Army Performance Improvement Criteria

(APIC)

2002

Office of the Chief of Staff, Army
Vice Director of the Army Staff
Strategic Management and Innovations Division
1725 Jefferson Davis Highway
Crystal Square Two, Suite 1001
Arlington, VA 22202

www.hqda.army.mil/leadingchange/APIC

Leading Change

"… there is an understandable temptation to ignore management reforms in favor of new policies and programs. However, what matters most is performance and results. In the long term, there are few items more urgent than ensuring that the federal government is well run and results-oriented. This Administration is dedicated to ensuring that the resources entrusted to the federal government are well managed and wisely used. We owe that to the American people."

President George W. Bush

The President's vision for government reform is guided by three principles. Government should be:

— Citizen-centered, not bureaucracy-centered;
— Results-oriented;
— Market-based, actively promoting rather than stifling innovation through competition.

In October 1999, the Secretary of the Army and the Chief of Staff articulated a vision to enable the Army to meet the challenges of the 21st century. To enable The Army to remain a force that is persuasive in peace and invincible in war requires deliberate change at a level unprecedented in recent times.

In August, 2001, Secretary of the Army Thomas White stated that he is "convinced the criteria [APIC] is a tool that will help us assess how we do business and identify opportunities for improvement. Today, I am encouraging the use of the Army's Performance Improvement Criteria as a major Army leadership strategy to stimulate organizational learning, ensuring stewardship of the public trust." The Chief of Staff of the Army, General Eric K. Shinseki, echoed those comments in a November 2001 speech where he stated, "if you're not able to assess the results, your next decision is only as good or as bad as your last." APIC provides leaders with an excellent tool to gauge organizational performance. Further, it enables leaders to examine all aspects of the organization and facilitates sharing of best practices to promote change and create avenues of excellence for organizational learning.

The 2002 APIC is based on the 2002 Baldrige Criteria for Performance Excellence, and is the strategic framework for leading change and assessing performance recommended by AR 5-1. For 14 years, the Baldrige Criteria have been used by thousands of U.S. organizations to stay abreast of ever-increasing competition and to improve performance. In today's business environment, the Criteria help organizations respond to the rapid pace of innovation, to a focus on core competencies, and to the challenges of outsourcing and supply chain management. It is the basis for the top quality award programs in 44 States and over 60 nations. Whether your organization is small or large; tactical or non-tactical unit; combat, combat support, or combat service support unit; school or garrison command; or an element of a headquarters staff, the APIC provide a valuable framework that can help you plan for continuous performance improvement in an uncertain environment. It is quite simply, "Management by Asking (and answering) 101 Good Questions". It includes actual examples from actual organizational self-assessments to assist in applying the Criteria to your organizations. These "real world" examples should be helpful to relating the criteria to your activity and to enable its use as an assessment tool.

We thank the HQ, XVIII Airborne Corps and Fort Bragg, the U.S. Army Corps of Engineers, Huntington District, the U.S. Army Engineering and Support Center, Huntsville, Alabama, the 10th Area Support Group, Torii Station, Okinawa, the U.S. Army Garrison, Fort McPherson, Georgia, and the 279th Base Support Battalion, Bamberg, Germany, for their "best-in-class" examples from their self-assessments.

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http://www.hqda.army.mil/leadingchange

Contents

2002 Criteria: Core Values, Concepts, and Framework

APIC's relationship to the Malcolm Baldrige Criteria for Performance Excellence.

The Malcolm Baldrige Criteria for Performance Excellence form the basis for *the Army Performance Improvement Criteria (APIC)*. The *APIC* rewords these Criteria slightly to fit the unique nature of the Army Mission. Army organizations use the *APIC* self-assessment to view how well their current processes support their stated goals. It provides a systematic review that indicates the degree to which these processes are linked and aligned towards mission accomplishment. The APIC applies with equal effectiveness to both TOE and TDA units.

The *APIC* supports The Army's Transformation efforts in three ways:

- Provides a systematic, disciplined approach to deal with the dynamics of change by providing a working tool for strategic planning, conducting organizational assessments, analysis, training, and performance improvement planning.
- Raises the organization's performance expectations and standards by improving business practices and capabilities.
- Establishes common performance criteria to facilitate communication and sharing of the best management techniques, strategies, and performance practices among Army organizations, federal agencies, business, and industry.

