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THESIS

IMPLEMENTATION OF AN INCENTIVE BASED RECRUITING SYSTEM WITHIN THE UNITED STATES ARMY RECRUITING COMMAND

by

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The United States Army Recruiting Command (USAREC) came under the scrutiny of the United States Congress due to the size of their operations budget and the decreasing productivity of the recruiting forces. Due to this scrutiny, the GAO recommended that USAREC revise their quota based recruiting system because they found it to be inefficient. A quota based recruiting system only considers the future personnel needs of the Army, and it is inefficient because it does not take into account environmental factors or the full potential of the personnel market.

In this thesis, we present the Production Recruiting Incentive Model (PRIME), designed to improve the efficiency of the recruiting process. The purpose of the PRIME is to motivate recruiters to access the maximum number of quality recruits possible during a period of time. The PRIME facilitates the capture of true market data in a region for USAREC. Recruiters predict the number of recruits they expect to access and USAREC can track the data and, over time, derive an accurate database of the true market potential in an area. These new data can be used to effectively manipulate the PRIME's optimum bonus points range to influence the quantity and quality of personnel accessed to fill the Army's needs. The data can also be used to realign and reassess the overhead cost associated with recruiting quality soldiers.

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IMPLEMENTATION OF AN INCENTIVE BASED RECRUITING SYSTEM WITHIN THE UNITED STATES ARMY RECRUITING COMMAND

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ABSTRACT

The United States Army Recruiting Command (USAREC) came under the scrutiny of the United States Congress due to the size of their operations budget and the decreasing productivity of the recruiting forces. Due to this scrutiny, the GAO recommended that USAREC revise their quota based recruiting system because they found it to be inefficient. A quota based recruiting system only considers the future personnel needs of the Army, and it is inefficient because it does not take into account environmental factors or the full potential of the personnel market.

In this thesis, we present the Production Recruiting Incentive Model (PRIME), designed to improve the efficiency of the recruiting process. The purpose of the PRIME is to motivate recruiters to access the maximum number of quality recruits possible during a period of time. The PRIME facilitates the capture of true market data in a region for USAREC. Recruiters predict the number of recruits they expect to access and USAREC can track the data and, over time, derive an accurate database of the true market potential in an area. These new data can be used to effectively manipulate the PRIME's optimum bonus points range to influence the quantity and quality of personnel accessed to fill the Army's needs. The data can also be used to realign and reassess the overhead cost associated with recruiting quality soldiers.

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LIST OF ACRONYMS

ADP - Automated Data Processing

AR - Army Reserve

BIRM - Bonus Incentive Recruiting Model

CLT - Company Leadership Team

DoD - Department of Defense

DCSPER - Deputy Chief of Staff for Personnel

DEP - Delayed Entry Program

GA - Graduate-Alpha

GAO - General Accounting Office

GUI - Graphical User Interface

MPA - Military Personnel Account

OMA - Operations and Maintenance Army

PA&E - Plans, Analysis, and Evaluation

PRIME - Production Recruiter Incentive Model

RA - Regular Army

RSC - Recruiting Station Commander

SA - Senior-Alpha

SB - Senior-Bravo

TDA - Table of Distribution and Allowances

I. INTRODUCTION

A. BACKGROUND

The Executive and Legislative branches of the United States Government are looking for ways to reduce spending within the Government. The largest areas of discretionary spending exist within the Department of Defense (DoD). Consequently, the DoD and all the Services within the DoD are experiencing a substantial reduction in the amount of resources they have at their disposal. Between FY1987 and FY1997 the size of the military will decline by 33% from about 2.2 million active duty troops to less than 1.5 million (Daggett, 1994, p.5). Over about the same period, between FY1989 and FY1999, DoD outlays, measured in constant, inflation-adjusted dollars, will decline by 38%. The DoD budget authority will decline by 42% between FY1985 and FY 1997 and then level off. The Army has experienced an overall 31% reduction in their resources to 24% of the total DoD budget. The reductions are causing all levels of command and oversight to review the efficiency of operations.

In March 1993, President Bill Clinton commissioned Vice President Al Gore to head the National Performance Review, an initiative to make Government bureaucracy more efficient by changing the way it goes about its work (Elkin, 1993, p.10). The National Performance Review has permeated all aspects of the DoD. This action initiated a review of the acquisition process within the Government and "streamlined" the way items are procured. Weapon systems are being evaluated in terms of effectiveness and efficiency to insure that they are necessary for the force. Training operations are being evaluated to insure they yield the greatest amount of training value for the resources expended. As with the other areas within the Army, the recruiting system is also being scrutinized.

The United States Army Recruiting Command (USAREC) came under the scrutiny of the United States Congress due to the size of their operation budget and the decreasing productivity of the recruiting forces. Senator David Pryor, D-Ark., directed the General Accounting Office (GAO) to survey military recruiting operations and identify areas where the DoD could reduce its recruiting costs without adversely affecting its ability to meet military personnel requirements. The GAO provided several recommendations to the military Services that could make the Services recruiting programs more cost effective. They further recommended that the Services initiate the recommendations prior to requesting more funds for additional advertising and recruiters. One specific recommendation to USAREC from the GAO is to revise their quota based recruiting system because the GAO found the current system to be inefficient. The difficulty with this recommendation is that USAREC must remain within or reduce their operating expenses (General Accounting Office, 1993, pp. 2,68). The latest attempt to make themselves more efficient is with the *Success 2000* quota based recruiting system initiated in 1994. This thesis will recommend a compensation system, building on *Success 2000,* that seeks to help the "foxhole"[1] recruiter do their job by: rewarding them for their production, rewarding them equitably for their effort, and obtaining current and reliable field information on market potential.

B. OBJECTIVES

The purpose of this thesis is to study an incentive system that sufficiently rewards recruiters for their work effort. We will propose an incentive matrix that will complement the current quota based recruiting system. We will outline a training plan for the implementation of the incentive matrix system. We will

[1] A foxhole recruiter is the actual person that contracts an individual into military Service. This excludes the support staff personnel.

discuss the necessity for high caliber recruits given the focus of the Army towards *Force 21* and how an incentive matrix system will support these needs.

C. RESEARCH QUESTIONS

Will a Production Recruiter Incentive Model (PRIME) effectively motivate recruiters to access recruits up to the true market potential of their assigned geographic area and how can a PRIME be designed and applied within the current recruiting system?

Subsidiary Research Questions are:

a. What type of incentive can be used to motivate the recruiters?

b. Can the current quota system be replaced with the PRIME derived data and can a recruiter's mission be derived from a bi-directional information flow from the recruiters to USAREC via the PRIME?

c. Will changes in the current system provide USAREC with more accurate market data on a particular geographic area and provide the true market potential of the area?

D. SCOPE AND LIMITATIONS

The scope of the thesis is limited to deriving a Production Recruiter Incentive Model (PRIME) matrix and implementing it in a recruiting battalion. It will exclude discussion of specialty branches such as the Medical Services Corps and the Chaplains Corps. The thesis will consider incentives for recruiting personnel up to and including battalion support staff members.

E. METHODOLOGY

We began our study with interviews of a company leadership team (CLT) and recruiters in Chico, California. Concurrently, we interviewed USAREC staff from the Plans, Analysis, and Evaluation (PA&E) Directorate. Next, we reviewed past literature on the feasibility of the actual application of an incentive matrix to USAREC. Then we visited a recruiting battalion and interviewed their personnel from the Battalion Commander through actual recruiters. Their opinions on the concept of

an incentive based quota system and how to implement the system were solicited. From the information we derived an incentive matrix and provided it to the Albany, New York Recruiting Battalion for training and implementation. The Albany Recruiting Battalion implemented the system in March 1996 and they will use it until October 1996. An evaluation of the system's utility is ongoing and a final evaluation will be produced at the completion of the beta test.

F. ORGANIZATION OF THESIS

Chapter I (Introduction): This chapter will discuss the purpose and focus of the thesis. It will identify the research objectives, the affected organizations, and the potential effects and ramifications of this type of incentive system.

Chapter II (Background): This chapter will describe the current budget trends and forecast within USAREC, identify the way the USAREC budget is broken-down and what part they control verses what is charged to their accounts that they cannot control. It will describe the current mission trends and the projections for accessions and what each on-production recruiter must access to make the overall mission. The chapter will also examine the current *Success 2000* program from the initial concept to how it actually functions. Then we will examine how *Success 2000* has performed by looking at the trends from the stations performance and examine how a station can be successful and individual recruiters within the station not be successful. The chapter will review previous literature and studies on incentive models and their application to the recruiting process. It will briefly summarize the results of the studies and how these studies support this concept.

Chapter III (PRIME): The PRIME is an incentive matrix that will dictate the number of incentive award points a recruiter will receive for a certain number of accessments. The purpose of the PRIME is to motivate recruiters to access the maximum number of quality recruits possible during a period of time. The PRIME

will facilitate the capture of true market data in a region for USAREC. Recruiters will predict the number of recruits they expect to access and USAREC can track the data and, over time, derive an accurate data base of the true market potential in an area. These new data can be used to effectively manipulate the PRIME's optimum bonus points range to influence the quantity and quality of personnel accessed to fill the Army's needs. The data can also be used to realign and reassess the overhead cost associated with recruiting quality soldiers.

This chapter will explain the process used to derive the PRIME matrix. First we will examine the concept of an incentive based quota system. Then work through the derivation of the PRIME table, examining the basis for the points, the working of the matrix and how it can influence human nature. Next we will review the calibration process of PRIME compared to historical accession data under *Success 2000.* Then we will consider the thought process of how to award points within a station for producers verses non-producers. Finally, we will look at the final PRIME table/system as delivered to the beta test unit and the functions the system performs.

Chapter IV (Implementation): This chapter will define a methodology to implement the PRIME system within USAREC, focusing on the battalion level of command and how they train and track the system. We will consider the training issues surrounding the system, how to provide incentive points to station commanders and staff members, the bidding process, and the command and control mechanisms necessary to implement PRIME. We will also address several command concerns that surround the program and what to realistically expect from the recruiters.

Chapter V (Justification, Conclusions, and Recommendations): This chapter will make our conclusions and recommendations for the PRIME program to USAREC. All new activities and programs within the Army are focused on, and support the vision of *Force XXI.* Many new programs that cannot show a direct linkage to *Force XXI,* or that specifically support and complement this

vision, do not receive funding. We will discuss the Army's concept of *Force XXI* and how the application of PRIME to the recruiting process supports the vision of the Army in the future.

II. BACKGROUND

A. INTRODUCTION

This chapter will describe the current budget trends and forecast within USAREC, identify the way the USAREC budget is broken-down and what part they control versus what is charged to their accounts that they cannot control. It will describe the current mission trends and the projections for accessions and what each foxhole recruiter must access to make the overall mission. The chapter will also examine the current *Success 2000* program from the initial concept to how it actually functions. Then we will examine how *Success 2000* has performed by looking at the trends from the stations and how a station can be successful and individual recruiters within the station not be successful. The chapter will review previous literature and studies on incentive models and their application to recruiting. It will briefly summarize the results of the studies and how these studies support this concept.

B. FISCAL ENVIRONMENT

1. USAREC Budget

In the current fiscal situation, where the Executive and Legislative branches of the Unites States Government are cutting the amounts of discretionary spending, all areas of the DoD are experiencing cuts. As discussed earlier, the Army has absorbed an eight billion dollar reduction in overall budget authority over the last five years. USAREC is absorbing their share of the reduction. USAREC's budgetary high in 1987 was $1 billion, in constant 1996 dollars, their low in 1994 was $560.5 million (USAREC Mission Brief, 1996, p. 5). That represents a 44% decrease in funding. For 1996 and beyond into 2001, USAREC projects a relatively stable funding line of approximately $600 million each year bottoming

out in 2001 at $585.1 million. Figure 2.1 graphically depicts USAREC's fiscal trends.

