listings) to customer

activities, having more manual interface in the process and reducing the chance for MOV response cards to get lost in an automated system.

C. RECOMMENDATIONS FOR IMPROVEMENT IN CUSTOMER RESPONSE RATE

1. Communication Interface

Most of the activities indicated that transmission problems were their biggest problems. Although most activities indicated that a supervisory individual monitored the response preparation, most of the individuals responsible for preparation of MOV responses are not physically located with the ADP/communication centers. The response rate could be improved by monitoring the processing of responses through the ADP/communication interface by physically checking outputs and inputs to ensure MOV responses are prepared properly and forwarded expeditiously.

2. Organization

The organization at the activity level should be set up so that only one section receives MOV requests, processes acknowledgements and prepares MOV responses. The more "desks" which must identify and sort out the usually large number of EAM cards received during the typical MOV cycle, the greater the likelihood of lost cards and non-response.

3. Training

Formal training is rarely received by personnel responsible for receiving and processing MOV requests. Most training is received while on the job. As a consequence,

supervisory personnel must become more involved in ensuring correct procedures are followed.

V. DAASO MOV PROCEDURAL REVIEW AND RECOMMENDATIONS

A. POTENTIAL FOR ERROR

DAASO is the main interface between the ICP and the customer in the MOV process. All MOV requests and responses flow through DAASO. DAASO feels that because they are primarily an automated interface the potential for lost MOV requests or responses is very small. Although some of the problems are originally attributable to the ICP or the customer, DAASO could improve MOV response rates by correcting EAM card discrepancies at DAASO vice returning these documents to the source.

1. EAM Discrepancies

ICP MOV requests are sent to DAAS via tape on AUTODIN. DAASO, from the tape, reproduces the MOV requests in EAM card format automatically. DAASOverifies the total count of the individual AN_ request cards produced with each AN9 count card. If any discrepancies exist the specific card deck, in its entirety, is sent back to the ICP. This can lead to a delay of 5 to 10 days for the specific batch of cards (reverification/correction by the supply source and retransmission/remailing to DAAS). This reduces the time for customer activities to respond.

In addition to batch rejects, individual card rejects are also mailed back to the ICP. As stated above, further delays in mailing the MOV cards result.

2. MOV Request Mailing

DAASO automatically stuffs all MOV requests in individualized envelopes. Although the process is mechanical, a 2-3 day delay in mailing of the packages to the customer occurs.

3. Afloat MOV Request Packages

MOV request packages for afloat units are held by DAASO for mailing until all MOV request documents are received from all DOD ICPs. If one or several ICPs are late in submitting MOV request documents to DAASO, and DAASO accepts the MOV package anyway, significant delays in mailing of the entire MOV package to the customer can occur. This fact, coupled with the extended mail logistics pipeline for deployed units, can present a major problem to some activities in responding to MOV requests by the required cutoff date.

4. Customer Follow-up

If DAASO receives an APX document from the customer activity indicating non-receipt of the specified number of MOV requests listed on the AN9 document, DAASO will resubmit an entire MOV request package to the customer. However, if the customer sends the APX directly to the ICP there is no guarantee, particularly in ASO or SPCC's case, that the MOV package will be resubmitted. DAASO manually checks all APX documents submitted to ascertain if systems problems have occurred.

5. MOV Response Rejects

MOV responses are transmitted directly through DAAS to the required ICP. As mentioned earlier, computer rejects

can occur at DAASO. In some cases, such as the UIC or DOC ID being incorrect, DAASO will return the documents (responses) to the issuing activities. At other times DAASO may manually correct the documents, particularly in the case of BMV rejects. Time delays do occur and/or the responses may never get finally transmitted by DAASO to the ICP.

6. Cutoff Date Extensions

DAASO will transmit MOV responses up until the time the ICP refuses to accept them. This usually results in approximately a 3-10 day extension in the required response cutoff date. This increases the number of responses received by the ICP and should reduce rejected response rates at the ICP. However, it also provides an opportunity for the customer to become less ambitious and be late with his submissions.

7. BMV Validation

Possibly the biggest function performed by DAAS is the processing of BMV validation cards submitted by afloat and deployed activities. DAASO receives the BMV with the AP_ MOV responses for cancellation actions. If a BMV is submitted DAASO will automatically produce AP documents for the remaining MOV requests for which no AP_ responses were received. The end result is that there is an equal number of MOV responses submitted by each customer activity for each MOV request received. If DAAS loses or fails to process the BMV document, the respective requisitions requiring validation will not be validated by the ICP and will be ultimately cancelled for

customer non-response. Although DAASO estimates very minimal loss of BMV documents, this process presents the biggest potential loss area for MOV response documents at DAASO.

