

# Getting PBM to Become Second Nature

*By Char Ivey, Director, PBM Division*

Since becoming the director of the performance-based management division of contract operations and customer relations for the agency, I have heard many colleagues and friends say, “PBM is going away,” or, “It’s just a ‘flavor’ that will change soon.” Others have said, “We’re already doing PBM.”

I “Googled” PBM and was surprised to receive 236,000,000 hits. There is information on how to do PBM and white papers on those using PBM as well as their results. You might find the recent Office of Management and Budget memorandum directing civilian chief acquisition officers to report their use of PBM systems for acquisition programs.

U.S. Department of Energy data reveals that PBM is a key ingredient in much of the recent economic successes in U.S. industry. California state workers say PBM helps their employees focus on and respond to customer needs, measure and evaluate service delivery, and base program

and funding decisions on valid performance data. Well, that certainly sounds like what I have heard in DCMA. I know many of you think this is yet another propaganda article, but those who know me know I believe this can help our agency.

When DCMA began its PBM journey in 2004, employees heard that PBM was a process to focus them on where they fit into the “big picture” and help them understand what drives the enterprise. It became the agency’s solution for achieving customer outcomes. PBM assists contract management offices with supporting their customers as well as other CMOs. We will have reached PBM’s full potential when we link performance management to individual performance assessments, or ratings.

We got a slow start using customer-centered culture as the tool to help us articulate customer-desired outcomes. Next, quality function deployment assisted us with becoming more analytical and

structured for defining outcomes and determining paths to achieve them.

PBM is an integrated management system with many different tools to help us meet the needs of distinctly different customers. There is not just one way to reach DCMA’s objective. Therefore, policy had to adopt changes to accommodate them all. Will there be more changes? Certainly. As we mature in our use and understanding of PBM, processes will change and new tools will be adopted. Are more changes needed to the automation tools we are using? Yes, and we’re working to improve our use of automation.

The most exciting part is the results of recent mission review team inspections of CMOs indicating 50 percent of our performance commitments are valid; 62 percent of letters of delegation and 82 percent of strategies supporting agency-level performance commitments are valid; and 79 percent of our employees’ individual performance plans are linked to performance commitments. We are achieving our stated goals. My personal goal is no longer being needed as DCMA’s director of PBM because PBM has become second nature to us all. 

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