***APIC* GOAL:** To improve the overall effectiveness and efficiency of Army organizations in delivering continuous value to customers, resulting in mission success.

The Strategic Management and Innovations Division, Office of the Chief of Staff, Army, provides the *APIC* to Army organizations to conduct organizational self-assessments and measure continuous improvement.

*The APIC is **not** an additional requirement for your organization.* It is an effective methodology to manage your organization. Those organizations that have adopted the *APIC* demonstrate increased effectiveness and efficiencies. Specifically, they have higher levels of customer satisfaction, greater employee morale, and increased cost efficiencies. This mirrors the improvement seen by the private sector that conducts self-assessments based on the Baldrige Criteria for Performance Excellence. It is part of *doing business as usual*.

The *APIC* generates continuous improvement over time. When properly conducted, the self-assessment reveals the health of your organization, identifies strengths, and pinpoints opportunities to improve management practices and programs. Through continuous self-assessment, your organization can review, prioritize, and select the best approach for getting results.

Criteria Purposes

AR 5-1, para 1-4.e.(3) requires Army organizations to conduct organizational self-assessments using criteria that meet specific requirements (para 3-3.a.) to adequately measure continuous improvement and recommends the use of the APIC for that purpose. The Criteria are the basis for organizational self-assessments, for award programs such as the Army Communities of Excellence (ACOE), and for giving feedback to applicants. In addition, the Criteria have three important roles in strengthening mission performance:

- to help improve organizational performance practices, capabilities, and results
- to facilitate communication and sharing of best practice information among organizations of all types
- to serve as a working tool for understanding and managing performance and for guiding planning and opportunities for learning

Criteria for Performance Excellence Goals

The Criteria are designed to help organizations use an aligned approach to organizational performance management that results in:

- delivery of ever-improving value to customers, contributing to performance success
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning

Core Values and Concepts

The Criteria are built upon the following set of interrelated core values and concepts:

- ??visionary leadership
- ??customer-driven excellence
- ??organizational and personal learning
- ??valuing employees and partners
- ??agility
- ??focus on the future
- ??managing for innovation
- ??management by fact
- ??public responsibility and citizenship
- ??focus on results and creating value
- ??systems perspective

These values and concepts, described below, are embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key performance requirements within a results-oriented framework that creates a basis for action and feedback.

Visionary Leadership – *senior leader's capacity for setting key directions for the organization by action and example for both warfighting and change*

An organization's senior leaders need to set directions and create a customer focus, clear and visible values, and high expectations. The directions, values, and expectations should balance the needs of all your stakeholders. Your leaders need to ensure the creation of strategies, systems, and methods for achieving excellence, stimulating innovation, and building knowledge and capabilities. The values and strategies should help guide all activities and decisions of your organization. Senior leaders should inspire and motivate your entire work force and should encourage each employee to contribute, to develop and learn, to be innovative, and to be creative.

Senior leaders should serve as role models through their ethical behavior and personal involvement in planning, communications, coaching, development of future leaders, review of organizational performance, and employee recognition. As role models, they can reinforce values and expectations while building leadership, commitment, and initiative throughout your organization.

Customer-Driven Excellence – *the organization's focus on its customers and the ability to ensure its operations meet customer needs*

Besides comparisons to Army or other standards, an organization's customers' judge quality and performance, and high-performing organizations consider customer expectations. All Army organizations have customers, and, depending on the circumstances and the mission, these customers may vary, but each of which meet the definition of "those who use or are directly affected by the organization's products or services – those for whom the organization is in business."

- ✍Combat Arms organizations performing combat operations and military operations other than war have the Warfighting Commander in Chief (CINC), and other higher headquarters or organizations such as United Nations Peacekeeping Forces or the Federal Emergency Management Agency, as their customers.
- ✍Combat Support and Combat Service Support organizations' customers are the supported forces or organizations identified in their operations orders and task organizations.
- ✍Garrison Commands have numerous customer groups including: tenant organizations, individual soldiers and employees, family members, and possibly the local community.
- ✍Army schools not only have the students they are training and educating, but also the organizations to which their graduates will be assigned, as their customers.
- ✍Some HQDA Staffs may identify their customers as not only the senior leaders of the Army, but the Joint Staff, the Office of the Secretary of Defense, Members of Congress, the MACOMs, Warfighting CINCs, other Services, and ultimately, the individual soldier.