B. DAASO RECOMMENDATIONS

Recommendations for improving the MOV response rate by DAASO are as follows:

1. Customer/Communications Center Interface

DAASO concurs with the customer activities that the major reason for customer non-response to MOV requests is due to poor control between the customer activity and the respective communications centers. The MOV response rate would improve through improved customer follow-up and control by monitoring the communication center actions in receiving MOV requests and processing MOV responses.

2. Increased Cycle Time

The time frames for the MOV process are too short. By increasing time for the process, customer activities would have more time to receive and respond to MOV requests. Under the current system manual interfaces (rejects, mailings, etc.) result in transmitting and receiving delays. One way to improve these delays would be to use "on-line AUTODIN" to all customer activities. Basically "on-line AUTODIN" is a computer-to-computer interface where use of EAM cards is not necessary. This would provide customers with the capability to automatically receive and respond to MOV requests without any manual intervention by the customer or the ICP. On-line AUTODIN

capabilities are being reviewed and will probably be implemented at ASO and SPCC as part of the current UICP computer resolicitation process. It is not unreasonable to assume that a majority of medium and large size customer activities will have on-line AUTODIN capability within the next several years.

3. Reinstatements and Exemptions

The current MOV process allows for reinstatements of cancelled requisitions, due to non-response, and for specific activities to be exempted from the process completely. Some customer activities do not take the MOV process seriously and realize they can prevent ICP cancellation actions by notifying the ICP that they did not receive or process their MOV package. The ICP simply reinstates the cancelled requirements. This circumvents the purpose of the process and creates more work for the ICP and DAASO. Both ASO, SPCC as well as DAASO are lenient in allowing reinstatements and extended cutoff dates. DAASO feels that the system should be strictly followed (i.e., non-responses should result in cancellations and the subject material should be re-requisitioned). This would result in cancellation actions and subsequent dollar credit to the customer (except during end of the fiscal year time frames). More importantly, it frees ICP stock fund dollars and improves ICP due-in/due-out file integrity. By allowing the MOV process to work exactly as designed (strict time frame requirements, no reinstatements), the customers may take the process more seriously. This could also result in improved response rates.

4. Customer Training

DAASO feels that training is a major problem for Navy customer activities. Individuals at DAASO who are responsible for monitoring the MOV process receive numerous phone calls each cycle requesting basic procedural information in such areas as AP_ and BMV response document preparation and time frame requirements.

C. RECOMMENDATIONS FOR DAASO IMPROVEMENT

There are only a few ways DAASO could improve their performance in processing MOV requests and responses.

1. Timeliness of MOV Package Submission

Ensure all MOV packages are prepared and mailed promptly. Although not desired by DAASO, packages rejected for minor reasons could be corrected at DAASO without mailing the package back to the ICP. The result would be savings of time for customer validation.

2. Automatic BMV Procedures

If an afloat or deployed customer activity submits any AP_ MOV responses, but fails to submit a BMV validation document, DAASO should automatically prepare a BMV for the customer. DAASO should then advise the customer activity of the error. This action will prevent ICP cancellation actions due to non-response because of a simple error by the customer.

3. New Submission Procedures

DAASO could investigate new ways to submit MOV requests to the customer. Currently EAM cards, submitted in decks of 494 cards, can get lost. On-line AUTODIN will help the process but the sending of listings for small activities or computer tape for large activities would further prevent the loss of MOV request documents. However, this procedure should be measured against benefits and costs of data transcription and workload at the end use activity.

VI. ICP MOV PROCEDURAL REVIEW AND RECOMMENDATIONS

When AN_ MOV request documents are prepared by the ICP they must ultimately be forwarded by the ICP to the customer for validation via DAAS. Once the validation is complete, customer activities prepare AP_ response documents, plus a BMV document for ships or overseas activities. These documents must be received, via DAAS, and processed prior to the end of the MOV cycle. If the MOV response is not processed by the ICP, for any reason, the respective requisition is cancelled due to non-response to the original MOV request. Thus, the scope of the "non-response" problem at the customer level could be the result of ICP or DAASO actions following a response. The review of ICP policy and procedures attempted to identify specific areas where MOV requests (AN_) and MOV responses (AP_) could get lost, misrouted or misprocessed.