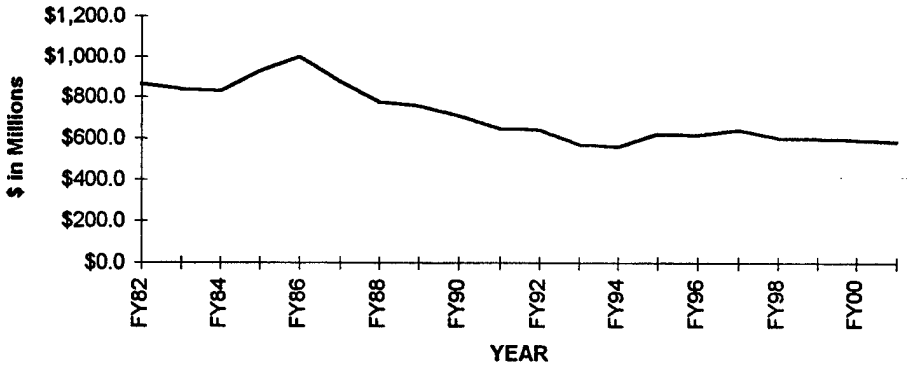

Figure 2.1. USAREC Budget (in constant 96 dollars)

Source: USAREC Mission Briefing, 1996, p. 5.

2. Budget Breakdown

The total operating budget of USAREC includes three separate accounts. The first is the Military Personnel Account (MPA) that includes the Army College Fund, Enlistment Bonuses, and Military Pay, this constitutes 57.5% of the FY1996 budget. The MPA account is not controlled by USAREC. MPA is charged against USAREC's budget based on average personnel composite rates of their Table of Distribution and Allowances (TDA) and their personnel's use of the college fund and bonuses.

The second and third accounts come from USAREC's Operations and Maintenance Army (OMA). This account is divided into two sections, one that USAREC directly controls (OMA 1) and the other that they do not control (OMA 2). OMA 1, that USAREC controls, includes civilian pay, advertising, recruiter aide support, recruiter support, training and communications which accounts for 35.1% of the FY1996 budget. OMA 2, that USAREC does not control, contains the communications/automated data processing (ADP), facilities and keystone sub-

accounts. The second portion constitutes 7.4% of their FY1996 budget.[2] This breakdown of USAREC's budget shows that they have limited ability to control their total costs and the portion they can control is relatively small compared to the overall budget. Appendix A is a table of USAREC's "Big 10 budget" as of 18 March 1996 in constant FY1996 dollars and depicts the budget breakdown.

3. USAREC Budget Control

Table 2.1 depicts USAREC's FY1996 budget breakdown by major account category and percentage of the total budget.

Table 2.1. USAREC's FY 1996 Budget

		$ Millions	% of Total	Account Totals	% of Total
MPA	ARMY COLLEGE FUND	62.7	10.2		
	ENLISTMENT BONUS	16.6	2.7	(TOTAL MPA)	
	MILITARY PAY	275.4	44.7	354.7	57.5
OMA 1	CIVILIAN PAY	43.3	7.0		
	ADVERTISING	70.6	11.4		
	RECRUITER AIDE SUPPORT	0	0.0		
	RECRUITER SUPPORT	82.4	13.4		
	TRAINING	4	0.6	(TOTAL OMA 1)	
	COMMUNICATIONS	16.3	2.6	216.6	35.1
OMA 2	COMMUNICATIONS/ADP	1.2	0.2		
	KEYSTONE (REQUEST-MS5B)	7.3	1.2	(TOTAL OMA 2)	
	FACILITIES (QLEA)	36.9	6.0	45.4	7.4
	TOTAL BIG 10	616.7	100.0		

Source: USAREC Mission Briefing, 1996, p. 5.

Historically USAREC has the ability to actively influence from 28% to 37% of their overall budget. The actively influenced percentage is represented by the OMA 1 category of accounts and they are projected to stabilize around 36%

[2] For a more in-depth description of the accounting system within USAREC, see Lyons and Riester, "U.S. Army Recruiting: A Critical Analysis of Unit Costing and the Introduction of a Recruiting Bonus Incentive Model." MS Thesis, Naval Postgraduate School, 1993, pp. 30-36.

through the end of the century. Figure 2.2 depicts the USAREC's historical percentage of OMA 1 accounts compared to the total USAREC budget. The limited amount of influence they have over their total budget is a primary reason USAREC must focus on conserving their limited resources and making the best possible allocation of those resources. An incentive matrix system that derives a self selected accession number will assist USAREC in further focusing their efforts and resources on areas with the highest return-on-investment for their recruiting dollar.

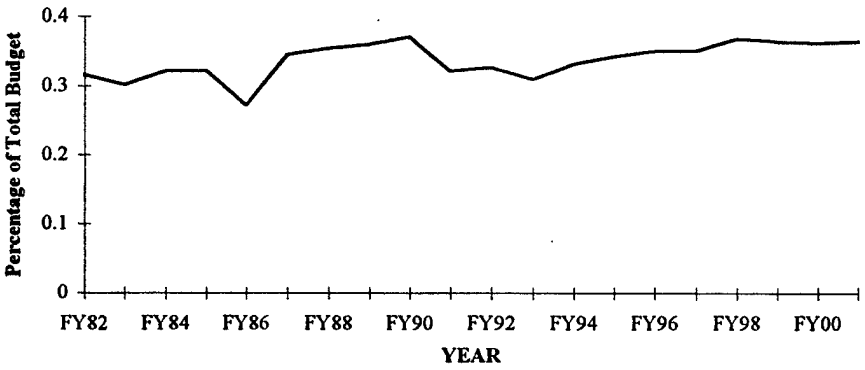

Figure 2.2. OMA 1 Accounts as a Percentage of Total Budget (in constant 96 dollars)

Source: USAREC Mission Briefing, 1996, p. 5.

4. Unit Cost Trends

Unit cost is defined as the sum of all expenditures on recruiting efforts divided by the number of recruits accessed (Lyons and Riester, 1993, p. 24). This measurement has varied widely over the last nineteen years. The lowest year was FY1983 where the unit cost per accession was $5,774, in FY1996 dollars. The highest year in the time span was FY1995 when the cost was $9,870, in FY1996 dollars. Figure 2.3 depicts the unit cost per recruit based on the total USAREC budget over time.

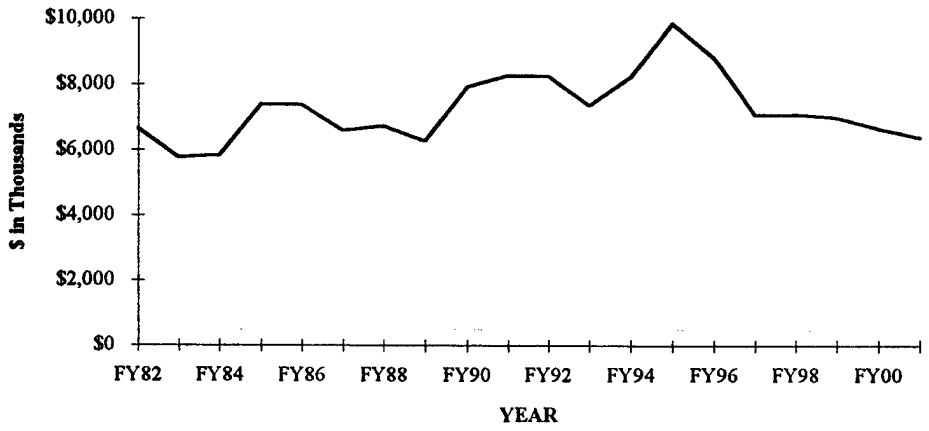

Figure 2.3. Unit Cost per Recruit, Base on the Total Budget (in constant 96 dollars)

Source: USAREC Mission Briefing, 1996, p. 5.

C. MISSION TRENDS

1. Mission

The number of recruits that USAREC is directed to access is a function of the strategic requirements process as opposed to achieving a free market equilibrium (Lyons and Riester, 1993, p. 9). The Deputy Chief of Staff for Personnel (DCSPER) directs USAREC to access a certain number of recruits per year based on future force projections and funding. These figures are derived from the National Military Strategy Document, Defense Planning Guidance and several other planning and programming documents (Terasawa, Kang, Riester and Lyons, 1994, p. 16). The trend of the Army's active duty end-strength numbers over the last sixteen years is downward. Figure 2.4 presents selected years of the Army's active duty end-strength numbers. The data for FY1988 were not available in the *CRS Report for Congress.*

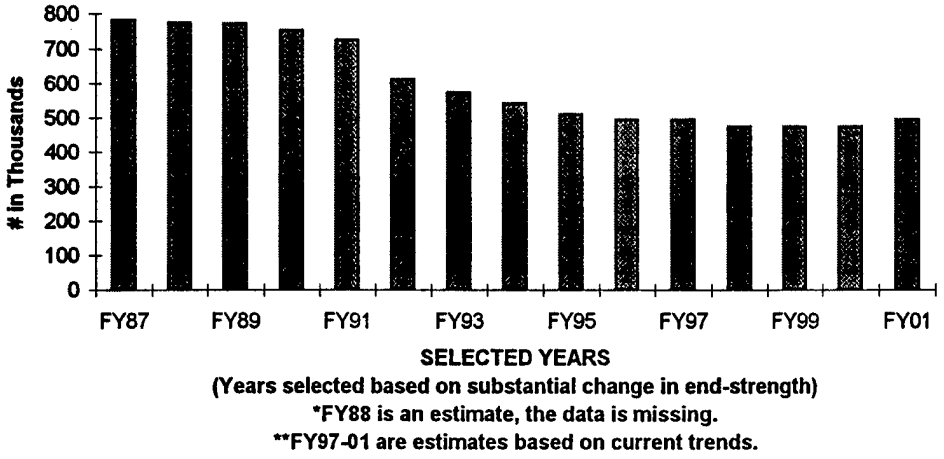

Figure 2.4. Army Personnel End-Strength Levels (selected years)

Source: Graney, 1995, p. 22.

2. Army Manning Trends

The projected active duty end-strength after FY1997 is 475,000. These end-strength figures are maintained by the numbers of recruits accessed into the Army each year. The past and projected enlisted accessions are depicted in Figure 2.5. The graph depicts a high accession requirement in FY1983 of 145,337, which happened to fall during the Reagan build-up era. FY1983 is also the year when the unit cost to access recruits was the lowest. The low accession requirement year is FY1995, when it was 62,931. This is the year with the highest unit cost per recruit and it was in the height of the post cold-war draw down. Now that the Army is almost to a steady state, USAREC must increase accessions to make up for the reduction in personnel lost to the draw down and attrition. Their accession requirement is projected to increase by 20,000 personnel or 22% between FY1996 and FY1997. USAREC projects a steady state of accessions after FY1997, to average approximately 85,000 personnel each year.

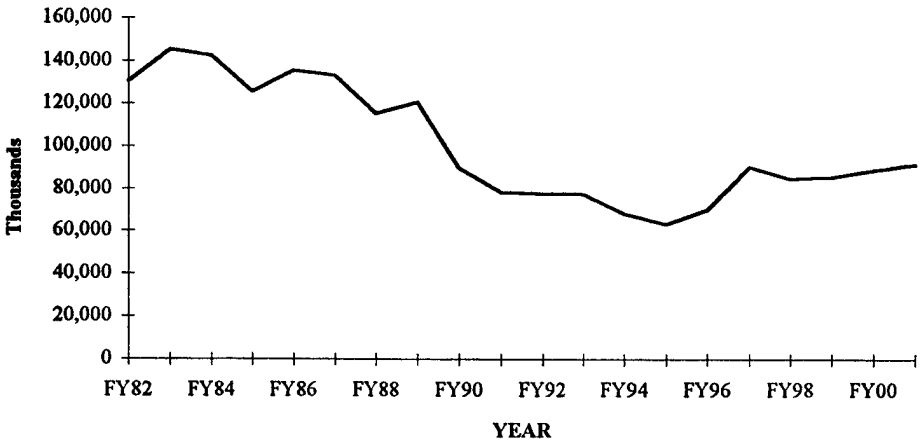

Figure 2.5. Annual Enlisted Accession Requirements

Source: USAREC Mission Briefing, 1996, p. 5.