Thus, your organization must take into account all product and service features and characteristics, and all modes of customer access that contribute value to your customers and lead to customer acquisition, satisfaction, preference, referral, and loyalty, as well as business expansion, when and where appropriate. Customer-driven excellence has both current and future components – understanding today's customer desires and anticipating future customer desires and marketplace offerings.

Value and satisfaction may be influenced by many factors throughout your customer's overall purchase, ownership, and service experiences. These factors include your organization's relationship with customers that help build trust, confidence, and loyalty.

Customer driven excellence means much more than reducing defects and errors, merely meeting specifications, or reducing complaints. Nevertheless, reducing defects and errors and eliminating causes of dissatisfaction contribute to your customers' view of your organization, and thus also are important parts of customer-driven excellence. In addition, your organization's success in recovering from defects and mistakes ("making things right for your customer") is crucial to retaining customers and building customer relationships.

Customer-driven organizations address not only the product and service characteristics that meet basic customer requirements, but also those features and characteristics that differentiate products and services from competing offerings. Such differentiation might be based upon new or modified offerings, combinations of product and service offerings, customization of offerings, multiple access mechanisms, rapid response, or special relationships.

Customer-driven excellence is thus a strategic concept. It is directed toward customer retention, market share gain, and growth when and where appropriate. It demands constant sensitivity to changing and emerging customer, market, and mission requirements, and to the factors that drive customer satisfaction and retention. It demands anticipating changes in the mission and the marketplace. Therefore, customer-driven excellence demands awareness of developments in technology and competitors' offerings, as well as rapid and flexible response to customer and market requirements. Processes are developed to meet customer needs; measurement systems are developed to track progress; and information is collected and used to improve work processes and the products and services delivered to customers. In high-performing organizations, everyone in the organization shares the vision, has a sense of community and commitment to a common purpose of meeting customer requirements, and works together to create an alignment of the goals of the organization.

Organizational and Personal Learning *– the ability of the organization to acquire, share, and use knowledge to improve*

Achieving the highest levels of performance requires a well-executed approach to organizational and personal learning. Organizational learning includes both continuous improvement of existing approaches and adaptation to change, leading to new goals and/or approaches. Learning needs to be "embedded" in the way your organization operates. This means that learning (1) is a regular part of the daily work; (2) is practiced at personal, work unit, and organizational levels; (3) results in solving problems at their source ("root cause"); (4) is focused on sharing knowledge throughout your organization; and (5) is driven by opportunities to effect significant change and to do better. Sources for learning include employee ideas, research and development, customer input, best practice sharing, and benchmarking.

Organizational learning can result in (1) enhancing value to customers through new and improved products and services; (2) developing new business opportunities; (3) reducing errors, defects, waste, and related costs; (4) improving responsiveness and cycle-time performance; (5) increasing productivity and effectiveness in the use of all resources throughout your organization; and (6) enhancing your organization's performance in fulfilling its public responsibilities and service as a good citizen.

Employees' success depends increasingly on having opportunities for personal learning and practicing new skills. Organizations invest in employees' personal learning through education, training, and opportunities for continuing growth. Such opportunities might include job rotation and increased pay for demonstrated knowledge and skills. On-the-job training offers a cost-effective way to train and to better link training to your organizational needs and priorities. Education and training programs may benefit from advanced technologies, such as computer- and Internet-based learning and satellite broadcasts.

Personal learning can result in (1) more satisfied and versatile employees who stay with the organization, (2) organizational cross-functional learning, and (3) an improved environment for innovation.

Thus, learning is directed not only toward better products and services, but also toward being more responsive, adaptive, and efficient – giving your organization sustainability and performance advantages.

Valuing Employees and Partners – *Invest in people – Commitment to soldiers, civilian employees, and partners to optimize the opportunities for success in their work environment*

An organization's success depends increasingly on the knowledge, skills, creativity, and motivation of its employees and partners.