A. POTENTIAL FOR ERROR

1. Request Preparation and DAASO Submission

The ICP must ensure all MOV requests are produced and submitted to DAAS by the respective cutoff date. Currently UICP subroutine A/O B13 produces all MOV request documents on tape. All outstanding requirements held by the ICP are subject to validation (BD, BV, BD, BC, etc.). MOV request documents are submitted to DAASO on tape via AUTODIN. Therefore, the risk of lost documentation is considered minimal.

2. DAASO Rejects

Once DAASO receives the data the MOV requests are transformed to EAM cards for customer mailing. At this point MOV requests rejected by the DAASO computer are generated. Such rejects are then mailed back to the ICP for correction.

3. Time Frames

At this point in the process time frame problems can occur. Both ICPs stated that DAASO has, on occasion, allowed for late submission (up to 5 days) of ICP MOV tapes. This delay, coupled with the mailing and correcting of DAAS computer rejects, could reduce customer available response time thereby increasing the possibility for non-response. However, both ASO and SPCC stated that a majority of the rejects are due to Unit Identification Code (UIC) identification problems (UIC code is unidentifiable) and ultimately should be cancelled with CX status (rejected, unable to identify ship to or bill to address as designated in the signal code). Unfortunately, such rejects at SPCC are being cancelled with BS status (cancelled due to non-response to an MOV request). This increases the number of cancellation actions considered due to non-response.

4. Acknowledgement Process

Once MOV requests are mailed by DAAS, the ICP waits for customer-generated AP9 acknowledgements. If the acknowledgement is not received within 30 days of the ICP cutoff date an ICP-generated ANZ follow-up is required to be submitted.

Review of SPCC procedures revealed that ANZ procedures were not being followed. ASO does not routinely use ANZ procedures either but has recently initiated a policy of sending messages within 15 days of the MOV response cutoff date to customer activities who have not responded to greater than 95% of MOV requests initiated and were recipients of greater than 50 MOV requests.

5. Customer Follow-up to the ICP

If the ICP does not submit an ANZ follow-up, activities which do not receive the required number of MOV request documents (checkoff is required by the customer with the DAASO message and respective DAASO-mailed EAM cards) can follow-up with the ICP utilizing an APX follow-up document. Both SPCC and ASO should investigate each APX received and, in most cases, resubmit the MOV package to the customer.

APX procedures do enable an ICP to monitor DAASO effectiveness at processing their respective MOV requests. The only other means to verify that the customer is receiving the correct number of cards is a manual ICP review utilizing statistical data provided by UICP subroutine A/O B13 against individual DAASO messages sent to customers. This would be a cumbersome process and is not considered to be feasible at ASO or SPCC.

6. MOV Responses to the ICP

MOV responses are sent by customer activities to the ICP via DAAS by various means (tape via AUTODIN, MILSTRIP

formatted message, mailing of EAM cards, etc.). How does the ICP know if all the submitted responses arrive? There is currently no way for DAASO or the ICP to capture this data. This could be done by requiring each customer activity to submit a plain language response message. Considering the number of messages required per customer (to several ICPs) and the ICP's difficulty in manually reviewing each message from hundreds of customer activities, this approach is not considered to be cost effective.

7. Response Rejects

MOV responses are submitted by DAAS to the ICP via AUTODIN in MILSTRIP format. EAM cards are produced from the AUTODIN transmission for processing into UICP subroutine A/O B01 (cancellation/modification action). Again, there is a possibility for computer rejects to occur. Due to manual interfaces EAM cards can be lost, misplaced or misprocessed. Both ASO and SPCC feel there is only a very small probability for losing MOV response cards in this manner.

8. ICP Grace Period

The ICP cutoff for MOV responses is supposed to be 45 days after the initial ICP cutoff date for transmission of MOV requests to DAASO. Because of the problems listed above, both ICPs and DAAS have allowed a 5-15 day "grace" period for receipt and processing of MOV responses. Each ICP currently negotiates this grace period with DAASO and its length depends on specific problems encountered during any specific cycle.

MOV responses received after this period are then cancelled due to non-response.

9. Requisition Reinstatement

One of the major reasons for trying to cut down on the number of cancellation actions taken by the ICP due to customer non-response is to reduce the number of requisition reinstatements initiated after the completion of the MOV cycle. Each requisition reinstated requires some sort of manual interface with the ICP computer (keypunch, update of Master Data File, Due-In/Due-Out File, etc.).

