

Performance-Based Management: The Customer's Perspective



When I came to DCMA, I was eager to become part of an organization I had worked closely with as a major customer for many years. As a member of a predecessor organization, the Air Force Plant Representative Office at Northrop Corporation, I developed an appreciation for what DCMA does in support of our country. I now see DCMA's role as even more invaluable as we realign to increase our influence on customer outcomes. DCMA's adoption of the performance-based management (PBM) model is a key element in delivering exceptional service to our customers, and I would like to share some of my perspectives on developing customer outcomes and on moving the Agency forward in its quest for excellence and a PBM-focused culture.



of our product divisions. We must continue to mature the PBM process and forge ahead with the change in culture. A successful performance-based organization becomes better able to link customer outcomes to high-impact DCMA activities. Our success should be measured in terms of achieving customer outcomes and satisfying customer requirements. DCMA organizations should utilize objective performance results (metrics) to make critical operational/business

decisions and evaluate organizational and individual performance using performance measures. That is why we are developing Individual Performance Plans (IPPs) that are performance-based and are directly linked to achievement of our customers' outcomes.

I am impressed by the steps taken thus far to become a performance-based agency. Events such as the Alliance Meetings with the Air Force Space and Missile Center, the Missile Defense Agency Immersion Day and the Joint Executive Meeting with the Defense Contract Audit Agency (DCAA) clearly demonstrate that DCMA has opened a dialogue with its customers to assess and understand their needs and desired outcomes. I know that our contract management offices (CMOs) have similar ongoing discussions with customers to provide them the best possible service in executing the mission. We cannot engage just once — continuous communication and feedback are essential. Mr. Bob Schmitt, District East director, and I will continue our visits with the program executive officers to ascertain their needs, particularly the need for predictive analysis and input to aid decision making and minimize problems.

An example of a high-impact activity that supports a customer outcome is our increasing surveillance and insight on Earned Value Management Systems (EVMS). Our customers have clearly articulated EVMS surveillance as an outcome they need to be more predictive in preventing cost growth. EVMS surveillance is also a program management tool that is vital to effective management of any program. Another example is the use of Technical Cost Estimating Reviews at selected locations to strengthen the link between EVMS and contractors' estimating systems. One desired outcome of these reviews is a strengthened relationship between DCMA and DCAA in ensuring that contractors have estimating systems that produce accurate proposals. It is also imperative that we share the lessons learned across the Agency from one Division and one program executive officer portfolio to the next.

As we consider our path toward the implementation of PBM, we have an overarching strategic goal: "Embrace a performance-based management culture through an ongoing process of establishing strategic performance objectives." DCMA's business processes must be aligned to translate the voice of the customer into multiple objective criteria that will establish the attributes of the Agency's products and assess the Agency's performance. The goal is to institutionalize PBM throughout each

There is a great opportunity for DCMA to contribute to the Defense acquisition process during this critical time of the global war on terrorism and the wars in Afghanistan and Iraq. By working with our customers to meet their needs and achieve their outcomes, we will be moving forward with PBM and better serving the warfighters as they carry out their vital mission.

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