Based on the increase in current accession projections and the projected end-strength of on-production recruiters, it is necessary for recruiters to increase their accession numbers in the future. In FY1995 recruiters needed to access 12.7 recruits each. In FY1997 that figure will increase to 18.3 per recruiter. The last time the accessions per recruiter number was that high was in FY1990. See Figure 2.6 for a graphical representation of the number of accessions per on-production recruiter that USAREC must average annually to meet their accession requirements. Historically, USAREC has accessed their DCSPER dictated national requirements. They have accomplished this using several methods. One is to reduce the quality of the soldiers accessed and another is to increase the advertising campaign funding. They have also implemented several recruiter focused programs to "streamline" or refocus the efforts of the organization, one of these programs is *Success 2000.*

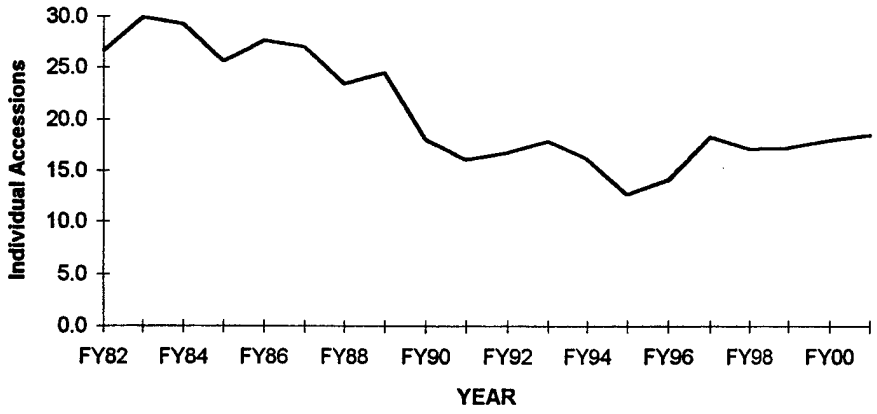

Figure 2.6. Annual Average Number of Accessions per On-Production Recruiter

Source: USAREC Mission Briefing, 1996, p. 5.

D. SUCCESS 2000

1. Success 2000 Concept

To facilitate achieving their requirements, USAREC is currently using a recruiting system called *Success 2000. Success 2000* attempted to elevate some of the problems associated with the old recruiting system and make USAREC more efficient. The strategy of *Success 2000* involves developing and introducing state-of-the-art sales management techniques incorporated with automated data processing equipment to speed response time and introduce the following principles:

a. To simplify the mission and enhance teamwork at station level for a more efficient, more productive recruiting force.

b. To expand the authority, autonomy, and flexibility afforded the recruiting station commander.

c. To change the methodology for measuring success to focus leaders on those essential elements necessary to achieve success at all levels, thus decreasing the disparity between a successful USAREC and an unsuccessful recruiting force (Recruiter Journal, 1993, p. 12).

2. Success 2000 Implementation

The first principle was accomplished by reducing the number of recruit categories from 20 to three for the Regular Army (RA) and three for the Army Reserve (AR). The crafters of *Success 2000* wanted to enhance teamwork within stations and consequently stopped assigning quotas to individual recruiters. Now the station receives the quota and the recruiters work together to fulfill the mission. The second principle is designed to empower the Recruiting Station Commander (RSC) by giving him more authority and flexibility in the execution of his duties. The third principle of *Success 2000* changed the way USAREC measures success. Before *Success 2000*, success was measured on the basis of accessing a specific number of recruits each accounting period. This process is called attaining "mission box." Mission box was measured and tracked from the on-production recruiter level up through the brigade. Now, mission box measurements start at the station level and accumulate up the Chain-of-Command.

Mission box is the process of accessing specific numbers of recruits in individual categories. The categories under *Success 2000* for active-duty recruits are high school graduate-alphas (GA), high school senior-alphas (SA), and others. Each station receives a specific requirement, by category of recruit, to access per accounting period. The recruiter's goal is to access, at a minimum, the number specified or more if possible during the period. If the station accomplishes this mission, then they receive mission box and the incentive points associated with that accomplishment. For example, Chico Station is directed to access three GAs, four SAs and one other during the month of July. All the individual on-production recruiters within the station are expected to contribute to the stations mission. If the accumulation of all the on-production recruiters accessions during the accounting period are less than the required number in any category, then the station does not earn mission box or the incentive points associated with attaining

the mark.

Under *Success 2000*, companies, battalions, and brigades are evaluated and compared based on the cumulative number of accessions of the stations under their command. In other words, stations and commands are assessed volumetrically. A concern over this system is that a higher command can be successful and the lower ones not be successful. A company can conceivably have only three of twenty-five stations actually achieve mission box and still make the company level mission box. The key is that the accessions, by category of recruits, add up to the next higher level of commands requirement. Making mission box is an important evaluation factor used by the USAREC command to assess the performance of their subordinate commands. Consequently, it is an important factor to the subordinate commanders and they align/staff their commands to maximize their potential of making mission box.

The monthly accounting cycle under *Success 2000* also influences accession numbers. Assume a station worked a market for a month and at the end of the month it is obvious that they will not make mission box. If a recruiter within that station has a prospective recruit ready to sign a contract, but adding that one recruit will not put the station over the mission box standard, he does not have any motivation to contract the soldier in that month. Often times the recruiter will decide to hold the recruit over until the next accounting period. This activity is called "hippocketing" or "sandbagging." Hippocketing or sandbagging are methods of timing an enlistment so that it does the most good for the individual recruiter and the station. Individually, this phenomena has little impact on recruiter efficiency, collectively it can impact on USAREC's efficiency.

A method used to motivate individual on-production recruiters to recruit and reduce sandbagging is to issue awards based on the number of incentive award points they accumulate over time. The incentive award points are used to earn

recognition through the award of individual uniform badges, rings, and medallions. These awards distinguish a recruiter's recruiting accomplishments from their peers. The standard awards earned by a recruiter can be augmented by individual commands in other ways to incentivise them to access as many personnel as possible. Some commands give sweat suits, garment bags, and unit coins. Incentive award points are earned based on the amount and category of recruits a recruiter accesses.

The recruiter also receives station incentive points if the station makes mission box. Station mission box is a team effort. Station points are points given to each member of a station when they access their quota of recruits per the accounting period. If the station needs more than one accession to make the mission and no other recruiters in the station have any prospects working, the station will not be better off with one extra accession. A recruiter will not be any better off accessing the recruit. In this situation a common course of action is to sandbag the recruit over until the next accounting period where the accession can yield more incentive points.

Company and battalion leadership teams assess their markets to determine which one produces the most recruits and then they often assign their best recruiters to work that market. They expect that specific station servicing the market to make up a large proportion of their command's mission. This practice can take valuable expertise and experience away from the markets that do not have a large market potential. This reduces the caliber of the sales force in these areas and ultimately reduces the already low potential of the market.

3. Success 2000 Performance

Success 2000 has experienced varying measures of success. USAREC is accessing the numbers of recruits necessary to support their current mission. *Success 2000* was implemented during a lull in accession requirements and the

market has not been overly taxed since its implementation. FY1997 is the first year since the implementation of *Success 2000* that the accession numbers will start to stress the national market for recruits. Previously the number of accessions was relatively low, 62,931 in FY1995 and 70,000 in FY1996. In FY1997 that figure jumps to 89,500, a 22% increase in accessions (Maze, 1996, p. 3).

The individual stations in the United States have experienced marginal success under *Success 2000.* Since *Success 2000* was implemented, USAREC has maintained a data base of all the stations within the United States. The data start in January 1995 through March 1996, as of the writing of this document. The data show that the most successful month to date is December 1995 at 61% successful stations. That is not the norm. Of the fifteen months of available data, the average was below 50% in thirteen months. Figure 2.7 shows the percentage of successful stations in USAREC since the inception of *Success 2000.*

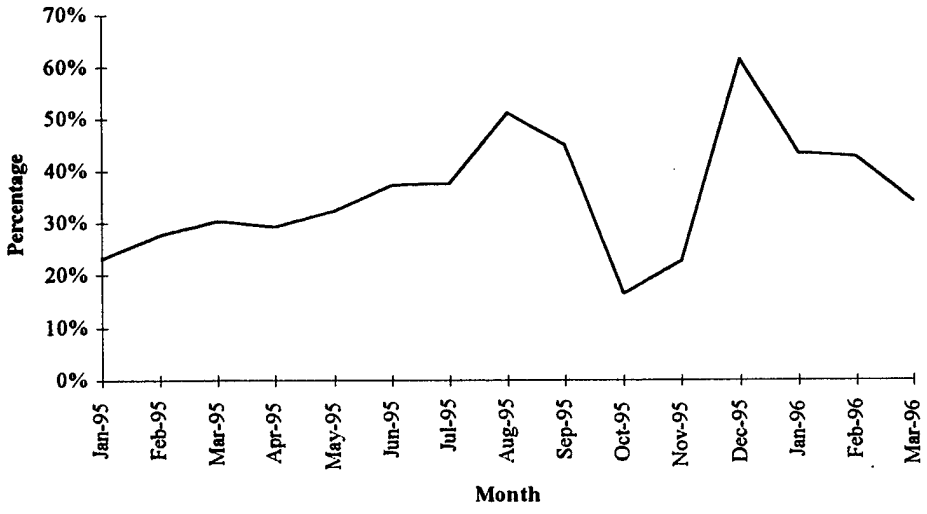

Figure 2.7. Percentage of Successful Stations in USAREC under Success 2000

Source: Data supplied by USAREC.

E. PREVIOUS STUDIES

1. Analysis of Unit Costing of USAREC

This is a study conducted by Professors Katsuaki L. Terasawa and Keebom Kang and two masters students, CPT Betsey Riester and CPT Stephen Lyons from the Naval Postgraduate School in Monterey, California. They considered the restrictive labor pool the military draws recruits from versus the cost associated with accessing those higher quality personnel. In the current fiscal environment of reduced resources for the United States Army Recruiting Command, the challenge is to do more with less and still maintain a quality fighting force. The study examined USAREC's budget versus their cost to access these soldiers and how unit costing supports their efforts.

They examined the supply, demand, and policy issues relating to quality requirements that effect recruiting efforts. They did an in-depth analysis of USAREC's implementation of the unit costing concept. They examined what constitutes the make-up of cost-per-accession and discussed the recruiting budget. Finally, they identified some of the limitations associated with using unit cost to measure effectiveness in this environment.

They concluded that the unit cost measurements USAREC was using, as USAREC defined unit cost, fell short of providing the necessary information for management to make cost cut decisions in the most efficient manner. They found that the unit cost concept is overly simplistic and should not be the basis for making resource decisions. This finding is derived because USAREC only directly controls approximately 30% of their total budget. The other 70% is charged to their accounts as overhead and personnel pay type debits. In order to allocate resources effectively leaders must be in control of their own resources. Another shortfall, is that unit cost is only capable of providing a one time snapshot

of recruiting costs. It does not reflect the marginal cost or life-cycle cost of a recruit (Terasawa, Kang, Riester and Lyons, 1994, pp. 3,28).

2. Quota Based Recruiting System and Bonus Incentive Recruiting Model

This study by the same authors as the last paper, defines the difficult work environment recruiters are forced to work in, where they are a hero one month and a heel the next month based on how they perform against a directed quota. The success of a recruiter is measured on their attaining a quota, rather than maximizing their market potential. Under the quota-based system the team found that recruiters have little incentive to exceed their quota. This environment breeds risk-averse behavior on the part of the recruiters. The study gives an overview of the current quota allocation procedure, from the Deputy Chief of Staff of the Army (Personnel) through USAREC, down to the recruiter and the ramifications of this system.

The hypothesis of the paper is that the quota system results in inefficiencies in the market. The study uses three hypothetical scenarios to illustrate their point of inefficiency in the current system. The scenarios are based on a spreadsheet model of recruiter performance using two assumptions: first, the quotas are established at a production level that is lower than the true market potential; second, a recruiter will maximize their utility consistent with the established incentive structure. Their model showed that, as the probability of achieving a specified quota increased, the efficiency rating of the market decreased. For example, if USAREC is experiencing a 90% success rate, across the board for recruiters, they are only accessing 72% of the available market. This percentage trend was consistent throughout their test. Next, the study derives the concept of a Bonus Incentive Recruiting Model that:

a. Provides an incentive for recruiters to surpass quotas and thereby maximize true market potential.

b. Rewards recruiters with monetary bonuses based on their work effort and their ability to forecast.

c. Rewards recruiters equitably despite inherent regional market differences in the long run.

d. Provides, in the long run, USAREC headquarters with valuable market information that allows for efficient future resource reallocation to the productive regions.

e. Helps reduce the tendency for recruiters to delay or hold applicants for future months, there by improving market information to USAREC headquarters.

f. Based on improved forecasting information, the bonus model indirectly reduces staff workload and may minimize the variance in the mission process.

g. Model is adjustable to reflect changing Army accession requirements.

h. Model is capable of maintaining quality marks.