Requisitions which were in BV status (being processed) require much more manual interface than a normal requisition due to the nature of financial and technical editing required. SPCC estimates that they reinstate approximately 250-300 requisitions out of approximately 75,000 MOV requests generated per cycle. ASO estimates approximately 25-75 reinstatements per cycle. This difference is due to policy. SPCC continues to be very sympathetic to customer requests for reinstatements. ASO policy has been tighter resulting in fewer reinstatements and, surprisingly, fewer customer complaints.

10. ICP Exemptions

SPCC is also more lenient than ASO in granting exemptions to the MOV process. An ICP exemption allows all requisitions held for that activity by the ICP to be exempt from MOV procedures (i.e., no cancellations due to non-response). Consequently, all outstanding requirements for an exempted activity

remain valid. SPCC allows complete exemptions to all deployed units even though the MOV requests and resultant responses are processed. This explains several comments received from deployed ships stating that SPCC continues to validate requisitions for which they submitted MOV AP_ cancellation requests.

B. ICP RECOMMENDATIONS

1. EAM Card Usage and Deck Size

ASO felt the submission of MOV request documents by DAASO in decks of 494 cards could result in lost cards if an activity received more than one deck. Although MOV procedures require verification and acknowledgement of receipt of MOV requests, just the sheer number of cards submitted to any medium to large sized activity can result in lost cards. Lost or poorly prepared EAM cards are a major reason MOV requests do not get processed by the ICP Use of another media is recommended in the long run (listings or on-line AUTODIN).

ASO feels that DAASO should not be eliminated from the process because it provides a central interface point between customers and the ICP. However, if listings were generated by the ICP and mailed directly to the customer, bypassing DAASO, more time would be available for validating requisitions. Unfortunately this time savings may be offset by the need for manual processing of MOV responses received from the customers.

2. Use of a Single MOV Request Document

ASO feels the use of separate MOV documents (AN1, AN2, AN3) creates problems in ensuring that the activity

responsible for actually performing the validation receives the MOV request. This was confirmed by the results of the questionnaire. Numerous responses pointed to problems associated with non-receipt of MOV requests when satellite activities are involved. ASO suggests the use of just an AN1 card submitted directly to the requisitioner regardless of the code utilized in the cc 7 (Media and Status Code). This certainly would ensure that the requisitioner receives the MOV package but there is still no guarantee that those individuals responsible for performing file maintenance would be involved.

3. Kick Off and Follow-Up Message

The use of a "kick off message" at the beginning of the cycle, and a plain language message to non-respondents prior to the end of the MOV cycle, has recently helped ASO and SPCC decrease the non-response rate for CY 1985 MOV cycles by as much as 50% in any one cycle. The "kick off" message is a notice sent to customer activities that the MOV process has started, MOV requests have been submitted to DAASO and that their specific MOV requests are forthcoming.

A follow-up message sent to non-responders, while the cycle is in process, could be a key ingredient to improving the MOV response rate. Although it can circumvent the MOV follow-up process, it causes the customer to review his procedures and follow-up on the process.

4. Standard BMV Processing

The BMV process allows DAASO to automatically prepare AP_ documents for all outstanding requisitions being validated

for deployed and overseas activities. If no BMV is received then DAASO does not validate the outstanding requisitions, resulting in cancellation actions by the ICP due to non-responses. ASO feels DAASO should automatically process a BMV for all ships and overseas activities which fall under BMV procedures if any AP responses are received at all. This way if a customer actively and legitimately forgets to submit a BMV, which does occur on a regular basis, cancellation and reinstatement actions would not occur. Savings in ICP man-power, increased customer satisfaction and reductions in the MOV non-response rate would occur.

5. Training

SPCC felt that MOV non-responses are due to a lack of training by customer activities. This was confirmed by the questionnaire.

6. MOV Cycle Length

SPCC feels a six months cycle would improve the MOV response rate. A six months cycle would certainly create more time for proper customer validation and ICP response and reinstatement processing. This must be weighed against the cost of the procurements and shipments made for requirements which could have been cancelled under a shorter cycle. The Air Force is able to utilize a 30 day validation cycle [Ref. 6]. The Navy originally desired at least a 60 day cycle due to the number of afloat and deployed units without adequate ADP facilities. The issue of cycle times was debated between the

services in the middle 1970's with a final decision being rendered by the Assistant Secretary of Defense (Installations and Logistics) for a 45 day cycle period.

