



# DIRECTOR'S MESSAGE

**O**ur agency is facing a funding challenge in fiscal year 2008 that will require some belt tightening at all levels of the organization. The senior leadership team has been working to put together a budget execution plan that will permit us to live within our funding guidance, but it will be challenging.

As you may have already heard, we needed to make significant reductions to portions of our training budget for the coming fiscal year. Also impacted were allocations for labor dollars (which governs the number of full-time employees we have working for the agency), travel, and supplies and materials.

A reduction of approximately 19 percent in our travel budget for the coming year will also present some special challenges. Our intent is that we will be able to leverage savings from our travel gain-sharing program and expand the use of our video-conferencing technology to offset the reductions. We will monitor this closely throughout the year and transfer funds from other areas if required to meet critical customer commitments. The budget reduction will also mean that we will limit

conferences and workshops. As an example, we have decided to have only one commanders' conference this coming fiscal year.

A reduction in labor dollars means that we will have a modest reduction in the number of employees in DCMA. We recently used tools like our voluntary early retirement authority and voluntary separation incentive payments for some of our employees who are in job series no longer in high demand to ensure we can rehire critical skills in key locations. Recognizing that we have a very high number of retirement-eligible employees, we are also shifting some labor dollars into hiring keystone interns to ensure that we develop our workforce of the future.

I also expect that our investment in performance-based management over the past few years will help assure that we have the right skills in place to meet our performance commitments to our customers. During the coming year, we will enhance our ability to develop and execute efficient and effective strategies for achieving our performance commitments by increasing the number of Lean/Six Sigma green belts and black belts

throughout our agency. Lean/Six Sigma should be a perfect complement to PBM. What PBM gives us is the assurance that the performance commitments reflect what's most important to our customers.

Lean/Six Sigma is a quality improvement program, an evolution of total quality management, that employs common analytical tools and methods and the logical steps in a process improvement approach to reduce costs and maximize performance.

My message to you is that we must be ever vigilant and prudent with how we spend the taxpayers' money to ensure that we can effectively accomplish our mission in the coming year. Each of you has an important role to play, and I know that you will continue to be creative in accomplishing the mission in the face of these fiscal constraints.

Warmly,

**Keith D. Ernst**  
Acting Director  
DCMA

**DCMA Acting Director**  
Keith D. Ernst

**Office of Congressional and Public Affairs**

**Director**  
Jackie Noble

**Chief, Public Affairs**  
Richard Cole

**Editor in Chief**  
Dianne Ryder

**Associate Editor**  
Mark Woodbury

**Editorial, Layout and Design**  
Katherine Crawford &  
Stewart McKenzie, BRTRC

Technology Research Corporation,  
8260 Willow Oaks Corporate Drive,  
Suite 800, Fairfax, Va. 22031  
phone: (703) 204-9777

**Printed By**  
Gray Graphics  
8607 Central Avenue  
Capitol Heights, MD 20743  
phone: (301) 808-1000  
ISSN: 1934-4163 (print)  
ISSN: 1934-4201 (online)

*Communicator* is published quarterly from appropriated funds by authority of the director, Defense Contract Management Agency. The director has determined that this publication is necessary in the transaction of business required by law and the Department of Defense.

Contents are not necessarily the official views of, or endorsed by, the U.S. government, DoD or DCMA. Controlled circulation. Periodicals postage paid at Capitol Heights, Md., and additional mailing offices.

**Subscriptions:** Private subscriptions and rates are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 or (202) 512-1800. POSTMASTER: Send address changes to DEFENSE CONTRACT MANAGEMENT AGENCY, OFFICE OF PUBLIC AFFAIRS, 6350 WALKER LANE, ALEXANDRIA, VA 22310-3241.