They concluded that the current quota system implies potential inefficiencies in its resource allocation and that the bonus incentive program is a viable method of correcting these inefficiencies. They recommended the USAREC develop a lab-based experiment to test the model and follow that with a beta test of a recruiting region (Terasawa, Kang, Lyons and Riester, 1994, p. 1,6,9).

3. Feasibility of Monetary Incentives within the USAREC

This thesis, by Joseph Anderson and Marvin Whitaker, examined the potential issues of a monetary based incentive program within USAREC. This thesis is a direct follow-on study to the previous literature discussed. The monetary based incentive program is used as a means to increase individual recruiter productivity, which will allow USAREC to allocate resources more efficiently.

Their experiments indicate that simulated monetary bonuses motivated actual recruiters to increase their estimated recruit production. They believe that

the Bonus Incentive Recruiting Model (BIRM) mechanism provides the best opportunity for efficient resource allocation within USAREC and they recommend USAREC implement an experiment with the model (Anderson and Whitaker, 1994, p. V).

4. A Critical Analysis of Unit Costing and the Introduction of a Bonus Incentive Model

This thesis, by Stephen Lyons and Betsey Riester, is a direct follow-on to the first two articles. They combine the unit costing discussion and the Bonus Incentive Model concept into one document and provide conclusions and a recommendation for implementation. Their conclusions and recommendations are the same as the first two articles. They conclude that unit costing serves to focus manager's attention on the problems associated with resource conservation and that it has severe limitations as a performance measure and policy tool. They also recommend that USAREC develop and explore a test bed recruiting region to implement the incentive model (Lyons and Riester, 1993, pp. 65,69).

F. CHAPTER SUMMARY

In this chapter we described the current fiscal environment within the United States and the DoD. Currently, all forms of discretionary spending are being reduced and that trend is expected to continue. USAREC's budget has reduced 44% since FY1987. Their budget is expected to level out at approximately $600 million in FY1997 through FY2001.

USAREC's budget is broken into three major accounts, the Military Personnel Account (MPA), and the Operations and Maintenance Army (OMA) that is divided into two sections, OMA 1 and OMA 2. MPA represents 57.5% of the FY1996 USAREC budget. OMA 1 represents 35.1% of the budget and OMA 2 represents the remaining 7.4%. Of all the accounts, USAREC only controls the OMA 1 account. The other accounts are used by the Department of the Army to

charge overhead and personnel cost to, in the name of USAREC. USAREC cannot control how much or influence what is applied to these accounts.

USAREC has used unit costing as a method of gauging the increase or decrease in accessing a recruit into the military. Unit cost is the total amount of budget for the command divided by the number of recruits accessed. Historically, the unit cost of accessing a recruit has risen. The amount of recruits accessed annually, changes more rapidly than the budget authority allocated to USAREC. Consequently, the budget process is constantly reacting to the Army's assessment needs and this situation produces periods of excess and lean financial times. This environment makes it difficult for USAREC to make long range budget plans and reduces their ability to effectively compensate for the fluctuations.

Next we examined the way USAREC receives their accession mission. The mission is derived by the Deputy Chief of Staff for Personnel (DCSPER) based on the National Military Strategy Document, Defense Planning Guidance and several other documents. Then we looked at the future Army end-strength projections and what USAREC projects they will have to access to support the Army's needs. In FY1997 they expect to access 70,000 enlisted personnel. Based on the projections we examined the average number of accessions each recruiter had to produce to meet the USAREC mission. In FY1997 that figure is 18.3 recruits per recruiter compared to 12.7 in FY1995. That is a 30% increase in accessions per recruiter.

To assist them in their mission, USAREC is currently using a recruiting system called *Success 2000*. The system is based on the following principles:

a. To simplify the mission and enhance teamwork at station level for a more efficient, more productive recruiting force.

b. To expand the authority, autonomy, and flexibility afforded the recruiting station commander.

c. To change the methodology for measuring success to focus leaders on those essential elements necessary to achieve success at all levels, thus decreasing the disparity between a successful USAREC and an unsuccessful recruiting force (Recruiter Journal, 1993, p. 12).

Success 2000 reduced the number of categories of recruits and focused on the teaming aspects of the recruiting station to accomplish their mission rather than individual effort. This effectively simplified the process of accounting for and identifying recruits while increasing station commander responsibility. These actions helped to streamline the recruiting process, but did not necessarily increase efficiency.

USAREC has been successful with the program while stations are unsuccessful making their accession mission. If the major command is successful then the sum of its parts should be successful. That is not the case using *Success 2000* and it points towards some form of inefficiency in the system. Since the implementation of the program the best month is December 1995 when 61% of the stations in the United States successfully made mission box. The great preponderance of the months since the inception of *Success 2000* have had less than 50% of the stations make mission box. PRIME is designed to remedy this and several other problems associated with the current system.

III. PRODUCTION RECRUITER INCENTIVE MODEL (PRIME)

A. INTRODUCTION

The PRIME is an incentive system that derives the number of incentive award points a recruiter receives for a certain number of accessments. The purpose of the PRIME is to motivate recruiters to access the maximum number of quality recruits possible during a period of time. The PRIME system will facilitate the capture of true market data in a region for USAREC. Recruiters will predict the actual number of recruits they expect to access and USAREC can track the data and, over time, derive an accurate data base of an area's true market potential. These new data can be used to effectively manipulate the PRIME's optimum bonus point range to influence the quantity and quality of personnel accessed to fill the Army's needs. The data can also be used to realign and reassess the overhead cost associated with recruiting quality soldiers.

This chapter will explain the process used to derive the PRIME matrix. First we will examine the concept of an incentive based quota system. Then work through the derivation of the PRIME table, examining the basis for the points, the working of the matrix and how it can influence human nature. Next we will review the calibration process of PRIME compared to historical accession data under *Success 2000.* Then we will consider the thought process of how to award points within a station for producers verses non-producers. Finally, we will look at the final PRIME table/system as delivered to the beta test unit and the functions the system performs.

B. CONCEPT

PRIME is designed to build on the strengths of the *Success 2000* program and adds a dimension of self-selection and ownership of the accession mission for an individual recruiter. The PRIME system was developed at the Naval Postgraduate School in Monterey, California by Professor K. L. Terasawa and

Professor Keebom Kang in 1993 as an alternative to the quota-based recruiting practice (Terasawa, Kang, Lyons and Riester, 1994, p.10). The Professors reasoned that on-production recruiters would have the best market data available on their region. The recruiters know about the human element, cyclic nature of the market, industry trends, and socio-economic factors affecting a market. They are in the best position to apply this knowledge to a prediction of future performance.

The concept is to have the recruiters, in their specific market, self-select their mission based on their knowledge. The recruiter's individual missions will roll-up and become the station's mission and this figure rolls-up the line to become the company's mission and so on through the brigade. Conducting a statistical analysis of the accuracy of the recruiter's ability to attain their predictions and the variance from their predictions will yield exceptionally accurate historical accession market data. The historical data derived on the market will allow USAREC to better allocate their scarce resources based on the true market data.

C. PRIME TABLE

The primary features of the PRIME are a truth-telling mechanism, efficiency-enhancing system, and a jump-point incentive award point system. The truth-telling mechanism is when a recruiter predicts a specific number of anticipated recruits within a quarter and is motivated to attain that number. Given that the recruiter actually accesses the number of recruits predicted, they will receive the maximum number of incentive award points available. It is in the best interest of the recruiter to accurately predict and access that number of recruits.

The system is efficiency-enhancing because given a predicted number of five, the incentive award points increase as production increases. At a prediction point of five, if the recruiter accesses five, they receive 170 points (See Figure 3.1). If they actually access six recruits they receive 200 points. If they access four recruits they receive 110 points. Therefore, a recruiter gains more additional

points if they overproduce versus a significantly smaller number of points for underproduction. The optimum number of points a recruiter can receive is when they accurately predict and access their prediction number. This concept motivates the recruiter to be as efficient as possible during the quarter.

The jump-point is the point, identified by USAREC, where the incentive award points for accession will increase substantially. On the matrix in Figure 3.1, the jump-points are positioned at accession predictions of six and nine. At a prediction of six, the points jump 90. At the next jump-point, nine, they jump 160 points. Based on USAREC's projection of the level of production needed from on-production recruiters they can adjust the jump-points to influence the recruiters predictions. This example table shows where the emphasis is for this quarterly self-determined mission, six and nine. We are counting on human nature to strive towards the performance level that yields the largest pay-off.

				Qtrly Incentive Award Point for GA									V.1		
							Prediction								
		3	4	5	6	7	8	9	10	11	12	13	14	15	16
	3	90	70	50	30	20	20	20	20	20	20	20	20	20	20
	4	120	130	110	90	70	50	30	20	20	20	20	20	20	20
P	5	150	160	170	150	130	110	90	70	50	30	20	20	20	20
r	6	180	190	200	260	230	200	170	140	110	80	50	20	20	20
o	7	210	220	230	290	330	300	270	240	210	180	150	120	90	60
d	8	240	250	260	320	360	410	370	330	290	250	210	170	130	90
u	9	270	280	290	350	390	440	570	520	470	420	370	320	270	220
c	10	300	310	320	380	420	470	600	670	620	570	520	470	420	370
t	11	330	340	350	410	450	500	630	700	770	720	670	620	570	520
i	12	360	370	380	440	480	530	660	730	800	880	830	780	730	680
o	13	390	400	410	470	510	560	690	760	830	910	1,000	940	880	820
n	14	420	430	440	500	540	590	720	790	860	940	1,030	1,120	1,060	1,000
	15	450	460	470	530	570	620	750	820	890	970	1,060	1,150	1,250	1,190
	16	480	490	500	560	600	650	780	850	920	1,000	1,090	1,180	1,280	1,380

Figure 3.1. Example PRIME Table for Graduate-Alpha (GA)

Source: Terasawa, USAREC Briefing, 1995, p. 7.

D. TABLE DERIVATION

1. Points

PRIME is designed to produce approximately the same number of incentive points per level of output, for an average recruiter, as *Success 2000.* PRIME takes into account all the points a recruiter can receive under the old program such as shipping points, commanders bonus points, the varying point structure for specific categories of recruits, and shipping losses for the Delayed Entry Program (DEP). Under *Success 2000* each category of recruit accessed receives a variable amount of points based on their quality and caliber. For example, a graduate-alpha (GA) receives 30 points and a senior-alpha (SA) receives 20 points (See Appendix B). The various bonus incentive points assigned to a specific category of recruit were reduced to a multiplier reflecting their relative worth using a graduate-alpha (GA) as the baseline or award multiplier value of one.

Using a GA as a baseline and an award multiplier of one, one times the points received for accessing one GA of 30, yields 30 points. Using the Incentive Award Point Update 1st Quarter FY1996 in Appendix B, as the point of reference for the multipliers, the ratios of categories were derived. Under this document, a senior-alpha (SA), is worth 20 points. Under PRIME, SAs are worth 2/3 of the baseline calculation. Two thirds of 30 yields 20 points. This common theme (award multiplier) is applied to all the categories of recruits. See Figure 3.2 for the breakdown of award multipliers per accession category. This type of a points calculation system adds a degree of flexibility not seen under the old system. USAREC can change the baseline points and not have to change the entire system unless they decide to change the relative weighting of each category of recruit.

Regular Army	Award Multiplier		Army Reserve	Award Multiplier
Grad-Alpha	1		Grad/Currently-Alpha	5/6
Senior-Alpha	2/3		Prior Service	1/2
Other	1/3		Other	1/3

Figure 3.2. Example Award Multipliers Using GA as the Baseline

Source: Terasawa, USAREC Briefing, 1996, p.8.