C. RECOMMENDATIONS FOR ICP IMPROVEMENT

Review of ASO/SPCC procedures and ASO/SPCC recommendations for improving the MOV process has lead to some ideas for improving the MOV non-response rate at the ICP. Most of the ICP recommendations for streamlining the MOV process may have merit. However, each suggestion should be studied further to ascertain the specific costs that can be saved by reducing MOV non-response rates.

1. Plain Language Messages

The ICP has to become active in processing MOV requests and responses. Although MOV procedures allow for little human interface, such interface can improve the response rates. Both ASO and SPCC have imprved their response rates by sending out tickler messages to major non-responders towards the end of the cycle. The ASO "kick off" message is another good tool and SPCC could benefit from a similar procedure.

2. Follow-Up Acknowledgement Procedures

The ICP should ensure all MOV requests are in fact received by the customer activity. This can be done by utilizing MOV acknowledgement and follow-up procedures. These procedures are not strictly followed at either ASO or SPCC.

3. Document Control

Effective document control and speedy correction of DAAS and ICP computer rejects will give the customer activity more time to validate and respond to MOV requests.

4. Instruction Set

An instruction set sent to each activity receiving MOV requests would provide directions to those individuals preparing MOV responses. The instruction set could be automatically stuffed in each activity MOV package by DAASO prior to mailing. This would certainly help training problems at some activities. Such a recommendation was also made in 1976 by the Naval Audit Service Northeast Region [Ref. 5]. NAVSUP agreed to pursue this recommendation with DLA but no action was ever taken.

VII. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

A. SUMMARY AND CONCLUSIONS

During the current era of budget shortfalls and increased scrutiny of DOD inventory practices, attention has been focused at the policy review level on improving procedures for validating outstanding backorders held by ICPs. As a consequence, the Naval Supply System Command requested this study be conducted to determine the reasons for customer non-response to MOV requests.

This research project was restricted in scope to those activities which directly or indirectly are influenced by Naval Supply Systems Command policy. Navy ICPs (ASO, SPCC) and Navy customers were the focus of the research. Statistics generated by ASO/SPCC were utilized to identify which Naval activities were major non-responders to MOV requests initiated by ASO/SPCC. The major non-responders during CY 1984 were ships (34%), Air Stations (21%), Repair Depots (11%) and NSC/NSDs (8%). The statistics also revealed that approximately 5% of all MOV requests generated at ASO/SPCC are not responded to by the customer. This resulted in roughly a 4% cancellation rate ($171,000) by the ICP due to customer non-response in CY 1984.

Research was conducted in primarily three phases. Questionnaires were sent directly to the non-responding activities

requesting reasons for non-response during the specific cycles they were delinquent. Personal visits to ASO, SPCC and DAASO were made to interview those individuals directly responsible for processing MOV requests. Lastly, a review of all respective reports and audits concerning the MOV process were made via the Defense Logistics Studies Information Exchange.

Results of the customer questionnaire revealed that the major reasons for non-response to MOV requests were transmission problems (lost EAM cards), training, untimely (late) submission of responses and ADP (keypunching) errors. The results pointed out the need to thoroughly review the procedural problems associated with the process at the ICPs and DAASO and to identify the potential for lost MOV requests and responses among the various interfaces within the process.

B. RECOMMENDATIONS

To improve customer response, it is recommended that each customer coordinate the receipt and transmission of MOV requests/responses more thoroughly with their respective communications center. Next, each customer should ensure that their activity is organized such that the same individuals receiving and acknowledging MOV requests also perform validation and response procedures and that supervisory personnel monitor the MOV cycle for receipt and transmission of MOV requests/responses. Finally, more formal training sessions on the MOV process should be incorporated at Navy sponsored schools (C school, Naval Supply Corps School, etc.) for all

individuals who could be responsible for processing MOV requests and supervising the MOV process.

Review of ICP procedures identified several areas for potential improvement in reducing the number of requisitions cancelled due to customer non-response. This included each ICP becoming active in the MOV process by sending "kick off" plain language messages to customers at the beginning of each cycle and by sending follow-up messages to those customers which have not responded to the MOV requests during the cycle itself. Additionally, speedy correction of DAAS rejects and utilization of MOV follow-up procedures should improve (decrease) the non-response rate.

