

Biennial Review Shows DCMA Is Better than Ever

by Maj. Gen. Darryl Scott, U.S. Air Force, Director, DCMA



The recently released 2003-2004 Biennial Review of the Defense Contract Management Agency (DCMA) reveals that DCMA is serving its customers better than ever and is increasingly being viewed as an indispensable partner.

Customers rate the Agency highly in effectiveness, efficiency, economy, responsiveness and coordination and voice strong support for DCMA to continue offering acquisition management products and services. Presently, 98 percent of our customers consider our products and services important to their organizations, whereas in 2002,

only 84 percent valued these same products and services. In addition, 96 percent of our customers foresee a continuing need for DCMA; a significant improvement from the 82 percent reported in 2002. It is also noteworthy that only 24 percent of our customers indicate DCMA products and services are available from another source, and a mere eight percent of our military

(Above) Members of DCMA Boeing Philadelphia's "Team Chinook" in front of one of their helicopters. Team Chinook has provided excellent customer support by working with contractors to find efficiencies resulting in cost reductions and shortened production time. From left: Mr. Herman Richardson, Boeing; Army Chief Warrant Officer 4 Jim Krueger; Army Master Sgt. Jim Kennick; Army Maj. Pete Ross; Army Chief Warrant Officer 4 Rob Morriss; Army Lt. Col. Mark Ballew; Army Chief Warrant Officer 5 John Smolka; Mr. Bill Gliem; Mr. Kenny Drummond, Boeing; Mr. Al Doreste; Mr. Frank Tipold; Mr. Bob Lawson; Mr. Bernie Rehill, Boeing; Mr. Karl Meixner (Photo by Mr. Larry Ruggeri.)

The improvements ... are a result of our ongoing transformation initiatives to become a more customer-centered culture.

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customers indicate they could do a better job providing these same products and services to their own organizations.

The improvements reflected in the 2003-2004 survey are a result of our ongoing transformation initiatives to become a more customer-centered culture. In addition to our contracting and technical expertise, DCMA possesses knowledge, information and insight that cut across multiple industries, contractors, disciplines, product lines and

processes. For example, in 2003 DCMA led the Department of Defense's (DoD) efforts to enhance electronic invoicing, receipt/acceptance and contractor payment by deploying Wide Area Work Flow (WAWF). As a result, electronic invoices cost \$28 less to process than paper invoices and speed payment time from 60 days to 24.8 days, saving millions of dollars in transaction costs and interest payments annually. Effective September 2004, the WAWF system also began processing progress payments, resulting in significantly reduced reject rates and cycle time to payment.

Although no significant problems are reported in the survey, our customers did suggest that DCMA consider increasing staffing levels, striving to better understand their requirements and improving overall communication. The Agency is committed to each of these recommendations. We are in the process of assessing our entire workforce to ensure we have the right people, with the right skill sets, in the right place, at the right time to adequately support our customers. Our internal recruitment campaign hires 200 entry-level people annually for training in core competency functional specialties and makes every effort to place these individuals at critical sites within the Agency. In

addition, the District offices have the authority to assign staff temporarily to fill short-term critical needs. We recognize the need to be better aligned with our customers and to be more focused on their desired outcomes, which is the reason our organization is transitioning to performance-based management.

At every level within the organization, we are focusing on:

- identifying desired customer outcomes
- assessing lines of service to meet these goals
- determining appropriate metrics to measure our performance

In addition, we are implementing a customer engagement strategy for the Agency. This customer engagement strategy is intended to foster teaming and open lines of communication within DCMA — between our Headquarters, Districts and field sites. This strategy also focuses on expanding interfaces and communication between DCMA and our external customers, including the Office of the Secretary of Defense and the numerous DoD and National Aeronautics and Space Administration buying activities. We are exploring ways to better support our customer liaison representatives who are collocated with each buying activity to facilitate communication with the program executive officers and program managers and to ensure customer requirements and expectations are being successfully achieved.

The findings of the Biennial Review Survey are directly linked to DCMA's transformation and strategic planning. DCMA transformation efforts focus on developing a customer-centered culture and on performance measures that are defined by customer success requirements. DCMA's strategic plan contains four critical goals:

- enable DCMA people to excel
- deliver great customer care
- improve support to acquisition life-cycle processes

At every level within the organization, we are focusing on identifying desired customer outcomes ...

- improve financial management through performance and budget integration

The Review's findings are reflective of the emphasis DCMA places on measuring the success of our ability to support our customers. Overall ratings indicate that, for the most part, we are successful in these efforts. There is room, however, for added focus on engaging with our customers in order to communicate our performance standards and allow our customers to determine their own success criteria.

Additionally, there is room for expansion of performance-based management, which is the foundation of the Agency's strategic plan. Presently, we are changing the structure of our strategic plan to address multiple years, whereas in the past we only addressed the current year. Beginning with headquarters in fiscal year 2005 and then going Agency-wide in fiscal year 2006, the strategic plan will cover the Program Objective Memorandum years with current year execution being identified in measurable and quantifiable terms and milestones identified for future years.

High marks in customer satisfaction reflect excellent performance by operational employees who perform their daily activities with total commitment to meeting customer needs. However, sometimes we need to revisit and modify our core competency practices. We recently chartered an integrated product team to ascertain the needs and expectations of our customers regarding product assurance. Results of interviews indicate that our customers consider quality assurance service to be vital to their success throughout a program or product life cycle. Our customers did express concern over several recent quality lapses. As a result, we will reinvigorate this core competency with emphasis on developing and documenting surveillance plans to meet customer needs; performing surveillance to

mitigate risks; ensuring suppliers meet all contractual requirements; and providing predictive analysis mitigation strategies. Simply put, we need to provide assurance that suppliers' products work right out of the box for as long as required. We need to work with contractors to prevent quality lapses and inform customers right away if problems occur. In order to improve core competency practices across the Agency, we recently modified our instructions to remove perceived barriers and allow tailoring of Agency guidance so our personnel can be creative and innovative in meeting the needs and expectations of our customers.

The Biennial Review process works well in its present format and is important for helping DCMA achieve its mission as effectively and efficiently as possible. The Review's ratings and comments propel us on our journey toward being an indispensable partner, providing military and civilian agency customers with flexible and responsive acquisition life-cycle solutions.

(Right) Mr. Joe Longo, quality assurance representative, DCMA Roseville, takes angle measurements of an armor plate using a calibrated compass instrument. Members of DCMA Roseville and DCMA Phoenix provided life-saving combat support by reinspecting and resolving discrepancies in vehicle armor protection kits. (DCMA staff photo)