Valuing employees' means committing to their satisfaction, development, and well-being. Increasingly, this involves more flexible, high performance work practices tailored to soldiers and civilian employees with diverse workplace and home life needs. This also means aligning human resource management with business plans and strategic change processes. This approach improves the integration and alignment of human resources management with business directions.

Major challenges in the area of valuing employees include (1) demonstrating your leaders' commitment to soldiers and civilian employees' success, (2) recognition that goes beyond the regular compensation system, (3) development and progression within your organization, (4) sharing your organization's knowledge so soldiers and civilian employees can better serve customers and contribute to achieving your strategic objectives, and (5) creating an environment that encourages risk taking.

Organizations need to build internal and external partnerships to better accomplish overall goals. Internal partnerships might include labor-management cooperation, such as agreements with unions. Partnerships with employees might entail soldier and employee development, cross training, or new work organizations, such as high performance work teams. Internal partnerships can involve creating network relationships among your work units to improve flexibility, responsiveness, and knowledge sharing.

External partnerships might be with customers, suppliers, and education organizations. Strategic partnerships or alliances are increasingly important kinds of external partnerships. Such partnerships might offer entry into new markets or a basis for new products and services. Also, partnerships might permit the blending of your organization's core competencies or leadership capabilities with the complementary strengths and capabilities of partners.

Successful internal and external partnerships develop longer-term objectives, thereby creating a basis for mutual investments and respect. Partners should address the key requirements for success, means of regular communication, approaches to evaluating progress, and means for adapting to changing conditions. In some cases, joint education and training could offer a cost-effective method for soldier and civilian employee development.

Agility – *The ability to transition rapidly within or between operations, warfighting or business, thus ensuring flexibility*

Success in globally competitive markets and success in meeting public expectations of the Government/Army demands agility - a capacity for rapid change and flexibility. All aspects of e-commerce/e-government require and enable more rapid, flexible, and customized responses. The Army faces ever-shorter cycles for introducing adaptive forces, formations, and materiel solutions to dominate at any point on the spectrum of operations. Government organizations, as well as businesses, face ever-shorter cycles for introduction of new/improved products and services as well as for faster and more flexible response to customers. Major improvements in response time often require simplification of work units and processes and/or the ability for rapid changeover from one process to another. Cross-trained and empowered employees are vital assets in such a demanding environment.

A major success factor in meeting competitive challenges is the design-to-introduction (product/service initiation) cycle time. To meet the demands of rapidly changing global markets, organizations need to carry out stage-to-stage integration (such as concurrent engineering) of activities from research/concept to product/service delivery/commercialization (fielding).

All aspects of time performance now are more critical, and cycle time has become a key process measure. Other important benefits can be derived from this focus on time; time improvements often drive simultaneous improvements in organization, quality, cost, and productivity.

Focus on the Future – ***remaining the world's finest land force for the next crisis, next war, and an uncertain future requires operating strategically and possessing a long-range orientation***

In today's competitive environment, a focus on the future requires understanding the short- and longer-term factors that affect your business and marketplace. Pursuit of sustainable growth and market leadership requires a strong future orientation and a willingness to make long-term commitments to key stakeholders—your customers, soldiers and civilian employees, suppliers and partners, the public, and your community. Your organization's planning should anticipate many factors, such as customers' expectations, new business and partnering opportunities, the increasingly global marketplace, technological developments, changing expectations of Congress and the Executive Branch, the evolving e-commerce/government environment, new customer and market segments, evolving regulatory requirements, community/societal expectations, and strategic moves by competitors. Strategic objectives and resource allocations need to accommodate these influences. A focus on the future includes developing soldiers, civilian employees and suppliers, creating opportunities for innovation, and anticipating public responsibilities.

Managing for Innovation – ***the capacity to develop creative and effective products and solutions to increase strategic and tactical responsiveness***

Innovation means making meaningful change to improve an organization's products, services, and processes and create new value for the organization's stakeholders. Innovation should lead your organization to new dimensions of performance. Innovation is no longer strictly the purview of research and development departments; innovation is important for all aspects of your business and all processes. Organizations should be led and managed so that innovation becomes part of the culture and is integrated into daily work.

