



Accession For	
NTIS GRA&I	<input checked="" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By _____	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

TOTAL QUALITY MANAGEMENT MASTER PLAN

RE: Distribution Statement
Approved for Public Release. Distribution
Unlimited.
Per Lt. Col. Callahan, DLA/Q

DEFENSE LOGISTICS AGENCY
JANUARY 1989

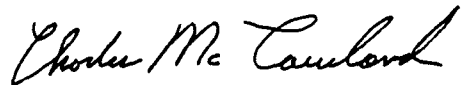
**A MESSAGE FROM THE DIRECTOR ON
TOTAL QUALITY MANAGEMENT**

As you read the DLA Total Quality Management Master Plan, I ask each of you to reflect on the application of "Quality" in your life style. In the context of TQM, the definition of life style includes --- work style, management style, and leadership style.

Total Quality Management is not the traditional "Quality Assurance" approach with which we are all familiar. Rather, it embodies a philosophy that says there is a realm of quality in the way we think, act, conduct our business, and interact with others.

Total Quality Management suggests that we must identify and review the processes that affect our lives and continuously strive for improvement. In the biblical sense, it almost sounds religious. In some ways it is. TQM demands commitment, discipline, and continuous improvement starting with the top executive of an organization.

Rest assured, Total Quality Management has my fullest attention and commitment. I expect it to have yours too. As you become familiar with the Total Quality Management life style, I trust that you will share my enthusiasm and lead DLA along the path of Total Quality Management.


CHARLES McCAUSLAND
Lieutenant General, USAF
Director

FIRST PRINTING
JANUARY 1989

PUBLISHED BY DLA'S
TOTAL QUALITY MANAGEMENT
EXECUTIVE WORKING GROUP
CAMERON STATION
ALEXANDRIA, VA 22304

CONTENTS

SECTION

Concepts	1.
TQM Basics	2.
DoD TQM Philosophy	4.
TQM in DLA	5.
Methodology	11.
TQM Structure	13.
Responsibilities	14.
Core DLA TQM Goals	17.
Develop a Trained Workforce	18.
Harmonize Directives	19.
Integrating Existing Initiatives	20.
Sensitize Industry to TQM	21.
Demonstrate Uncompromising Commitment to Quality	24.
Enhance DLA's Recognition and Award System	27.
Develop Feedback And Communication Systems	28.
Institutionalize TQM Within DLA	29.
Execution	31.
Milestones	33.
Appendices	36.
Glossary Of Terms	A.1.
Headquarters' Initiatives	B.1.
Field Activity's Initiatives	C.1.

CONCEPTS

This document describes the concept of Total Quality Management.

WHAT IS TQM

CONCEPTS

TQM BASICS

The Total Quality Management (TQM) concept is based upon the pioneering work of Dr. W. Edwards Deming, Dr. Joseph H. Juran, Philip B. Crosby, and others.

TQM IS:

- A systematic process for improving products and services;
- A structured, disciplined approach to identifying and solving problems;
- A participatory work style, conveyed by management actions and commitment, which harnesses the creativity and ideas of all employees;
- Long term;
- Supported by Statistical Process Control;
- Practiced by each and every employee.

TQM is NOT:

- A program or fad
- Crisis management
- Conveyed by slogans
- Short term
- Driven by Statistical Process Control
- Assigned to subordinates

Total Quality Management strategy is directed at achieving:

CONTINUOUS PROCESS IMPROVEMENT

Continuous improvement, the TQM hallmark, is realized by focusing on the processes that create products and services.

STRATEGY

management planning and control; management training program

CONCEPTS

Continuous improvement is realized by creating an environment in which all employees are empowered to make improvements in the processes that create products and services. By focusing on the processes and listening to the suggestions of those who work within the process, management can bring about improvements.

**CONTINUOUS
IMPROVEMENT**

Successful implementation of TQM requires:

- Disciplined long term organizational goals
- Empowering all employees by creating an enriched environment in which to work
- Instituting an organized training effort
- Employing formal, structured process improvement techniques and practicing teamwork at all levels in all situations

**ENRICHED
ENVIRONMENT**

TQM requires consistency of purpose which must be oriented towards:

- Process improvement
- Satisfying customers' needs

KEY ELEMENTS

- o REQUIRES COMMITMENT BY TOP MANAGEMENT
 - o CREATES AN ENVIRONMENT FOR CONTINUOUS IMPROVEMENT
 - o SATISFIES CUSTOMER NEEDS
 - o FOCUSES ON TEAM WORK
 - o INVOLVES EVERY INDIVIDUAL
 - o RECOGNIZES THE IMPORTANCE OF PEOPLE
-

CONCEPTS

DoD TQM PHILOSOPHY

TQM is a DoD initiative for continuously improving performance at every level and area of DoD responsibility. Improvement is directed at satisfying broad quality, productivity, cost and schedule goals, and at modifying management techniques. TQM brings together existing improvement efforts and specialized technical skills under a disciplined structure focused on improving all DoD processes. It demands commitment and discipline. It involves everyone. Increasing user satisfaction is the overriding Total Quality Management objective.

TQM IN DOD

KEY ELEMENTS

- o DoD INITIATIVE
 - o DISCIPLINED MANAGEMENT PROCESS
 - o CONTINUOUS PROCESS IMPROVEMENT
 - o EVERYONE INVOLVED
 - o QUALITY PRODUCTS AND SERVICES
 - o REDUCED COSTS
 - o SATISFY CUSTOMERS' NEEDS
-

CONCEPTS

TQM IN THE DEFENSE LOGISTICS AGENCY

The Defense Logistics Agency fully supports DoD's TQM initiatives for continuous improvement at every level. The DLA TQM Master Plan serves as the foundation for the implementation of TQM within the Agency.

TQM is not just another program, fad, slogan, or 'Buzz Word'. It is a philosophy which will be rooted as a way of life within DLA. Adopting this philosophy will require a cultural change in the way we think and do business.

DLA stands to realize major gains from the implementation of TQM throughout the Agency. As a Quality Buyer, a substantial portion of these gains will be found in the products and services we acquire from industry.

We will work towards ensuring that our suppliers embrace the principles of TQM. Our Outreach programs will be oriented to encourage industry to adopt TQM, and to guide industry by example in furthering TQM principles, practices, and philosophy. DLA will be universally recognized as a 'World Class' logistics support activity.

We do not intend to abandon the many productive and innovative improvement programs already developed and working throughout the Agency. On the contrary, on-going programs will be enriched through renewed emphasis under the TQM umbrella.

The TQM Master Plan and the DLA Strategic Plan complement each other. The principles of TQM philosophy are embodied within the strategic planning process and the plan itself.