2. Matrix

The PRIME points system concentrates on maximizing incentive points around the number of accessions USAREC needs each recruiter to produce during one quarter. For FY1997, USAREC needs approximately 19 recruits from each on-production recruiter for the year. Divided by four quarters that yields approximately five recruits per on-production recruiter per quarter. In whole numbers, that equals two recruits per month per recruiter. This became the baseline and focal point of the matrix. This is the accession point where we want all recruiters to focus their efforts. If all the recruiters in USAREC access two recruits per month, six per quarter, the command will easily make their current accession mission.

Taking all this into consideration, it was necessary to determine how to motivate the individual recruiters to predict a number that would support the mission while effectively rewarding overproduction and reducing the award for underproduction. Another major consideration was how to motivate on-production recruiters to predict, as accurately as possible, their future accessions.

Motivating a recruiter to predict a number of accessions that support the USAREC mission is accomplished using the concept of "jump-points" within the matrix. Referring back to Figure 3.1, the jump-points are at prediction levels of six and nine. A jump-point is a point on the matrix where the increase in points for each successive recruit accessed increases substantially more than at previous

levels. In order to support the USAREC quota, we chose to place the first jump-point at the prediction level of six accessions per quarter. If all the on-production recruiters in USAREC accessed at this level, the command would make their DCSPER directed mission. It is not reasonable to expect all on-production recruiters to make that number of accessions, so some will have to overproduce to make up for the shortfalls. USAREC wants overproduction from the recruiters that have the ability. Consequently, the next jump-point is at a level of nine to motivate these recruiters to achieve three accessions per month. This next level of performance is focused on the recruiters with exceptional recruiting ability and is incorporated to challenge their ability and help make up for the shortfall in accessions of some of the weaker recruiters.

The next concern that needs addressing is the attribute of effectively rewarding overproduction and reducing the reward for underproduction. When a recruiter predicts his level of performance for a quarter, he signs-up for that level of production and that is where he is expected to perform. If he has the ability to overproduce, the matrix must yield enough incentive points, that the added effort needed to yield the extra production exist to motivate the recruiter to actually access recruits and not sandbag them into the next accounting period. Conversely, if a recruiter is coming up to the end of an accounting period and they have not accessed their predicted level of recruits often they have a tendency to "give up" and marshal their resources for the next accounting period. We want to reduce the amount of incentive award points received for underproduction enough to motivate them to continue to recruit. This concern is addressed by making their predicted level of performance (optimum point ridge) be the maximum amount of points available at any level of performance. The reduction in points received for not attaining the predicted level of performance is a variable based on where they performed, under or over their prediction.

The optimum point ridge is a level of accessions represented by a ridge of maximum points that flows down the points matrix (z-axis) in a diagonal direction, corresponding with equal levels of prediction (x-axis) and production (y-axis). See Figure 3.3 for a 3-dimensional graphical representation of the PRIME points curve. On the positive side (overproduction) of a specific prediction level, the points increase up to but not beyond the next predicted level's point value. So, overproduction yields a high level of points, but not as high as if the recruiter had originally predicted that overproduction number at the beginning of the accounting period. If the recruiter does not access up to their predicted level (underproduction), they receive fewer points for their accessions than if they had accurately predicted the lower number at the beginning of the accounting period. Notice the ridge that runs from the top of the graph down to the bottom. This represents the optimum prediction and performance range. The left side (underproduction) has a greater slope that represents a sharper decrease of reward points for underproduction. The right side (overproduction) has a gentler slope that represents a slower decrease of reward points for overproduction from the optimum ridge.

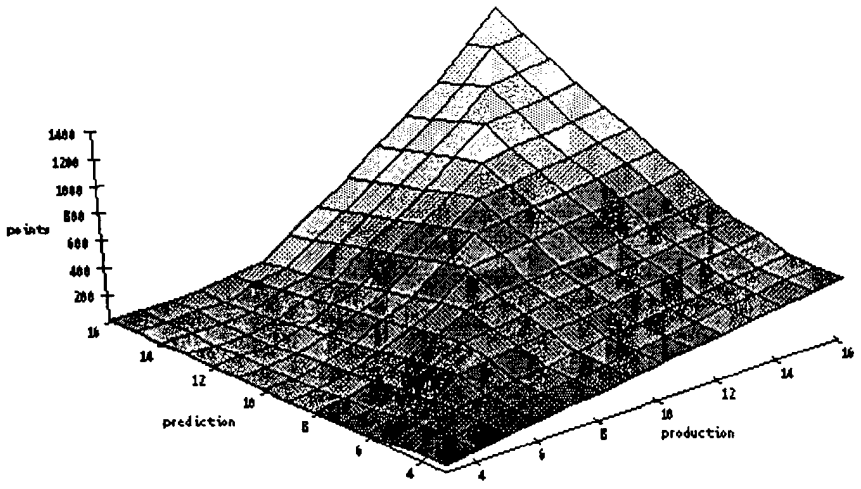

Figure 3.3. 3-Dimensional Representation of the Optimum Points Ridge

Source: Terasawa, USAREC Briefing, 1996, p. 10.

E. CALIBRATION

Calibrating the PRIME table to yield the approximate number of points a recruiter would receive had they accessed under the *Success 2000* program was accomplished using historical recruiting data. We obtained five quarters worth of 154 individual recruiter quotas and accession statistics from an average performing recruiting battalion, Albany, New York. We examined the actual production numbers and the amount of incentive points derived from that production based on *Success 2000*. These data were established as the baseline for the calibration. We inserted the historical production data into the PRIME table, assuming that the recruiters accurately predicted their accessions, and compared the two sets of incentive points data. This comparison showed that the initial points structure, represented in Figure 3.1, yielded lower incentive points than the old system and that if the PRIME table was implemented, as is, the recruiters would be worse off than under the old system. We continued to adjust the table in an attempt to standardize the incentive points derived by PRIME. No matter how the table was adjusted one group of recruiters were either better off or worse off than under the old system.

Needing to focus the effort and compartmentalize the effects of changes to the table, we further categorized the recruiters so that we could focus on smaller sample sizes. From the historical data we broke the recruiters and stations into performance groups in order to categorize their production. The categories of groups are: above average (AA), average (A), below average (BA), and way below average (WBA). We assigned the same category designations to the stations within the battalion that performed according to these designations. These groups were aligned so that each category of station, AA through WBA, had a representative recruiter from each category AA through WBA, included in their calculations (See Appendix C).

This group's historical data were used to calibrate the PRIME table. This grouping represented the most likely combinations and permutations of recruiters and stations a battalion might field. The best calibration configuration derived, yielded slightly higher points for an AA station and recruiters over the old system. The points were slightly lower for the BA and WBA stations as depicted in Appendix C. Figure 3.4 depicts the actual PRIME table that Albany is using for the beta test.

				GA: Qtrly Incentive Award Point										19-Mar	
							Prediction								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
	1	50	40	40	40	40	40	40	40	40	40	40	40	40	40
	2	80	90	70	50	40	40	40	40	40	40	40	40	40	40
P	3	110	120	130	110	90	70	50	40	40	40	40	40	40	40
r	4	140	150	160	170	150	130	110	90	70	50	40	40	40	40
o	5	170	180	190	200	210	190	170	150	130	110	90	70	50	40
d	6	200	210	220	230	240	320	290	260	230	200	170	140	110	80
u	7	230	240	250	260	270	350	400	370	340	310	280	250	220	190
c	8	260	270	280	290	300	380	430	470	440	410	380	350	320	290
t	9	290	300	310	320	330	410	460	500	610	570	530	490	450	410
i	10	320	330	340	350	360	440	490	530	640	710	670	630	590	550
o	11	350	360	370	380	390	470	520	560	670	740	810	770	730	690
n	12	380	390	400	410	420	500	550	590	700	770	840	920	880	840
	13	410	420	430	440	450	530	580	620	730	800	870	950	1,040	990
	14	440	450	460	470	480	560	610	650	760	830	900	980	1,070	1,160

Figure 3.4. Actual PRIME Table Supplied to the Albany, NY Battalion

Source: Terasawa, 1996.

F. STATION POINTS FOR NON-PRODUCERS

In addition to the individual points a recruiter receives for an accession, USAREC currently awards a set of points called station points. Station points are awarded to all the recruiters in a station when the station achieves their monthly mission box production number. The amount of points is currently 50 per month.

Under PRIME, station points will equal the summation of the total points earned by each recruiter in the station, divided by the number of recruiters in the station. This approach will incentivise the station commander and the recruiters to increase production within the station because they are only constrained by their accession numbers. Station points are added to the individual recruiter's incentive bonus points at the end of each accounting period. The question is how should the points be applied based on individual recruiter performance? We considered four alternatives ranging from an equal share between all recruiters to shares just for recruiters that achieved their projection and none for those who did not produce any accessions.

In the Table 3.1, X is their predicted accession, T is the actual accession, Q is quota, NQ means they missed their quota, and ZERO means they accessed no recruits. Under plan A the station points would be equally applied to all station members at 40% of the total station points. This situation would effectively reward a recruiter with no accessions. Plan B would apply 50% of the station points to recruiters that produced and 10% to a non-producer. This situation would not give a recruiter who predicted and accessed what they planned any added incentive for their performance and would reinforce marginal performance for the NQ recruiter. Plan C would equally apply the station points to the Q and NQ performers, while not giving the ZERO performer any points. This would reinforce marginal performance and possibly overly disincentivise the non-performer. Plan D would stagger the application of points from 60% for Q, to 40% for NQ, to 0% for ZERO. This would appropriately reward and set apart the Q performer while rewarding the NQ performer and disincentivise the non-performer. The ramifications of each plan is the effect it will have on recruiters' morale. We recommend that USAREC adopt plan A or plan B. Either of these plans will properly incentivise the recruiters. The question USAREC must answer

is whether negative incentive, i.e. no points for ZERO, is consistent with their command philosophy.

Table 3.1. Station Point Award Decision Table.

	X>=T	X>0	X=0
PLAN/ACCESSION	Q	NQ	ZERO
A	0.4	0.4	0.4
B	0.5	0.5	0.1
C	0.54	0.54	0
D	0.6	0.4	0

Source: Terasawa, 1996.

G. DELIVERED PRODUCT

The PRIME system, as presented to USAREC, has several features that make it extremely user-friendly. Professor Terasawa built a Graphical User Interface (GUI) into the system that hides the spreadsheet calculations from the recruiters and awards personnel.

The GUI screen has three options for the recruiter to choose, they are the Mission Target Entry, Print Summary, and the Actual Production Entry. Mission Target Entry (Figure 3.5) is a macro within the program that allows the recruiters to go in and work with the system to determine their optimum point range based on their assessment of their accessions. Figure 3.5 represents the Mission Target Entry screen. In this example, the recruiter expects to access nine GAs during the quarter and his expected award points equals 570. There could be any combination of categories of recruits depicted in the example to include ones from both Regular Army and Army Reserve. The recruiters are not constrained in their predictions.