Management by Fact – ***reliance on data and analysis in decision-making***

Organizations depend upon the measurement and analysis of performance. Such measurements should derive from your organization's needs and strategy, and they should provide critical data and information about key processes, outputs and results. Many types of data and information are needed for performance management. Performance measurements should include customer, product, and service performance; comparisons of operational, market and competitive performance; and supplier, employee, and cost and financial performance.

Analysis refers to extracting larger meaning from data and information to support evaluation, decision-making, and operational improvement within your organization. Analysis entails using data to determine trends, projections, and cause and effect that might not be otherwise evident. Analysis supports a variety of purposes, such as planning, reviewing your overall performance, improving operations, improving operations, change management, and comparing your performance with others working in similar environments, competitors, or with "best practices" benchmarks.

A major consideration in performance improvement and change management involves the selection and use of performance measures or indicators. *The measures or indicators you select should best represent the factors that lead to improved mission accomplishment, customer satisfaction, operational, and financial performance. A comprehensive set of measures or indicators tied to customer and/or organization performance requirements represents a clear basis for aligning all activities with your organization's goals.* Through the analysis of data obtained from your tracking processes, your measures or indicators themselves may be evaluated and changes to better support your goals.

Public Responsibility and Citizenship – ***proactive and responsive commitment to the needs and concerns of the community and the larger public***

An organization's leadership should stress its responsibilities to the public and needs to practice good citizenship. These responsibilities refer to basic expectations of your organization related to business ethics and protection of public health, safety, and the environment. Protection of health, safety, and the environment include your organization's operations as well as the life cycles of your products and services. Also, organizations should emphasize resource conservation and waste reduction at the source. Planning should anticipate adverse impacts from production, facilities management, distribution, transportation, use, and disposal of your products. Effective planning should prevent problems, provide a forthright response if problems occur, and make available information and support needed to maintain public awareness, safety, and confidence.

For many organizations, the product design stage is critical from the point of view of public responsibility. Design decisions impact your production processes and often the content of municipal and industrial wastes. Effective design strategies should anticipate growing environmental concerns and responsibilities.

Organizations should not only meet all local, state and Federal laws and regulatory requirements; they should treat these and related requirements as opportunities for continuous improvement "beyond mere compliance." This requires the use of appropriate measures in managing public responsibility.

Practicing good citizenship refers to leadership and support--within the limits of an organization's resources--of publicly important purposes. Such purposes might include improving education and health care in your community, environmental excellence, resource conservation, community service, industry and business practices, and sharing nonsensitive/nonproprietary information. Leadership as a corporate citizen also entails influencing other organizations, private and public, to partner for these purposes. For example, your organization might lead or participate in efforts to help define the obligations of other government entities to its communities.

Focus on Results and Creating Value – *the orientation to managing toward key outcomes for mission accomplishment and meeting customer needs*

An organization's performance measurements need to focus on key results. Results should be used to create and balance value for all your key stakeholders – customers, soldiers and civilian employees, suppliers and partners, the Warfighting CINCs, Congress, the White House, the public, and the community. By creating value for all your stakeholders, your organization builds loyalty and contributes to the defense of the Nation. To meet the sometimes conflicting and changing aims that balancing value implies, organization strategy should explicitly include all stakeholder requirements. This will help to ensure that actions and plans meet differing stakeholder needs and avoid adverse impacts on any stakeholders. The use of a balanced composite of leading and lagging performance measures offers an effective means to communicate short- and long-term priorities, to monitor actual performance, and to provide a clear basis for improving results.

Systems Perspective – *the ability of the organization to view its operations holistically and understand how its parts interact; the ability to align activities effectively*

The APIC provide a systems perspective for managing your organization to achieve performance excellence. The core values and the seven Categories form the building blocks and integrating mechanism for the system. However, successful management of overall performance requires organization-specific synthesis and alignment. Synthesis means looking at your organization as a whole and builds upon key business requirements, including your strategic objectives and action plans. Alignment means using the key linkages among requirements given in the Categories, including the key measures/indicators.