DLA productivity improvement initiatives pursuant to Executive Order Numbers 12552 and 12637 will enjoy renewed focus under the TQM umbrella. Some other initiatives under TQM include: Competition for Performance, Statistical Process Control (SPC), automated data processing modernization programs, Success Sharing, the Model Installation Program, and the Management Improvement Program.

**NOT A
SLOGAN
FAD OR
BUZZ WORD**

**INTEGRATES
EXISTING
INITIATIVES**

CONCEPTS

DECENTRALIZED

This plan recognizes the importance of decentralizing TQM planning and execution. It is purposely broad so as not to stymie Primary Level Field Activity (PLFA) innovation and initiative. It is recognized that the major TQM benefits will be accrued at, and by, DLA subordinate activities.

KEY ELEMENTS

- o TOP LEVEL COMMITMENT
 - o A CULTURE, NOT A PROGRAM, FAD, SLOGAN, OR 'BUZZ WORD'
 - o ENCOMPASSES ALL PROCESS IMPROVEMENT INITIATIVES
-

The following TQM fundamentals form the premise upon which the DLA TQM Master Plan is built.

**EVERYONE HAS
A CUSTOMER**

Throughout DLA, there are an multitude of different tasks performed daily by members of our very talented workforce. There is at least one customer for the efforts expended in the performance of every task.

Whether customers are co-workers, bosses, organizations, activities, or Soldiers, Sailors, Airmen, and Marines, our customers expect, and deserve, the best we, individually and collectively, can provide.

TQM embraces this important customer/supplier relationship by focusing attention on providing timely quality products and services in

CONCEPTS

everything that we do. Contractors, also customers, deserve quality, on-time services eg. inspection, payment.

Because of the diversity of the DLA mission, the customer/supplier relationship takes on an added dimension within the Agency's TQM implementation strategy.

Providing quality products or services on-time requires that we know and thoroughly understand each of our customer's needs. Likewise, customers must understand the capabilities of the processes which we use to produce products or services.

Both parties in the customer/supplier relationship must work together to ensure that needs and capabilities are correlated to the maximum extent practicable.

The DLA TQM effort requires a close customer/supplier relationship, and the flexibility to achieve continuous improvement.

**UNDERSTAND
CUSTOMERS'
NEEDS**

KEY ELEMENTS

- o CUSTOMER ORIENTATION -- THEY DESERVE THE BEST
- o KNOWLEDGE OF CUSTOMERS' NEEDS REQUIRED
- o CLOSE CUSTOMER/SUPPLIER RELATIONSHIP ESSENTIAL
- o FLEXIBILITY PARAMOUNT

People are our most important resource. The success of TQM throughout DLA necessitates the active involvement of each and every member of the DLA family. Everyone is personally responsible for developing an attitude within the Agency that encourages constructive change,

**PEOPLE ARE
IMPORTANT**

PAGE 7.

CONCEPTS

identifies opportunity, and stimulates innovative ideas for continuous improvement.

Management is responsible for creating an environment which values all individuals and fosters the trust which allows open communication and permits change.

Individual contributions will be actively sought in our quest to upgrade the quality of the products and services DLA buys and produces. Concurrently, management must strive to upgrade the quality of worklife which will also contribute to an environment which fosters continuous improvement.

Individuals and activities will be appropriately recognized for contributions to process, quality of work life, and participatory management improvements.

**RECOGNITION
IS ESSENTIAL**

KEY ELEMENTS

- o PEOPLE ARE THE MOST IMPORTANT TQM RESOURCE
 - o EMPLOYEE RECOGNITION CRITICAL
-

A process is a systematic approach to accomplishing a specific task. Just as everyone has customers, every task involves processes.

Focusing on the processes used to create products and services is fundamental to TQM.

Whatever the task, many people are involved with the myriad of processes which contribute to DLA mission accomplishment. Employee knowledge, analysis, measurement, and improvement of work processes is key to the success of TQM.

**CONTINUOUS
PROCESS
IMPROVEMENT**

CONCEPTS

It is a basic precept of TQM that all employees have a profound knowledge of each process with which they are involved, and that they use that knowledge to enhance efficiency and effectiveness. Positive improvement is primarily generated from the ideas of those who participate in processes.

**PROFOUND
KNOWLEDGE**

Only after every aspect of each process is mastered, can analysis, measurement, and improvement efforts be effected which integrate TQM into the DLA business modus operandi.

Process analysis is a critical component of the DLA TQM effort. Many proven management techniques and analytical tools are available to assist in process analyses.

Through profound knowledge and appropriate statistical tools, potential improvements can be identified, beginning with the areas offering the largest return on investment. It is imperative that critical control points be isolated in processes where opportunities for improvement exist.

**PROCESS
ANALYSIS**

KEY ELEMENTS

- o PERFORMANCE INVOLVES PROCESSES
 - o PROFOUND KNOWLEDGE OF PROCESSES NEEDED
 - o MANAGEMENT TECHNIQUES AND ANALYTICAL TOOLS ARE KEYS TO PROCESS IMPROVEMENT
-

Process improvement necessitates application of disciplined systems. By applying problem solving techniques, systemic weaknesses and

PAGE 9.

CONCEPTS

**DISCIPLINED
SYSTEMS**

potential solutions can be identified, and the impact of alternative solutions determined. Statistical Process Control and other graphic methods can help in determining if processes are within acceptable tolerances.

**TEAM
CONCEPT**

Special Process Action Review Committees (SPARCs) (further addressed in the next section under methodology) will be formed to assess processes requiring a multi-talented and/or multi-functional team effort. SPARC members should be trained in problem solving techniques and statistical analysis methods to enhance their effectiveness.

SPARC focus will be on process improvement -- the cornerstone of TQM.

MEASUREMENT

Measurement data will be used to determine if process analysis and improvement techniques are successful. If changes to processes are ineffective, new or revised process changes will be incorporated in the process improvement cycle.

KEY ELEMENTS

- o DISCIPLINED IMPROVEMENT SYSTEM VITAL
 - o TEAMWORK IS FOUNDATION TO SUCCESS
 - o PROCESS CHANGE MEASUREMENT IS CRITICAL
-

METHODOLOGY

METHODOLOGY

HOW TO

Cultivating Total Quality Management as a way of life for DLA will require development of a TQM structure, identification of responsibilities and establishment of goals. It will also require follow-up by all levels of management to track implementation and progress.

The DLA TQM Master Plan contains broad goals and objectives which provide a framework for Total Quality Management in DLA. These broad goals and objectives will be reflected and supported by specific process improvement goals developed by the Headquarters DLA Principal Staff Elements (PSEs) and the PLFAs.