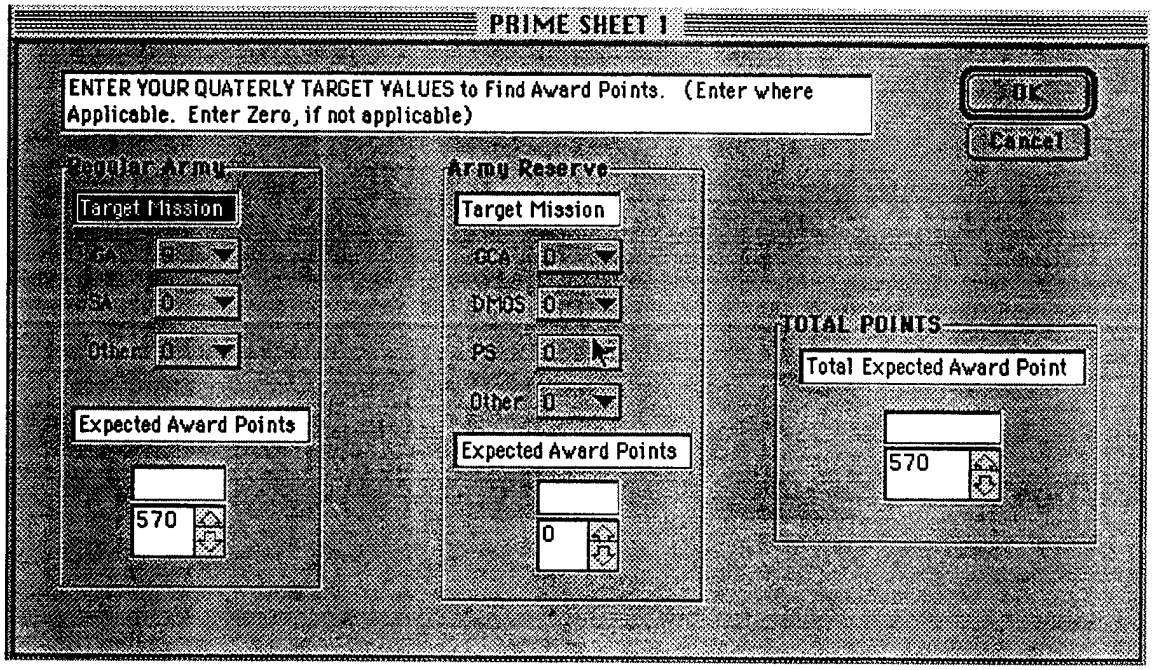

Figure 3.5. PRIME Mission Target Entry Screen

Source: Terasawa, 1996.

The next macro is the Print Summary. It simply prints out the predictions and any final points tables for the recruiters. The recruiters and awards personnel can use this printout to manually update their records or keep the records in a digital format.

The final macro is the Actual Production Entry (Figure 3.6). This macro is where the recruiters input their actual performance for the accounting period and the macro derives their incentive points. In this example, the recruiter actually accessed nine GAs and received 570 incentive points.

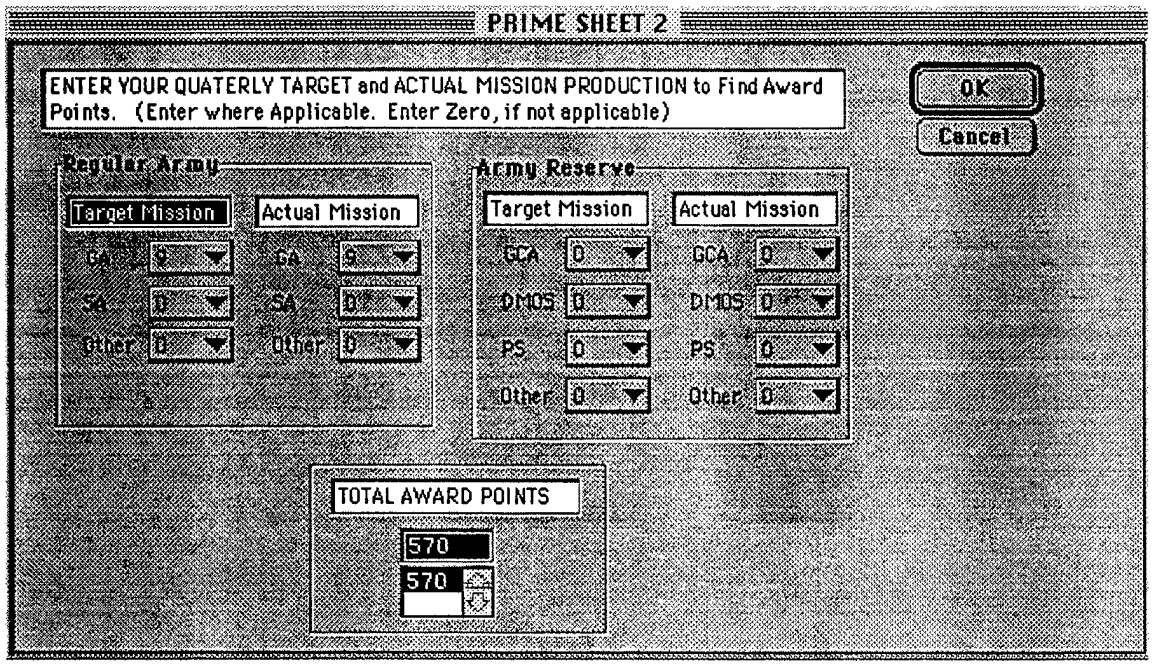

Figure 3.6. PRIME Actual Production Entry Screen

Source: Terasawa, 1996.

Recruiting personnel have to input the recruiter's name, social security number, and predictions to derive incentive award points. The program is interactive allowing the recruiters to work through different scenarios and predictions to determine where their best reward for predictions exist. At the end of the accounting period, the awards clerk only needs to input the actual production, by category, of each individual recruiter and the program will calculate incentive award points. These points are applied towards the recruiter awards in the same fashion as under *Success 2000.* These data are stored in a database for the unit and are assessable as needed. The system is much more user-friendly than the old system and it is easier to assess and evaluate the possible recruiting scenarios under PRIME.

H. CHAPTER SUMMARY

This chapter described the concept of PRIME as a system designed to build on the strengths of the *Success 2000* program that adds a dimension of self-

selection and ownership of the accession mission for an individual recruiter. The PRIME concept reasons that on-production recruiters have the best market data available in their regions of operation and they can best determine their level of output. The challenge is to have them self-select a level of output that challenges themselves and their markets. The PRIME system has several features that answer this challenge. They are that the system has a truth-telling mechanism, efficiency-enhancing system, and a jump-point incentive award point system.

The truth-telling mechanism is when a recruiter predicts a specific number of anticipated recruits within a time period and they are motivated to attain that number by the points structure. The points are aligned such that, a recruiter must access the number they originally predict in order to attain the optimum number of incentive points. The system is efficiency-enhancing because given their predictions at the beginning of an accounting period, if they fall short of the prediction they lose incentive award points. If they overproduce they gain incentive award points. Therefore, a recruiter gains a proportionally larger share of points if they overproduce compared to a proportionally smaller number of points for underproduction. The optimum number of points a recruiter can receive is when they accurately predict and access their prediction number. This incentive structure motivates the recruiter to be as accurate as possible in their original predictions. The jump-point is the point where the incentive award points for accessions increase substantially over the previous level. This is a number of accessions per accounting period, identified by USAREC, where they want the recruiters to focus their predictions and efforts. These are the positions on the table where recruiters will maximize their incentive award points. We are counting on human nature to strive towards the performance level that yields the greatest reward.

The points for the original PRIME table are based on the Incentive Award Point Update, 1st Quarter FY1996, Appendix B. The table is designed to incorporate all the points a recruiter can receive under *Success 2000* including shipping points, commanders bonus points, the varying point structure for specific categories of recruits, and DEP losses. The points for specific categories of recruits are derived using an awards multiplier that reflects the relative weighting of each category of recruit. These weightings are applied to a base points matrix that represents the points received for a GA accession. The matrix was calibrated using actual recruiter accession data from the Albany, New York recruiting battalion. We used five quarters worth of 154 individual recruiters data. This data was established as the baseline for the calibration of the system. This data was inserted into the original PRIME table and compared to the points derived under *Success 2000,* this process was repeated several times until a close approximation of points was achieved.

The station points were considered next in the process. The problem was how to apply the points to varying levels of production. Should a non-producer receive the same number of station points as a recruiter that produces? We derived four scenarios to delineate the points breakdown and recommended a plan to evenly apply the points at a 40% level to all recruiters within a station.

Finally, the points matrix was calibrated and it was provided to the Albany, New York recruiting battalion in a software package. The software package has a Graphical User Interface (GUI), that allows the recruiters to use the program without having to actually enter the spreadsheet and manipulate the program. The package allows the users to input data fields such as the recruiters name, social-security number, predictions, station, and final production. All the data are stored in the software allowing easy access and manipulation. Recruiters also have the ability to enter the system and game their predictions. They can determine what

level of prediction will produce their optimum amount of points based on their production. From this determination, they predict their performance and strive towards that prediction.

IV. IMPLEMENTATION

A. INTRODUCTION

This chapter will define a methodology to implement the PRIME system within USAREC focusing on the battalion level of command and how they train and track the system. We will consider the training issues surrounding the system, how to provide incentive points to station commanders and staff members, the bidding process, and the command and control mechanisms necessary to implement PRIME. We will also address several command concerns that surround the program and what to realistically expect from the recruiters.

B. IMPLEMENTATION

Implementing and training on-production recruiters to use PRIME within the current system is not a difficult task. PRIME will work within the current accession system. The structure of *Success 2000* and the tracking and support systems involved in its execution lend themselves to supporting PRIME. The difficult aspect of implementing PRIME is changing the attitudes surrounding the derivation of USAREC's accession mission and training on-production recruiters to conduct realistic market analysis. PRIME is a bottom-up driven accession system. In the past, USAREC has conducted market analysis for the country, based on the DCSPER mission requirement, and forced down quotas based on what they expected each area to access. The key point is not the question of how the recruiters derive their individual accession mission, but do the total accessions match or exceed the number DCSPER directed USAREC to access to support the future end-strength of the Army?

1. Training Focus

PRIME is a bottom-up driven accession system. Consequently, it is imperative that the on-production recruiters know how to properly assess their

markets to make an educated projection of accessments. To support the PRIME concept, it is necessary for all the players from the on-production recruiters to their supervisors, commanders, and especially the personnel assessing the accessions to understand the system and how to track its progress. The training plan USAREC implements should emphasize the methods on-production recruiters use to analyze their market share data by zip code, teach them to do lead line calculations, fill out the DA Form 533 and 635, conduct lead source analysis, and manipulate the PRIME software. Recruiters are aware of these skills. It is necessary for them to be intimately familiar with the techniques. It is no longer practical for their higher command to do all the market analysis for them and direct their accessions accordingly. This type of analysis is not timely nor does it take advantage of the knowledge the recruiters have of their geographic region.

The station commanders should be trained in the art of eliciting the most realistic predictions possible from their on-production recruiters. This process involves motivating the recruiters as individuals and as a station team, knowing the market, and managing time. An experienced recruiter, under a station commander, who is familiar with analyzing market share, doing lead line calculations and conducting lead source analysis can make a relatively accurate prediction of their future accessions. The focus of the station commander with the experienced recruiter is to insure they predict high enough on the matrix to challenge their skills and the market. With inexperienced recruiters, the station commander must review the logic behind their prediction. They must review the zip code market analysis, historical trends within the station for the upcoming time frame, review the lead source analysis, and review their lead line calculations. After the station commander is convinced that the recruiter knows how to conduct the analysis and that the analysis is correct, he should assist the inexperienced recruiter in determining his prediction. Motivating the station to operate as a team

is a primary focus of *Success 2000* and this focus should continue to prevail in the conduct of everyday business. Time management techniques, such as the DA Forms 533 and 635, are in place in all stations. These techniques should continue. The focus for time management from the station commander's perspective should shift from dictating activities to tracking recruiter activities in order to support PRIME.

2. Staff and Station Incentive Points

The company, battalion and brigade staff elements will calculate their incentive points by taking the sum of the total incentive points earned by the stations within the command, then divide by the number of on-production recruiters in the command. This process averages the production performance of all the on-production recruiters in a unit. This technique will motivate the staff elements to focus their efforts on the areas in the command that are the weakest and can yield the greatest overall affect on the on-production recruiters success.

Under *Success 2000,* it is possible for the staff and stations within a command to earn quarterly mission box points. That type of incentive point accrual can continue under PRIME, at a price. The system can continue under the following scenario. The rolled-up predictions of the recruiters in the stations equals the commands mission for the quarter. If each individual recruiter meets or exceeds their prediction for the quarter then the unit within the command will receive the quarterly mission box points. If one recruiter does not meet their prediction then the unit will not receive the points. The individual pressure derived by the prospect of causing the entire group to lose mission points can be extreme. This pressure is internalized by a recruiter and brought about because of peer pressure. This type of pressure could help to motivate recruiters to access recruits.

The price of this type of system is that it will disincentivise the recruiters from making realistic predictions of their performance. The internalized pressure

derived from the prospect of causing the entire group to lose their quarterly mission box points will cause the recruiters to predict below their markets potential. It will become more important to attain their prediction and not let down the command rather than realistically predict what the market can yield. This process will destroy the benefits of PRIME.