DAASO, as the main interface between the ICPs and customer activities, plays a major role in ensuring the speedy flow of MOV documents. Manual interfaces (mailing of computer rejects, mailing of MOV packages, BMV document preparation) can significantly reduce the time available for customer activities to respond to MOV requests. It is recommended that both the ICPs and DAASO become more stringent on response submission times to ensure customer activities take the MOV process more seriously.

ICP/DAASO recommendations for changing MOV procedures which could improve the response rate include the use of listings vice EAM cards, utilizing only one AN_ card (reduces the potential for lost EAM cards at satellite activities), automatic preparation of a BMV card by DAASO for all deployed and

overseas activities which respond to any MOV requests and increasing the time allowed for the validation process by the customer.

NAVSUP, as the main policy command for the MOV process, should direct ASO and SPCC to adopt the above recommendations and should initiate action with various supply-related training commands to review and ensure that adequate training in MOV procedures is being taught. NAVSUP should also consider action to have instructions submitted with the MOV package, either by the ICP or DAASO, to the customer to provide guidance in processing/validating MOV requests.

A serious review of the MOV process should be undertaken to answer the following questions. Is a 5% non-response rate for ASO/SPCC MOV requests really excessive? Considering the nature of the process (automated, EAM/MILSTRIP format), a 5% non-response rate may actually be very good. Would the cost for reducing the MOV response rate less than 5% be worthwhile? An analysis of the expected benefits (transportation/stock fund savings) versus the cost (manpower, computer upgrades, etc.) should be undertaken. This analysis could at least provide a baseline for further reduction efforts if desired.

APPENDIX

MOV QUESTIONNAIRE

1. The specific cycle(s) in calendar year 1984, identified for your activity, in which outstanding requisitions were cancelled for non-response to MOV requests, which exceeded five percent of the total MOV requests submitted to your activity from the specific ICP, were as follows:

CYCLE	PERCENT CANCELLED	ICP

2. What do you feel was the major reason for the cancellation actions or non-response to the MOV documents listed above?

3. Was the MOV package received within five days prior to cut off (i.e., was there enough time to perform validation and submission of AP-return acknowledgements)?

4. For the specific cycles identified in 1. above, was a BMV document submitted for validation of all outstanding requisitions at the ICP, even if there were no cancellation actions desired?

5. Who initially receives the MOV package (AN_ documents) (i.e., customer services, supply admin., stock control, etc.)?

6. Who is responsible for preparing and submitting the AP9 MOV acknowledgement card?

7. Who exactly is responsible for validating the outstanding requisitions (grade and/or rate)? Was this person responsible for preparing AP_ acknowledgements? If not, who was?

8. At what level are MOV responses reviewed for proper preparation, submission and timeliness?

9. Do you receive BS cancellation actions from the ICP even though you have submitted properly prepared and timely AP_ BMV responses? If so, what do you attribute the reason for such cancellations?

10. What specific training (formal, on-the-job, etc.) has the person primarily responsible for processing MOV responses received?

11. In what ways do you feel the ICP may not follow MOV procedures or err in the process? What action would you take to improve ICP performance in MOV processing?

12. What do you feel is the weakest point in the process?

13. Do you consider the MOV process a worthwhile evolution? If not, why?

14. How would you improve the MOV process at the activity level?

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7.	Defense Automatic Addressing System Office Attn: DAAS-V Dayton, Ohio 45444-5320	2
8.	Prof. Alan W. McMasters, Code 54Mg Department of Administrative Sciences Naval Postgraduate School Monterey, California 93943-5004	1
9.	LCDR Barry A. Frew, Code 54Fw Department of Administrative Sciences Naval Postgraduate School Monterey, California 93943-5004	1
10.	LCDR M.A. Anderson 16032 SE 4th Bellevue, Washington 98008	1

END

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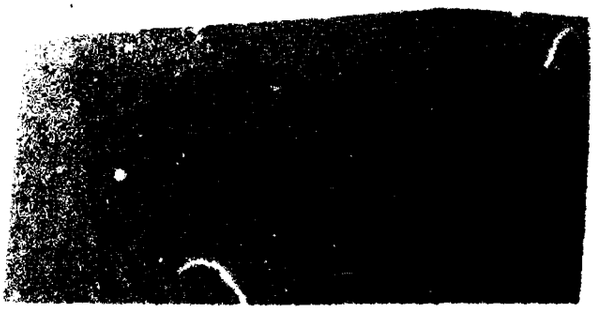

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