In DLA, TQM goals will be translated into improved products and services through the repetitive, continuous use of a process improvement cycle. The process improvement cycle will consist of:

- Identification of work processes
- Identification of relevant measurement points
- Identification and prioritization of opportunities for improvement
- Implementation of the best solutions
- Monitoring effectiveness

SPARCs will be formed to effect process improvement both within a functional area and when it is necessary to address processes that span two or more functional areas. The staff element having primary staff responsibility for the initiative will determine the SPARC membership and appoint a team leader.

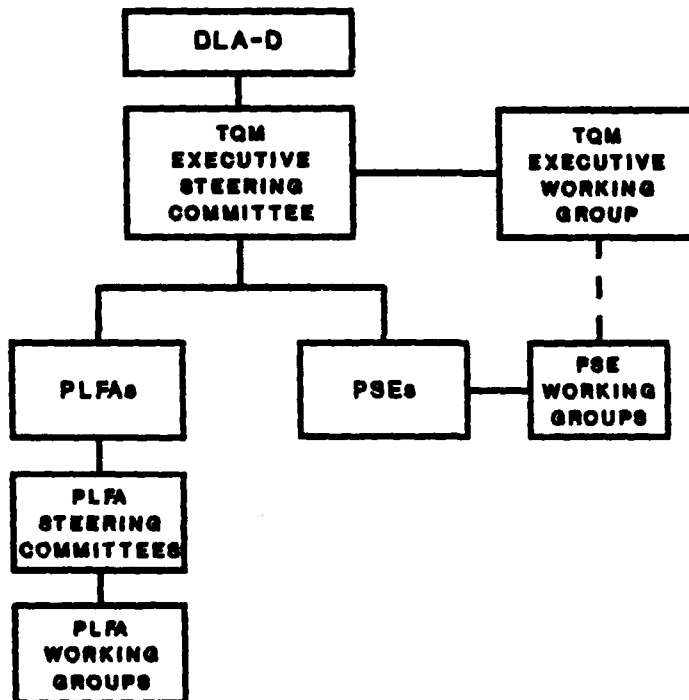
METHODOLOGY

KEY ELEMENTS

- o DEVELOP TQM STRUCTURE
 - o DEFINE RESPONSIBILITIES
 - o ESTABLISH GOALS
 - o MANAGEMENT FOLLOW UP
-
-

TQM STRUCTURE

A TQM structure will be established which piggybacks on the current organization to the maximum extent possible. The basic TQM structure for DLA is diagrammed below:



**LEADERSHIP
INVOLVEMENT**

METHODOLOGY

The Headquarters DLA TQM structure will consist of an Executive Steering Committee (ESC), an Executive Working Group and PSE Functional Working Groups. The ESC will include all PSE heads and will be chaired by the Executive Director, Directorate of Quality Assurance. The Executive Working Group membership will include an action officer designated by each PSE and a group leader appointed by the ESC chairman. PSE working group membership will be determined by each PSE Head.

Each PLFA will establish a Steering Committee which reports to the PLFA Commander and is supported by Working Groups. The composition of Steering Committees and Working Groups will be determined by each PLFA.

KEY ELEMENTS

- o CONSISTENT WITH DLA ORGANIZATION
 - o INVOLVES TOP MANAGEMENT
 - o INCORPORATES WORKING GROUPS
-

RESPONSIBILITIES

The overall DLA TQM effort will be the responsibility of the DLA ESC which will report to the Director of the Agency. The DLA ESC will:

- Advise the Agency Director
- Establish broad DLA TQM goals
- Provide guidance and direction for TQM implementation
- Oversee TQM in DLA

METHODOLOGY

The ESC will meet at the call of the chairman, but no less than quarterly, to discuss, formulate, and refine TQM policy, initiatives, goals and achievements. The ESC will be supported by the Executive Working Group which will facilitate TQM implementation at the Headquarters, assist the PLFAs with their programs and serve as the Agency focal point for TQM.

The PSE heads supported by Working Groups will implement the HQ DLA Master TQM Plan, prepare PSE TQM plans and provide oversight of functional area TQM implementation by the PLFA(s). The PSE plans will incorporate the DLA Master Plan methodology and broad goals, provide specific functional area process improvement goals, and contain procedures for tracking the implementation of TQM initiatives.

The PLFAs will prepare TQM implementing plans which incorporate the methodology and goals established by the Headquarters DLA ESC and applicable functional area goals identified in the PSE TQM plans. The PLFA plans will also contain PLFA unique/specific goals, as may be appropriate, and procedures for tracking progress.

PSE and PLFA implementing plans will include the following five sections: Concept, Methodology, Goals, Execution, and Appendices. A copy of each PSE and PLFA implementation plan will be provided to the Executive Working Group.

IMPLEMENTING PLANS

METHODOLOGY

KEY ELEMENTS

- o **ESC**
 - oo **DLA TQM MASTER PLAN**
 - oo **MANAGEMENT OVERSIGHT**
 - o **PSE**
 - oo **IMPLEMENTING PLAN**
 - oo **FOCUS ON FUNCTIONAL AREA**
 - o **PLFA**
 - oo **IMPLEMENTING PLAN**
 - oo **INCORPORATE HQ DLA GOALS**
 - oo **SPECIFIC PLFA GOALS**
-

CORE DLA TQM GOALS

CORE DLA TQM GOALS

The TQM Core Goals listed in this section are considered necessary for successful integration of TQM throughout DLA. They do not exhaust all of the actions required nor do they limit additional goals as we progress to the quality life-style engendered within the TQM philosophy. Field activities, particularly, may want to expand these goals to better encompass the mission of their organization.

DEVELOP A TQM TRAINED WORKFORCE

Successful implementation of TQM in DLA requires a properly trained blue and white collar workforce, including executives, managers, facilitators and workers alike. TQM requires a level of commitment, involvement and dedication which can only be achieved by a structured, continuous education program. This training must begin at the executive level and deliberately permeate the entire organization through an organized downward training cycle. DLA training will consist of five elements:

- Introduction of TQM concepts to executives, managers, supervisors and employees.
- Training of TQM facilitators who will serve as internal consultants to support TQM in operation.
- Utilization of publicity/information services to keep the program and training opportunities in the forefront.
- Identification of subsequent, increasingly detailed continuing TQM training opportunities for supervisors and managers.
- Establishment of the necessary processes to administer the TQM training program.