3. Bidding Process

The bidding procedures are straight forward. Approximately one month before the beginning of a new quarter the RSC will meet with the individual recruiters and review their market share data, conduct production counseling, and conduct analysis of their market before the actual "bidding." The key to success in the bidding process is to make a realistic bid, based on the recruiter's knowledge of the market and realizing that the bid is the recruiter's "best guess" of what they can actually accomplish. There is no penalty for not accessing the number of recruits bid, other than a reduced number of incentive award points and peer pressure. An experienced recruiter will take all the information and prepare a bid for each individual category for the quarter. An inexperienced recruiter will consult with the RSC to come up with a realistic figure taking into account, the recruiter's ability and market share. After this process, the bid is then finalized and signed by the recruiter and station commander. The recruiter and station commander then have a contract and the recruiter owns the bid at this point and is responsible to plan and execute his work schedule to accomplish the prediction. This information is consolidated for the station, forwarded up to the company for consolidation, and then forwarded to the battalion.

During the implementation phase of PRIME, the battalion should compare the prediction figures to the accession mission directed from USAREC to insure the PRIME derived mission supports the DCSPER derived mission. If there is a discrepancy between the two then the Commander has two options. If the bids are

greater than the DCSPER mission, he can suggest lowering the missions if he fills based on his analysis that the recruiting force is setting themselves up for failure. In the case of the Albany recruiting battalion, their first bidding produced bids higher than their USAREC quota for the quarter. If the bids are lower than the DCSPER mission then the points on the PRIME matrix may need refinement by USAREC or the market analysis for the region should be reassessed. Both of these options must be reviewed before conducting another bidding session. After PRIME is totally implemented and the historical data on regions is compiled, the comparisons and possible re-bidding will not be necessary.

4. Command and Control

The command and control mechanisms currently in place at station, company, and battalion level will remain in place. There is no need to change the recruiter progress tracking procedures in order to implement PRIME. The only change is that tracking and time management planning must be done by each individual recruiter. This should make the job of the company and battalion easier because now the reporting information and records are derived at the lowest level and it is a matter of compiling and quality checking the information.

C. COMMAND CONCERNS

1. Expectations

The bidding process represent the recruiters' "best guess" of their experience and performance. **It is not realistic to expect all the recruiters to access the number of recruits they predicted.** The predictions the recruiters are making should maximize their market's potential if they are predicting the maximum available recruits in the region. If the recruiters bid the full market potential, approximately 50% of the recruiters will achieve or exceed their prediction and the rest will not achieve their predictions. It is up to the individual recruiters to manage their time and resources effectively to access recruits on a

glide path consistent with their projections. The recruiters are expected to take into account any foreseeable absences from the station and any other factors that will affect their ability to recruit. PRIME is a system that derives its efficiency from the knowledge of the experts in the foxhole and we will allow them to do their job in their own way with limited oversight.

2. Recruit In-processing

Under PRIME, in a quarterly accounting period, a recruit can be carried over into the next month without penalty. Recruiters attempt to expedite accessments at the end of accounting periods in order to make a cut-off date. This situation causes many recruits to be rushed through the system on the last day of the month, which backs up the in-processing system. They have to wait hours for a physical and processing and this causes them to become frustrated and some decide not to join the Army. This situation occurs so that a recruiter can make an arbitrary accounting cut off date. Under PRIME, recruits can be carried over and processed professionally, in a manner that will make them think well of the military and cause them to fulfill their obligation. We expect the PRIME system to allow the recruiters to focus on quality recruits and give them the time necessary to properly track and close a contract.

The situation described above happens at the end of every month under *Success 2000.* Under PRIME, the situation will happen quarterly. The question is how backed up will the in-processing system be and how many recruits will experience this situation? The simple act of reducing the number of accounting periods will reduce the number of frustrated recruits. If the recruiters are properly managing their time, the numbers of recruits rushed through the system will be reduced. It is better to give recruiters more time between accounting periods and allow them the opportunity to manage their accessions properly.

3. Quality of Life

If Commanders allow recruiters to manage their own time, as long as they are accessing up to their predictions, it will increase their quality of life. Quality of life is a difficult command concern to measure. In our opinion, quality of life is the ability of a recruiter to set their own schedule, take leave, attend school, and access quality recruits in a professional manner. The recruiters within USAREC who access their predictions under PRIME should be given the latitude to set their own schedules after making their prediction. Any extra accessions over their prediction are at the discretion of the recruiters based on their work ethic and market situation. This command attitude will increase quality of life for the recruiting force.

V. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

This chapter will make our conclusions and recommendations for the PRIME program to USAREC. All new activities and programs within the Army are focused on, and support the vision of *Force XXI.* Many new programs that cannot show a direct linkage to *Force XXI,* or that specifically support and complement this vision, do not receive funding. We will discuss the Army's concept of *Force XXI* and how the application of PRIME to the recruiting process supports the vision of the Army in the future.

B. *FORCE XXI*

Force XXI is the former Chief of Staff of the Army's vision of the future of the Army that answers many of the problems faced in today's dynamic strategic environment. It is a template for the fundamental changes in doctrine, organization, and training happening within the Army today and is embraced by the current Chief of Staff of the Army, General Dennis J. Reimer. The former Chief of Staff, General Gordon R. Sullivan, in 1995 stated:

> *Force XXI* is the reconceptionalization and redesign of the force at all echelons, from the foxhole to the industrial base, to meet the needs of a volatile and ever-changing world. It will be a force organized around information and information technologies. The central and essential feature of this Army will be its ability to exploit information. Information and digital technologies are creating such a synergistic effect among all the operation systems, organizations and components that the Army's capability will be enhanced by an order of magnitude.
>
> Soldiers are the most important element of *Force XXI.* It is through quality soldiers that the full power of technology will be realized. Only intelligent, physically fit, highly motivated, educated, and well-trained soldiers can leverage technology to its fullest potential.
>
> The critical challenge for the Army as we create *Force XXI,* is to remain trained and ready, while growing more capable. To achieve

> *Force XXI,* we must change our outmoded ways, retain continuity of our essential Army values, and promote growth of our capabilities (Army Chief of Staff Briefing, 1995).

To support this vision of "Trained and Ready," the total Army is focusing on six imperatives that must be maintained to complete the package. Of these imperatives, quality people is at the top of the list (Figure 5-1).

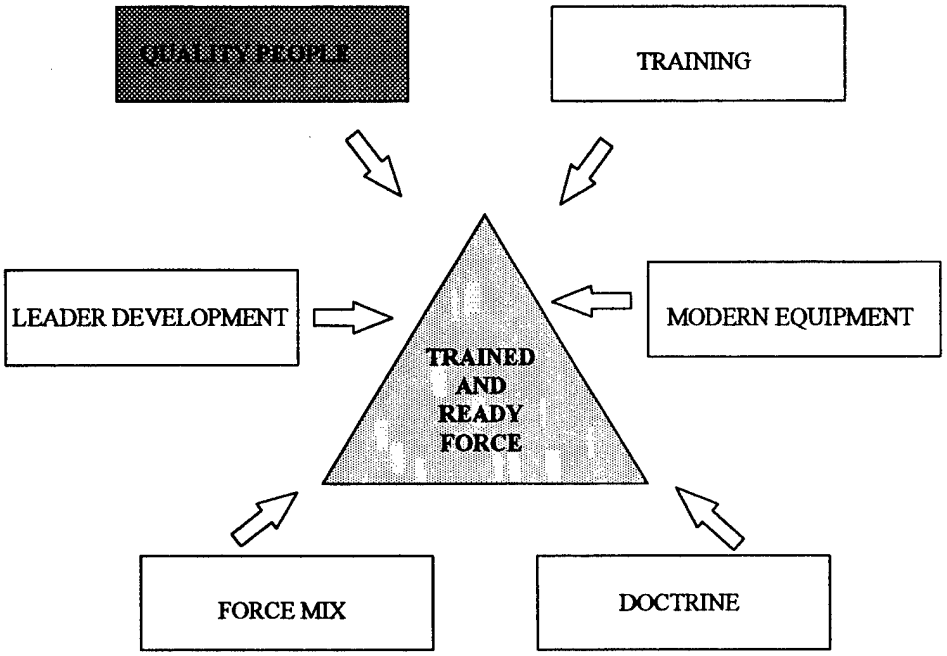

Figure 5.1. Six Army Imperatives to Support *Force XXI*

Source: TRADOC, 1996.

In order to support *Force XXI* and their portion of the imperatives, the DCSPER, derived a mission statement that states, "The U. S. Army designs the 21st century force (*Force XXI*) beginning now to achieve related fielding and support decisions by the year 2000 to fully field the total Army force that is capable of meeting our Nation's 21st century challenges, from foxhole to factory." He plans to accomplish this by working through his concept of the "Personnel Lifecycle." The Personnel Lifecycle consists of six interrelated processes: structure, acquire, train, distribute, sustain, and separate. These processes

influence each other and apply to all three components of the Army, active, reserve, and civilian. The challenge, as the DSCPER perceives it, is for the organization to realize that change is acceptable. He directs that the personnel directorates adapt new systems through experimentation as the Army of the future begins to take shape (DCSPER Briefing, 1995).

The direction the DCSPER gave for the Acquire piece of the Personnel Lifecycle focuses specifically on USAREC. He predicts that the requirements for quality soldiers will be greater in the *Force XXI* Army than in the Army of the past. To acquire these personnel, it requires a highly skilled and specialized recruiting command to acquire the types of people necessary to employ the future warfighting systems. USAREC must develop efficient recruiting activities equipped with the most modern technology to fill the requirements for the active, reserve, and civilian components.

The future force projections for the Army are not stable. Under a steady state, the end of year force = beginning force + accessions - separations, that is not necessarily the case today because our force projections are changing from year to year. The dynamic aspect of the force projections makes USAREC's job much more difficult. USAREC must endeavor to implement an accession system that can be as dynamic as the environment and change accession numbers with minimal effort. Current trends indicate that on-production recruiters of the future must be more efficient and must make more contracts to recruit the correct quantity and quality of force. PRIME addresses the DCSPER's concerns of efficiency and flexibility and adds a dimension of equal incentive for equal work and accurate data collection.

C. CONCLUSIONS

All the programs the Army and their support activities implemented must support the *Force XXI* concept to be viable and survive the scrutiny of the budget review. PRIME accomplishes this requirement.

The PRIME system has the necessary characteristics incorporated into its body to push recruiters towards their maximum efficiency. Based on the preliminary data provided by the Albany Recruiting Battalion, their recruiters self-selected a mission that satisfied their DCSPER accession mission. They are performing better under PRIME during the 3rd quarter of FY1996 than they performed at the same time last year. These facts support the contention that PRIME can motivate recruiters to access recruits up to the true market potential of their assigned geographic area and have them accomplish the mission consistent with their accession glide path. When the final data arrive for the 3rd and 4th quarter of FY1996 a substantiated determination can be made.

PRIME can be implemented within the current system without changing the organizational structure or reporting structure of USAREC. The primary focus of USAREC should be on training the on-production recruiters to analyze their market share data by zip code, teach them to do lead line calculations, fill out the DA Form 533 and 635, conduct lead source analysis, and manipulate the PRIME software. Specific attention needs to be paid to the training of the station commanders to ensure they know how to motivate recruiters to choose the most realistic prediction possible. Tools the station commanders can use to motivate the recruiters are incentive points or cash.

Using cash as a motivation tool has been explored in previous literature and it was determined that it could have an averse effect on the recruiting system. This is because of the recruiter's perception that the recruiting environment would become too aggressive and stymie the teaming trends currently in vogue under

Success 2000. Cash as an incentive is not allowed by DoD regulation. Using the incentive award points is the best method of motivating the recruiters under the current system. The incentive award points system already exists and it is relatively easy to restructure the system to support the PRIME concept. The incentive points available to recruiters and staff support personnel are easily manipulated to place a focus on the particular level of accessions where USAREC needs individual recruiters to access for an accounting period. This manipulation can be changed based on accession input from the DCSPER, without having to revise the total system.