COMMITMENT
TO
TRAINING

CORE DLA TQM GOALS

While training will be a continuous effort, a successful, organized approach to TQM requires that the highest levels of management receive proper training as a priority, followed by the development of facilitators and training of middle management and other personnel requiring specialized training. Specific milestones will be developed by each PSE and PLFA for their activity. Training will focus on both internal and external applications of TQM and related management principles.

**CONTINUOUS
TRAINING**

KEY ELEMENTS

- o SECURE APPROPRIATE TRAINING
 - o TOP DOWN TRAINING
 - o DEVELOP FACILITATORS
 - o CONTINUOUS TRAINING
-

HARMONIZE DIRECTIVES

DLA, like any organization, operates under policies, guidelines, regulations and laws from both internal and external sources. If we are to assure that Total Quality Management permeates our daily activities, and fosters improvements in our processes, inconsistencies within existing directives must be corrected. The basic intent is to eliminate barriers to success whether internally or externally imposed.

As the Total Quality Management process takes hold in DLA, management must assure commonality and consistency of improvement approaches by eliminating contradictory signals. Motivating factors must be consistent with the TQM philosophy. Directives, regulations,

**INTERNAL
BARRIERS**

PAGE 19.

CORE DLA TQM GOALS

instructions and attitudes will be reviewed for conflict with the TQM approach and harmonized accordingly.

**EXTERNAL
BARRIERS**

Total Quality Management requires review of the processes of our work environment. By virtue of the mission of DLA, we interface with a multitude of outside agencies, whose directives, policies and attitudes directly impact DLA's work environment. While often more difficult to resolve than internal issues, external barriers must also be reviewed and properly assessed in light of TQM. An approach must be developed for removing any external obstacles.

KEY ELEMENTS

- o IDENTIFY AND REMOVE INTERNAL OBSTACLES
 - o HARMONIZE TQM EFFORTS AND DIRECTIVES
 - o IDENTIFY EXTERNAL OBSTACLES
 - o DEVELOP APPROACH TO REMOVE EXTERNAL OBSTACLES
-

INTEGRATE EXISTING INITIATIVES

Existing initiatives within DLA which encompass the principles of continuous process improvement will be defined and synchronized under the TQM umbrella. PSEs or PLFAs responsible for each initiative will carefully review the application of each initiative or program and modify or refine procedures to insure that they are in conformance with TQM. A discussion of some ongoing initiatives or programs which fall under the TQM umbrella is provided at appendices B and C. These appendices are not intended to be all

SYNCHRONIZE

CORE DLA TQM GOALS

inclusive. Additions or deletions may occur as TQM implementation and training progresses throughout the Agency.

KEY ELEMENTS

- o DEFINE EXISTING INITIATIVES
 - o MODIFY OR REFINER
 - o SYNCHRONIZE UNDER TQM
-

**SENSITIZE INDUSTRY TO TQM,
AND ENCOURAGE ADOPTION IN BUSINESS STRATEGY**

DLA is uniquely suited to accommodate this goal by virtue of our:

- Defense Contract Administration Services (DCAS) mission (Administration of over 400,000 prime contracts and approximately 100,000 support contracts at 30,000 contractor facilities)
- Geographic dispersion (Nine DCAS Regions, 39 DCAS Management Areas and 46 DCAS Plant Representative Offices)
- Colocation with industry holding major government contracts (Administrative Contracting Officers and their teams including Quality Assurance Representatives)
- Frequent, routine visits with senior industry officials who mold business strategy and influence business operations (DLA leaders routinely participate in contracting and administration symposia and seminars sponsored by industry associations and individual companies)

**MILITARY
INDUSTRIAL
INTERFACE**

CORE DLA TQM GOALS

OUTREACH

These industrial sector contacts provide an ideal forum to further DoD acquisition goals and objectives while influencing industry business operations.

DLA has a very active industry outreach program oriented to provide information regarding:

- Real and projected contracting opportunities
- Efforts to expand the Defense industrial base for selected products and product lines
- Initiatives to increase contracting opportunities for targeted business and socio-economic sectors

This outreach network is an ideal catalyst to emphasize the TQM philosophy, concepts and initiatives in both written and verbal communications. The primary focus is to emphasize the advantages inherent by institutionalization of a total quality culture to include:

- Better opportunity to maximize profits
- Enhanced competitiveness in the private, public and international sectors
- Increased cash flow, influenced by contractor's contributions to quality

DLA enters into more than 1,400,000 contracts annually for goods and services to support our Armed Forces. Our solicitations for expressions of interest and for proposals are an effective extension of the DLA outreach program. They provide an excellent means to cause industry to embrace the TQM philosophy.

CORE DLA TQM GOALS

Solicitations serve as a catalyst to gain and hold contractors' attention because of DLA "World Class Customer" initiatives which:

- Reward quality producers
- Buy on the basis of best value award decision criteria vice lowest cost
- Consider past performance in source selection decisions

Many aggressive and innovative initiatives are already ongoing throughout the Agency. Most are oriented at eliminating poor performers and buying quality up-front through source selection strategies which embrace TQM by identifying DLA as a "Quality Buyer".

WORLD CLASS

**QUALITY
BUYER**

KEY ELEMENTS

- o SENSITIZE INDUSTRY TO TQM
 - o BUILD TQM INCENTIVES INTO THE PROCUREMENT PROCESS
 - o OUTREACH TO INDUSTRY
-

CORE DLA TQM GOALS

**ACTIVE
PARTICIPATION**

**DEMONSTRATE AN UNCOMPROMISING COMMITMENT
TO BUYING AND SUPPLYING THE HIGHEST
QUALITY PRODUCTS AND SERVICES.**

The active and innovative participation of the entire team of DLA multifunctional subordinate activities is the foundation of the DLA TQM effort. Success requires a total quality, customer satisfaction orientation in every agency mission area directly supporting each phase of the Weapons System Life Cycle. These include the:

- Procurement of products and services.
- Stocking, storing and distribution of materiel
- Administration of contracts assigned by the military services and DLA
- Disposal of materiel declared obsolete or surplus
- Support provided by DLA Service Centers

**DLA
CENTERS**

DLA manages over 2.8 million items, approximately 60% of the consumable DoD national stock numbered inventory. To accomplish this vital Defense readiness responsibility, the Defense Supply Centers execute about 1,400,000 contracts annually. The processes required to accomplish this monumental procurement and contracting task will enable DLA to:

- Identify and effect corrections to real and suspected bottlenecks to government contracting
- Test innovative procedures and practices to fix contracting process flaws and to streamline the contracting process
- Reorient buying practices and strategies to better assure timely delivery of quality products

CORE DLA TQM GOALS

- Help restore public trust and confidence in the DoD Procurement Process
- Enhance our credibility with, and the satisfaction of, customers we support

In this regard the DLA buying activities have sought, and will continue to pursue, contracting strategies which:

- Base awards on best value proposals vice lowest cost
- Disqualify poor performers from competing
- Recognize and/or reward proven responsible contractors in the source selection process

Approximately two million items valued at about \$11.5 billion are stored in the DLA depot system. Our six depots receive and issue more than 20 million requisitions annually. DLA depots have demonstrated sensitivity for the need to:

- Streamline operations
- Reduce depot operating costs through incorporation of TQM techniques
- Better assure depot stock is of the highest quality and conforms to customer needs

Improvement programs are being tested, demonstrated, and installed throughout our depot system. The Agency will continue to take the lead to develop and initiate programs to continuously improve depot management, materiel oversight, and operating procedures which will, in turn, enhance customer support worldwide.