The DCSPER's accession input for the year is reviewed by USAREC and divided among the recruiting brigades within the United States as quotas. PRIME can, over time, increase the efficiency of this function. Measuring the predictions of the recruiters within a geographic area versus their actual accessions will yield an average and a standard deviation from the average over time. These data are more accurate than the data USAREC is currently using. The new data will allow USAREC to recognize when an area is not performing up to their capability and spur them to look for factors effecting the situation. They will also allow USAREC to better allocate their resources, focusing on areas that has the most potential to reap benefits for the command.

D. RECOMMENDATIONS

We recommend that USAREC continue with the current beta test and consider expanding the PRIME system to a brigade level command. Expanding the test is predicated on the outcome of the current test. There are several tangible things to consider when evaluating the beta test data: individual recruiter performance, actual accession performance versus the predictions, actual accession performance versus historical performance, DEP loss rate, steady accession flow throughout the test period, and contract quality, to name a few. There are several

intangible areas that need consideration: recruiter quality of life and quality of the accessions being processed.

PRIME will increase the efficiency of USAREC and increase the quality of life of the recruiters under their command.

>>>>FY96 CONSTANT $M<<<<																			
MPA	FY82	FY83	FY84	FY85	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
ARMY COLLEGE FUND	0	0	0	80.7	163.2	107.1	76.4	63.5	0	0	0	9.3	34.9	63.6	62.7	74.6	38.4	35.9	44.0
ENLISTMENT BONUS	156.1	171.3	147.3	135.6	143.3	87.6	49.9	51.9	66.0	31.7	11.9	11.8	13.0	13.8	16.6	18.8	15.8	14.9	16.0
MILITARY PAY	358.5	329.1	326.9	323.5	323.1	323.4	317.5	311.3	322.8	352.8	362.2	322.1	279.6	284.6	275.4	278.0	279.2	282.8	271.9
(TOTAL MPA)	514.6	500.4	474.2	539.8	629.6	518.1	443.8	426.8	388.8	384.5	374.2	343.2	327.5	362.1	354.7	371.5	333.4	333.6	331.9
OMA																			
(OMA 1)																			
CIVILIAN PAY	45.4	44.4	44.1	44.9	44.0	41.6	41.0	40.8	41.3	37.8	37.0	35.9	36.3	38.9	43.3	42.0	41.0	40.3	39.4
ADVERTISING	95.0	93.9	89.8	105.6	104.7	93.9	82.1	78.0	76.0	50.6	43.3	35.4	45.8	57.3	70.6	68.5	68.8	68.5	67.9
RECRUITER AIDE SUPPORT	13.8	1.4	2.5	11.8	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RECRUITER SUPPORT	112.8	106.7	125.1	130.5	114.3	126.0	117.5	120.1	109.8	92.4	103.3	79.6	80.1	92.4	82.4	94.9	92.3	89.0	87.7
TRAINING	6.7	6.6	5.6	6.9	6.5	5.2	5.9	6.4	5.9	5.0	4.9	5.5	4.8	5.8	4.0	4.1	4.2	4.2	4.2
COMMUNICATIONS	0.0	0.0	0.0	0.0	0.0	36.5	28.6	28.0	30.5	22.3	21.2	20.2	18.9	18.6	16.3	15.9	15.6	16.5	16.3
(TOTAL USAREC OMA)	273.7	253.0	267.1	299.5	272.2	303.1	275.2	273.3	263.5	208.2	209.7	176.7	185.9	213.0	216.6	225.4	221.9	218.4	215.5
(OMA 2)																			
COMMUNICATIONS/ADP	25.2	28.5	31.8	26.3	36.5	2.9	2.8	2.5	2.4	2.7	2.1	1.4	1.4	1.2	1.2	1.0	0.8	0.8	0.7
KEYSTONE 9REQUEST-MS5B)	19.7	24.2	21.7	25.6	24.9	12.7	14.3	15.1	12.2	9.4	12.3	10.3	7.0	7.9	7.3	7.1	6.7	7.2	7.0
FACILITIES (QLEA)	31.9	33.2	36.0	36.3	37.3	39.5	39.8	40.0	42.4	41.7	42.2	39.1	38.7	36.9	36.9	37.0	38.8	39.2	39.4
(TOTAL OMA)	350.4	338.9	356.7	387.7	370.9	358.3	332.1	330.9	320.4	262.0	266.3	227.4	233.0	259.0	262.0	270.4	268.3	265.7	262.6
TOTAL BIG 10	865.0	839.3	830.9	927.5	1000.5	876.3	775.9	757.6	709.3	646.5	640.4	570.6	560.5	621.1	616.7	641.9	601.8	599.2	594.5
% USAREC OMA	0.316429834	0.30141	0.32141	0.32291	0.27201	0.3459	0.3547	0.36072	0.37145	0.32204	0.32741	0.30958	0.33169	0.34292	0.35122	0.35109	0.36881	0.36454	0.36254
TTL ENLIST/ACCESSION MISSION	130198	145,337	142,316	125,445	135,528	133,000	115,220	120,558	89,619	78,243	77,583	77,563	68,038	62,931	70,000	90,471	84,588	85,419	89,002
OMA PER ACCESSION	2102.3	1740.6	1876.5	2387.6	2008.1	2279.1	2388.6	2266.9	2939.8	2660.8	2702.7	2277.5	2732.4	3384.6	3094.3	2491.1	2623.7	2557.3	2421.7
GROSS COST PER ACCESSION	6,643.9	5,774.8	5,838.2	7,394.0	7,382.3	6,589.0	6,734.2	6,284.4	7,914.4	8,262.5	8,254.8	7,356.7	8,237.9	9,870.1	8,810.0	7,095.3	7,114.1	7,015.3	6,679.7
(TOTAL MPA)	514.6	500.4	474.2	539.8	629.6	518.1	443.8	426.8	388.8	384.5	374.2	343.2	327.5	362.1	354.7	371.5	333.4	333.6	331.9
COMMUNICATIONS/ADP	25.2	28.5	31.8	26.3	36.5	2.9	2.8	2.5	2.4	2.7	2.1	1.4	1.4	1.2	1.2	1.0	0.8	0.8	0.7
KEYSTONE 9REQUEST-MS5B)	19.7	24.2	21.7	25.6	24.9	12.7	14.3	15.1	12.2	9.4	12.3	10.3	7.0	7.9	7.3	7.1	6.7	7.2	7.0
FACILITIES (QLEA)	31.9	33.2	36.0	36.3	37.3	39.5	39.8	40.0	42.4	41.7	42.2	39.1	38.7	36.9	36.9	37.0	38.8	39.2	39.4
	591.3	586.3	563.8	628.0	728.4	573.2	500.7	484.3	445.8	438.3	430.7	394.0	374.6	408.1	400.1	416.6	379.8	380.8	379.0
TTL ENLIST/ACCESSION MISSION	130198	145337	142316	125445	135528	133000	115220	120558	89619	78243	77583	77563	68038	62931	70000	90471	84588	85419	89002
	4541.544	4034.21	3961.74	5006.431	5374.177	4309.901	4345.586	4017.476	4974.579	5601.646	5552.112	5079.16	5505.438	6485.448	5715.714	4604.253	4490.36	4457.977	4258.007

APPENDIX B. SUCCESS 2000 POINT SHEET (1ST QUARTER 1996)

USAREC'S SUCCESS 2000 *RECRUITING EDGE*

Incentive Award Point Update 1st Qtr FY 96

Station Mission Box		Points
Mission Box Accomplishment (Combined)	All Recruiters In Station	50

Individual Recruiter Production Points Awarded In Addition To Station Mission Box Points. If Station Mission Box Not Achieved, Only Individual Recruiter Production Point Values Are Awarded

	Regular Army Category	Point Value
1	HSDG I-IIIA NO GENDER (GA)	30
	SENIORS I-IIIA (SA) NO GENDER	20
2	IIIB (SB) NO GENDER	10
	Other (PS/Other HSDG/Non-HSDG	
3	No Gender/Mental Category)	10

	Army Reserve Category	Point Value
1	HSDG/Currently in HS I-IIIA No Gender (GCA)	25
2	Duty MOS Qualified Prior Service No Gender (DMOS)	20
3	Prior Service - No Gender (PS)	15
4	Other HS Grad/Non-Grad No Gender/No Mental Categories (Other)	10

CG's Bonus Points	Points
Quarterly RS Mission Box	40
91CC (USAR ONLY) /Band	10
CONAP (After Acceptance)	5

RS Commander Leader	Points
Each Volume Contract Over Mission Box	20

All RA Accessions and USAR NPS Shippers

20 Points

***Company/Battalion Guidance Counselors (OOR/OOE) Are Awarded Points Based on the Aggregate of Recruiter Points awarded, Divided By the Number of Assigned Production Recruiters.**

****Consolidated MEPS G/C Points Will be the Aggregate of Recruiter Points, Divided By the Recruiters Assigned to Those Battalions Supported by the MEPS.**

AMEDD Program	Points
1. Regular Army	
a. Commission All Tiers	75
b. Accession All Tiers	75
c. Bonus For TIER 1 & 2	150
2. Army Reserve	
a. Commission All Tiers	50
b. Bonus For TIER 1 & 2	150
c. ACASP 91CC Category Point Value At DEP In (Plus CG Bonus Points and NPS Shipper Points)	*

***Production Point Value of Contract Category**

Special Missions	Points
1. OCS/WOFT Enlistments	
a. Production Point Value At DEP In	*
b. Shipping	50
2. RA Special Forces	
a. Report to Fort Bragg	15
b. 160th SOAR Each Packet	15
3. USAR Technical Warrant	
a. Proponent Qualified & Board Eligible	50
b. IRR to TPU/IMA Transfer	20

This flyer represents all points currently in effect. If you have any questions about the points system contact:

SFC Michael Ayers (800) 223-3735EXT 6-0470

	BaP	30	Pep	20	Stp	0.1														
	BoP	10	Min	20	sJ	0.4														
	Req	1			LJ	0.3				Pts1	Pts2	Pts3	Pts4							
Success 2000			w/ Stn	w/ CG				PRIME					Team							
	Qtrly	Ind	Mo MBx	Qtr Bn	w/ Shipper					w/ Shipper			work							Pre
	GA	Pts	Pts	Pts	Acce'n	Pts					Pts		Pts	Diff						Mlt
Name	Prod	30	50	40	10%	20		Pred	Prod		20		1.50							
AA Station			3	1									230							
Recruiter1	5	150	300	340	5	440		5	5	190	290	290	520	80		190	190	190	1	
Recruiter2	5	150	300	340	5	440		5	5	190	290	290	520	80		190	190	190	1	
Recruiter3	4	120	270	310	4	390		4	4	150	230	230	460	70		150	150	150	1	
Recruiter4	2	60	210	250	2	290		2	2	70	110	110	340	50		70	70	70	1	
																-10	20	20	0	
	16	1.6			16					600				280						
A Station			3	1									170							
Recter1	4	120	270	310	4	390		4	4	150	230	230	400	10		150	150	150	1	
Recter2	4	120	270	310	4	390		4	4	150	230	230	400	10		150	150	150	1	
Recter3	3	90	240	280	3	340		3	3	110	170	170	340	0		110	110	110	1	
Recter4	1	30	180	220	1	240		1	1	30	50	50	220	-20		30	30	30	1	
																-10	20	20	0	
	12	1.2			12					440				0						
BA Station			2	1									110							
Recter1	5	150	250	290	5	390		5	5	190	290	290	400	10		190	190	190	1	
Recter2	3	90	190	230	3	290		3	3	110	170	170	280	-10		110	110	110	1	
Recter3	1	30	130	170	1	190		1	1	30	50	50	160	-30		30	30	30	1	
Recter4	1	30	130	170	1	190		1	1	30	50	50	160	-30		30	30	30	1	
Recter5	0	0	100	140	0	140		0	0	0	0	0	110	-30		-10	20	20	0	
																-10	20	20	0	
	10	1			10					360				-90						
WBA Station													70							
Recter1	2	60	60	60	2	100		2	2	70	110	110	180	80		70	70	70	1	
Recter2	2	60	60	60	2	100		2	2	70	110	110	180	80		70	70	70	1	
Recter3	1	30	30	30	1	50		1	1	30	50	50	120	70		30	30	30	1	
Recter4	1	30	30	30	1	50		1	1	30	50	50	120	70		30	30	30	1	

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