The DCASRs will also continue to aggressively support this goal through initiatives which:

- Reduce the potential for nonconforming materiel entering the DoD logistics pipeline.

**INNOVATIVE
CONTRACTING**

**DLA
DEPOTS**

**CONTRACT
ADMINISTRATION**

CORE DLA TQM GOALS

- Encourage contractors to reduce costs associated with production inefficiency and poor quality
- Enhance communications with corporate management
- Evaluate effectiveness of contractor use of SPC and other analytical techniques
- Train the ACO teams in SPC and other analytical techniques
- Eliminate poor performers during preaward surveys
- Provide current information to buying and specification control activities regarding contractor progress and issues relating to technical data, which may require Government action
- Pursue quality producers which will allow reduction in contract management oversight

DRMS

The Defense Reutilization and Marketing Service (DRMS) operates field offices at over 200 locations worldwide to receive, redistribute, and conduct public sales and otherwise dispose of surplus and excess property. Annual throughput of five million line items is valued at seven billion dollars. DRMS will continue to support TQM through initiatives to:

- Develop a clear, functional business strategy for each mission area
- Improve methods for handling and accounting for low value condemned items
- Streamline local sales procedures
- Simplify operating regulations and procedures

CORE DLA TQM GOALS

- Upgrade aging and unsightly facilities
- Ensure full compliance with environmental requirements

The DLA family will continue to pursue innovative and enterprising techniques and programs which further the TQM philosophy and demonstrate an uncompromising commitment to buy and supply the highest quality products and services.

KEY ELEMENTS

- o UNCOMPROMISING COMMITMENT TO QUALITY
 - o ENTIRE DLA FAMILY PARTICIPATES AND CONTRIBUTES
 - o CUSTOMER SATISFACTION ORIENTED
 - o IMPROVED MATERIEL READINESS SPINOFF
-

ENHANCE DLA RECOGNITION AND AWARD SYSTEM

As with other disciplines embodied under the umbrella of TQM, recognition and awards for deserving individuals and groups will be accomplished through existing methods. However, recognition programs will be enhanced to reward TQM super achievers and to publicize success stories.

**REWARD
ACHIEVERS**

CORE DLA TQM GOALS

KEY ELEMENTS

- o RECOGNIZE TQM ACHIEVEMENTS
 - o USE EXISTING/ENHANCED RECOGNITION METHODS
 - o SPREAD THE WORD ON SUCCESS STORIES
-

DEVELOP FEEDBACK AND COMMUNICATION SYSTEM

Feedback and communication systems will be developed or enhanced to provide mechanisms for capturing and sharing benefits resulting from TQM implementation. Existing functional area feedback systems which measure customer satisfaction will be fine-tuned to facilitate the evaluation of process improvements and TQM implementation. Communication systems including electronic mail, e.g., Idea Net will be used to share information concerning successful TQM initiatives throughout DLA. A quarterly TQM Newsletter will be developed to publicize TQM at all levels of the Agency's workforce, and eventually, to DLA customers and contractors.

COMMUNICATE**PUBLIC
RELATIONS**

KEY ELEMENTS

- o ENHANCE EXISTING FEEDBACK PROGRAMS
 - o COMMUNICATE AND PUBLICIZE TQM
-

CORE DLA TQM GOALS

INSTITUTIONALIZE TQM WITHIN DLA

The ultimate goal is to incorporate TQM into the everyday life of the Agency. The principles, training practices and processes aimed at achieving continuous improvement will become routine business for DLA. The TQM label will eventually fade from use when continuous process improvement is ingrained throughout the Agency as the normal method of operation by all employees at all levels.

WAY
OF
LIFE

This goal will be accomplished through the commitment and participation of the Agency's top management at the Headquarters and the PLFAs. Top leadership commitment will be amplified by a continuous education program which will be used to instill the TQM philosophy at all levels of the workforce.

This TQM Master Plan constitutes guidance and direction regarding implementation of Total Quality Management throughout the Defense Logistics Agency.

KEY ELEMENTS

- o TOP MANAGEMENT COMMITMENT
 - o CONTINUOUS EDUCATION
 - o INGRAINED THROUGHOUT THE AGENCY
 - o CONTINUOUS PROCESS IMPROVEMENT
-

EXECUTION

EXECUTION

This portion of the plan contains the actions DLA is taking to implement TQM throughout the Agency. Listed on the following pages are the broad or encompassing actions necessary to complete major milestones for the execution strategy.

MILESTONES FOR DLA'S TQM EXECUTION PLAN		CY 1989				CY 1990				CY 1991				CY 1992				CY 1993				CY 1994			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1.	EXECUTIVE DECISIONS																								
1.A.	ESTABLISH STEERING COMMITTEE																								
1.B.	ESTABLISH TQM STAFF RELATIONSHIP																								
1.C.	PUBLISH DLA TQM MASTER PLAN																								
2.	IMPLEMENTING PLANS																								
2.A.	PUBLISH PSE IMPLEMENTING PLANS									0															
2.B.	PUBLISH PLFA IMPLEMENTING PLANS									0															
3.	EDUCATION/TRAINING																								
3.A.	DEVELOP TRAINING REQUIREMENTS																								

LEGEND: 0 SCHEDULED START * SCHEDULED COMPLETION ● STARTED ■ COMPLETED === ON-GOING PROCESS

MILESTONES FOR DLA'S TQM EXECUTION PLAN		CY 1989		CY 1990		CY 1991		CY 1992		CY 1993		CY 1994	
		1	2	3	4	1	2	3	4	1	2	3	4
3.B.	IDENTIFY TRAINING COURSE AVAILABILITY	●	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
3.C	CONDUCT TRAINING	0	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
4.	AWARDS/RECOGNITION PROGRAM												
4.A	ENHANCE AWARDS/RECOGNITION PROGRAM	0	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
5.	FEEDBACK/MONITORING SYSTEM												
5.A	ESTABLISH TQM COMMUNICATION METHODS	0											
6	SENSITIZE INDUSTRY TO TQM												
6.A	BUILD INCENTIVES INTO PROCUREMENT PROCESS	0	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

LEGEND: 0 SCHEDULED START * SCHEDULED COMPLETION ● STARTED ■ COMPLETED === ON-GOING PROCESS

MILESTONES FOR DLA'S TQM EXECUTION PLAN		CY 1989				CY 1990				CY 1991				CY 1992				CY 1993				CY 1994			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
6.B	OUTREACH PROGRAM																								
7.	BUY AND SUPPLY QUALITY																								
7.A.	CUSTOMER SATISFACTION																								
7.B.	PUBLICIZE																								
8.	INTEGRATE EXISTING INITIATIVES																								
8.B.	IDENTIFY INITIATIVES																								
8.C.	CORRELATE WITH TQM EFFORT																								
9.	HARMONIZE DIRECTIVES AND REGULATIONS																								

LEGEND:

○ SCHEDULED START * SCHEDULED COMPLETION ● STARTED ■ COMPLETED === ON-GOING PROCESS

APPENDICES

GLOSSARY OF TERMS

APPENDIX A

TERMS

Process - A systematic approach to accomplishing a specific task.

Control Chart - A method of monitoring the output of a process or system, through the sample measurement of a selected characteristics or characteristics and the tracking/analysis of its performance over time.

Fishbone Chart - A cause and effect diagram for analyzing problems and the factors that contribute to those problems.

Histogram - A bar graph displaying a frequency distribution of actual factors.

Pareto Chart - A bar graph of identified causes shown in descending order of magnitude or frequency.

Scatter Diagram - A graph displaying the correlation of two characteristics, normally a comparison/relationship.

Process Improvement Cycle - An analytical method for improving processes. The improvement cycle consists of: identification and definition of the processes by which work is accomplished, identification of relevant measurement points, identification and prioritization of opportunities for improvement, implementation of the best solutions and monitoring of effectiveness.

Productivity - The efficiency with which resources are used to produce a government service or product at special levels of quality and timeliness.

Special Process Action Review Committee - Action teams which are formed as needed for those TQM initiatives which address improvements to processes.

Statistical Process Control - A measurement method used for assessing the performance of processes.

Total Quality Management - A strategy for continuously improving performance at every level and in all areas of responsibility.

Quality - The extent to which a product or service meets customer requirements and is fit for use.

ABBREVIATIONS

ACO - Administrative Contracting Officer

AI - Artificial Intelligence

CFR - Conceptual Functional Requirements

DCASR - Defense Contract Administration Services Region

DLA - Defense Logistics Agency

DMINS - Distributed Miniature Computer System

DSC - Defense Supply Center

E* - Excellence & Efficiency in an Enriched Environment

ESC - Executive Steering Committee

IDTC - Indefinite Delivery Type Contract

PLFA - Primary Level Field Activity

PSE - Principal Staff Element

QAR - Quality Assurance Representative

QUEST - Quality Effectiveness Sensing Technique

SAMMS - Standard Automated Materiel Management System

SPARC - Special Process Action Review Committee

SPC - Statistical Process Control

SPD - Special Purpose Data

TQM - Total Quality Management

VE - Value Engineering

APPENDIX A

HQ DLA PRINCIPLE STAFF ELEMENTS

DLA-A - Directorate of Contract Management

DLA-B - Office of Public Affairs

DLA-C - Office of Comptroller

DLA-D - Director, Defense Logistics Agency

DLA-G - Office of General Counsel

DLA-I - Office of Command Security

DLA-J - Office of Contracting Integrity

DLA-K - Office of Civilian Personnel

DLA-L - Office of Policy and Plans

DLA-M - Office of Military Personnel

DLA-N - Directorate of Stockpile Management

DLA-O - Directorate of Supply Operations

DLA-P - Directorate of Contracting

DLA-Q - Directorate of Quality Assurance

DLA-S - Directorate of Technical and Logistics Services

DLA-U - Office of Small and Disadvantaged Business Utilization

DLA-W - Office of Installation Services and Environmental Protection

DLA-X - Office of Administration

DLA-Y - Office of Congressional Affairs

DLA-Z - Office of Telecommunications and Information Systems

HEADQUARTERS' INITIATIVES

APPENDIX B

The Defense Logistics Agency has under way a number of very successful process-improvement initiatives. By synchronizing and refining them, DLA hopes to improve the uniformity of their application, which will contribute to their institutionalization as key components of the TQM philosophy.

ARTIFICIAL INTELLIGENCE (AI)

Expert systems, natural language interfaces, vision and voice systems, and intelligent robots are being used to reduce routine decision-making by DLA personnel so that they can concentrate on more important issues.

Examples of current projects include an Inventory Manager's Assistant to reduce the manual workload associated with reviewing recommended buys from the Standard Automated Materiel Management System, a Buyer's Assistant to help a buyer in selecting contract clauses for solicitations in bulk fuel procurements, and a laptop computer application to assist contract administration personnel in reviewing purchasing system procedures.

DLA is also forming an Artificial Intelligence Coordinating Group to focus on AI policy issues, identify projects, and develop systems and support mechanisms.

BUYING BEST VALUE

DLA productivity activities have taken the lead to introduce value (quality), vice price alone, into our pricing process. Buying Best Value initiatives demonstrate DLA's commitment to be universally recognized as a 'World Class' logistics support activity.

Under DLA's Competition for Performance program, contractors with a sterling delivery and quality history are being included on a Quality Vendor List and thus far have won 28 contracts at a price higher than the lowest offeror's. Similarly, under the

Defense Personnel Support Center's 'greatest value source selection' and 'low cost, technically acceptable' approaches, technical and managerial factors are considered in addition to price.

DLA is also developing tools for evaluating and quantifying how much it costs the government to conduct preaward surveys and source inspections or to accept late deliveries. In explicit recognition of the cost of doing business with less than stellar performers, such costs will be added to an otherwise apparent successful low offeror's bid before a contract is let.

CONCEPTUAL FUNCTIONAL REQUIREMENT (CFR)

This document represents the distillation of all concepts and projects associated with DLA's modernization effort. It contains the elements of technology that will support the functional changes in the automation process that the agency expects to occur in the near and long terms.

DLA's modernization effort recognizes that benefits will depend on systems that are interoperable within DLA, with the services, and with industry and other government agencies. The CFR employs the 'subject area' data base concept and new technical architecture platforms to achieve this interoperability, serve the needs of the business areas and provide the flexibility for continued modernization.

APPENDIX B

DLA STRATEGIC PLAN

Published in 1985 and revised in 1988, this plan is the result of a major effort within DLA to rethink its mission, problems, opportunities, goals, objectives, strategies and tasks. It considers the fundamental nature of the environment in which DLA and the defense logistics community will operate in the future.

The plan builds on business area analyses and requirements developed during DLA's systems modernization program. Focusing on logistics information management, it represents a grand strategy for improving service to the military services through an improved understanding of customer consumable-item needs, item availability and industrial capabilities. The plan is a living document in the sense that it has the flexibility to expand and change as new requirements and tasks develop.

FUTURES

In May 1987 all DLA commanders provided their written views about the state of the art of human resources management in DLA and what must be done in the next three to eight years to ensure that the agency is prepared for personnel management challenges in the 21st century. Top-level managers from each field activity and the headquarters subsequently met and debated the issues; the ensuing report included recommendations which were endorsed by the agency director, and implementation is ongoing.

In November 1988 a second conference used the same approach to consider the development of the work force and managers, the work environment, and the culture of the agency. A report is forthcoming.

INDUSTRIAL ENGINEERING

DLA personnel trained in industrial engineering are developing work measurement standards that define the optimal method of completing given tasks, forming the basis for determining organizational and functional efficiency. The standards documentation is a starting point for the reviews used in TQM to generate improvement, and the data form a baseline for measuring that improvement.

PAY FOR KNOWLEDGE DEMONSTRATION PROJECT

This Office of Personnel Management-approved project at the Defense Depot Ogden Utah is structured around work teams rather than individual positions. Scheduled to begin by the end of FY 1989 and last for five years, the project applies novel public-sector compensation concepts gleaned from the best in the private sector. Major employee development opportunities underline the project, providing the potential for major gains in employee job satisfaction. More significantly, the project calls for fundamental cultural change in the depot management philosophy of performance assessment and organizational design. An independent evaluation will provide a basis for recommending permanent legislation.

PRODUCTIVITY

In December 1988 DLA published *Excellence and Efficiency in an Enriched Environment*, which describes in detail the agency's productivity program. It embodies TQM philosophy, and is a catalyst for long-term improvement in productivity throughout the Agency.

DLA's earliest productivity efforts focused on methods improvements and capital investments in equipment and automation, which now are integral to the agency's strategic

APPENDIX B

plan. Subsequently, DLA emphasized people-oriented efforts such as quality circles and employee suggestion programs. Today, the agency believes that long-term gains require a profound change to the organizational culture that is grounded in participatory management. Areas of emphasis include:

- Meaningful employee involvement through self-managed work teams with a focus on customers and work processes.
- Quality of work life and programs which recognize, reward and evaluate employees and enhance and motivate professionalism, productivity and quality and performance.
- Use of industrial engineering and Statistical Process Control (SPC) data and techniques to support continued improvement of work processes.
- Recruiting and training a flexible work force to respond to DLA's highly volatile work load and work processes.

QUALITY EFFECTIVENESS SENSING TECHNIQUE (QUEST)

For years the Defense Contract Administration Services has been hampered by a lack of meaningful data to measure the effectiveness of its quality assurance function. But in 1986, a Study Advisory Group developed QUEST, a mathematical model which provides a relative measure of QA effectiveness for both in-plant representatives and the contractor.

The model rates facilities with respect to their peers nationwide and stratifies peer groups by commodity, in-plant quality requirements and the number of government QA personnel assigned. QUEST helps first-line supervisors and higher-level QA management identify problems with the Contract Quality Assurance Program and the contractors.

QUEST was successfully tested in DCASR Chicago and will be exported to the other eight DLA regions during 1989.

RECOGNITION AND AWARD SYSTEM

The incentive awards program recognizes outstanding employees with cash awards for special acts or services, sustained superior performance, and other on-the-spot accomplishments. The program also rewards employees for creative ideas that enhance efficiency and effectiveness.

Under TQM, DLA is developing a special awards scale to provide bonus funds for TQM-related achievements. A competitive honorary award for Total Quality Managers is in the planning stage. Employee accomplishments will be publicized in agency and commercial publications.

REDUCTION IN PRODUCT NONCONFORMANCE

This initiative addresses the large amount of material presented for acceptance to the government which does not meet contract specifications. Originally conceived by DCASR Boston as the Incentive Based Corrective Action program, it called for dedicated involvement in corrective action by both the government and the manufacturer; lack of progress resulted in a requirement that the contractor provide monetary consideration for the shortfall.

Eventually, this evolved into GET SPEC, or the Get Specified Product End Conformance program, which establishes thresholds of acceptable levels of nonconformance as well as goals for reducing it. Under this program, consideration was obtained only if the contractor failed to meet the negotiated goals.

The current program includes many elements of GET SPEC as well as military service initiatives such as the Army's Contractor Performance Certification Program. This latest evolution has positive incentives for quality contractors and negative incentives for those who fail to adhere to standards of quality. Focusing on profits has significantly motivated top-level corporate managers.

APPENDIX B

STATISTICAL PROCESS CONTROL (SPC)

This scientific method of identifying and eliminating problems is applicable to manufacturing, engineering, purchasing, sales, service and general administration. Each step of a work process is analyzed and critical junctures pinpointed so that managers and employees can take necessary corrective action to improve operating efficiency. Tools include pareto charts, fishbone charts, histograms, scatter diagrams and control charts.

DLA is sensitive to the benefits which can accrue through the effective application of SPC. Ongoing initiatives are multi-faceted to continuously enhance overall Agency effectiveness, customer support and product quality.

The procurement community has long recognized SPC as an effective tool to reduce production process variations and improve product quality. Policy requires that a special clause requiring SPC be considered for incorporation into DLA contracts. The clause would require contractors to develop a formal plan to use SPC in their production processes. Additionally, the Defense Industrial Supply Center (DISC) is developing an SPC clause to incorporate into all contracts for fasteners identified by the military services as safety critical. The intent is two fold: to direct procurements of safety critical fasteners to actual manufacturers vice distributors; and to better ensure that absolute control is maintained over production processes. Consideration will be given to expanding the mandatory use of SPC to other contracts for special categories of material purchased by DLA.

Comprehensive training is being provided Quality Assurance Representatives (QARs) to insure they are adequately skilled to oversee contracts which require SPC. A 40-hour training course is provided, and the 20 instructors (facilitators) on-board throughout the Agency have trained over 600 Quality Assurance personnel.

SPC is also being effectively utilized to improve internal DLA operations by identifying specific functions to which SPC is well-suited, developing appropriate statistical tools for its implementation and establishing automated support systems such as the Distributed Miniature Computer System (DMINS) for its application. SPC is also being successfully used to distribute work load, justify resources, determine need for process and policy changes, and to highlight requirements to redirect programs and training emphasis.

VALUE ENGINEERING (VE)

This program has traditionally focused on cost reductions and productivity gains, largely dismissing quality as a 'fringe' benefit. TQM recognizes that quality pays.

DoD's newly revised value engineering directive states, 'The objective is to simultaneously improve quality, reduce cost, and improve schedules.' This acknowledges that VE's traditional approach, combined with a renewed emphasis on quality, can significantly lower life cycle costs. DLA directives are being changed to incorporate this significant reorientation to TQM philosophy.

WORK TEAM BUILDING

Work teams combine all the skills required to support a single set of customers or products. This concept which applies novel public-sector compensation concepts, has increased productivity, quality and worker satisfaction. Team members feel a greater commitment to the organization, are more conscious of customers' needs and willing to improve the process.

The Depot-wide efforts at DDOU are part of a five year demonstration project. However, some benefits of a team structure can be realized without changes to current Civil Service regulations. This will be examined by DLA functional experts in a fashion similar to the earlier Business Area Analyses.

The creation of teams requires a cultural change. Different ways of interacting, communicating, making decisions, and supervising require participatory management styles. Since team members will perform several tasks in support of customers, broad skills must be developed.

APPENDIX B

FIELD ACTIVITY'S INITIATIVES

APPENDIX C

Many Primary Level Field Activities have initiated programs that support the concept of Total Quality Management. The synopses that follow demonstrate the breadth of approaches and activities under way to enhance the quality of products and services provided to DLA's customers.

CUSTOMER VISITS

Defense Depot Tracy California (DDTC) uses this program to resolve problems more promptly and thus establish a positive rapport with its customers. DDTC is presently addressing process improvements related to dedicated truck shipments, multipack containers and identification of unserviceable metal products.

INVENTORY CONTROL POINT ACADEMY

The Defense Electronic Supply Center (DESC) is conducting a series of comprehensive training sessions on the essential elements of managing an Inventory Control Point (ICP). Mid-level military and civilian managers and supervisors spend 96 hours discussing parts control and standardization, requisition processing, technical data and item standardization, purchasing and base contracting, and total quality management.

ONE STOP SERVICE

DCASR Chicago is organizing its human resources management function around the needs of its various clients: employees, supervisors, external authorities and the public. As a result, the 'that's not my job - go to the next station' routine so often associated with a bureaucracy is eliminated. Depending on the size, diversity, and requirements of each PLFA, this service can follow the organizational construct of a management team, an account executive system or a general personnel list approach.

PROJECT EXPO

DCASR Cleveland is one of three DLA activities participating in the Experimental Personnel Office Research Project. Under this 3-year Defense Department initiative, Cleveland is delegating classification authority to line managers, eliminating mandatory interviews for merit promotion selections, using letters of discipline instead of formal disciplinary actions, and referring qualified candidates without rating and ranking them.

Managers and supervisors have saved a substantial amount of time thus far in classifying and filling jobs and in disciplining employees. Because of their success, the classification and merit promotion initiatives have been authorized for use at other DLA activities. In addition, a simplified performance management program may soon be tested at DCASR Cleveland.

QUALITY OF WORK LIFE

In an attempt to provide an enriched environment for its work force, the Defense Depot Ogden Utah (DDOU) is improving various physical facilities and developing an employee wellness program.

APPENDIX C

For example, DDOU is renovating its lunchrooms and restrooms, adding paved parking close to heavily staffed work stations, and upgrading warehouse lighting. The depot also now offers its personnel access to a physical fitness center as well as cholesterol testing and blood pressure testing. The result has been reduced tardiness and absenteeism and a generally less frustrated work force making fewer stock selection errors.

STATISTICAL PROCESS CONTROL

Three DLA activities - Defense Personnel Support Center (DPSC), Defense General Supply Center (DGSC) and Defense Depot Mechanicsburg Pennsylvania (DDMP) - are already making widespread use of this tool to improve processes. DPSC is using SPC to analyze clothing factory processes, ADP systems availability, and solicitation and contract clauses. DGSC's initial application reduced its processing time of Purchase Requests (DD Form 353) by four days. And DDMP has used SPC to improve its productivity in medical set assembly by 12.5 percent.

SOURCE SELECTION

Emphasizing best value rather than lowest cost, this innovation permits the Defense Personnel Support Center (DPSC) to place contracts with highly qualified, established firms using such considerations as product quality, timely delivery and manufacturing control processes. While the use of this methodology will require additional training for contracting and technical personnel, benefits should be significant and long term.

SUCCESS SHARE

Begun in October 1987 at Defense Depot Mechanicsburg Pennsylvania (DDMP), this variation of DLA's Success Share Program is designed to improve vertical and lateral communication throughout the depot, thereby encouraging greater teamwork and employee involvement while reducing operating costs.

TECHNICAL EXCHANGE PROGRAM

DCASB Cleveland met its major buying activities in May 1988 to discuss face-to-face interoperational problems being experienced by both. Subject-matter experts focused on problem definition, alternative solutions, and problem resolution. Areas of emphasis included processing of quality deficiency reports, value engineering proposals, waivers and deviations, engineering change proposals and technical data packages. The main benefits were the establishment of a rapport and a clearer understanding of ways to resolve problems before they escalate to higher management levels.

UNIFORM PROCUREMENT STUDY GROUP

Under a charter from the Under Secretary of the Army, the Defense Personnel Support Center (DPSC) brought together industry's top Clothing and Textile executives to evaluate the methods by which the military services acquire their uniforms. The so-called Stone Commission's report recommended 44 improvements that focused on such technical issues as: specification development takes too long, industry comments are not given due consideration, verifications are not updated to reflect technological advances, and the services do not make sufficient use of commercial item procurements and performance specifications. DPSC is expected after review to implement many of the Commission's recommendations, resulting in systemic improvements in the uniform acquisition process.

APPENDIX C

WORK FORCE MOTIVATION

The Defense Electronics Supply Center began this program in February 1988 after a brainstorming session with managers and employees. Several hundred ideas were culled into more than 100 projects, some of which are completed and others ongoing. Among those that are ongoing are the installation of modular furniture for 2,500 work stations, selection of an employee as the "Commander for a Day," a \$250 Pocket Perk award, and invitations to five employees to attend the commander's staff meeting each week.