Alignment is depicted by the Criteria for Performance Excellence Framework on page 7. Alignment includes your senior leaders' focus on strategic directions and on your customers. It means that your senior leaders monitor, respond to, and manage performance based on your business results. Alignment includes using your measures/indicators to link your key strategies with your key processes and align your resources to improve overall performance and satisfy customers.

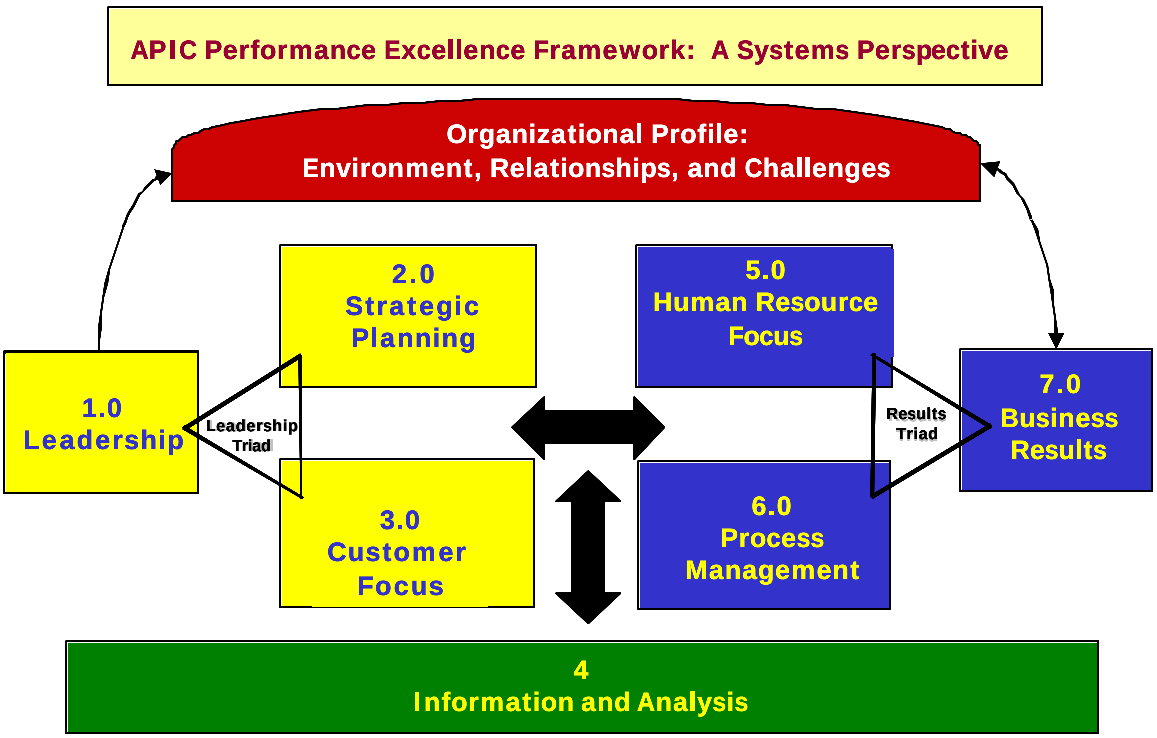
Thus a systems perspective means managing your whole organization, as well as its components, to achieve success.

Criteria for Performance Excellence Framework

The core values and concepts are embodied in seven Categories, as follows:

1 Leadership
2 Strategic Planning
3 Customer Focus
4 Information and Analysis
5 Human Resource Focus
6 Process Management
7 Business Results

The framework connecting and integrating the Categories is given in the figure below.



Foundation of a Performance Management System

From top to bottom, the framework has the following basic elements.

Organizational Profile

Your organizational Profile (top of figure) sets the context for the way your organization operates. Your environment, key working relationships, and strategic challenges serve as an overarching guide for your organizational performance management system.

System

The system is composed of the six Army Performance Improvement Criteria Categories in the center of the figure that define the organization, its operations, and its results.

Leadership (Category 1), Strategic Planning (Category 2), and Customer Focus (Category 3) represent the leadership triad. These Categories are placed together to emphasize the importance of a leadership focus on strategy and customers. Senior leaders set organizational direction and seek future opportunities for your organization.

Human Resource Focus (Category 5), Process Management (Category 6), and Business Results (Category 7) represent the results triad. Your organization's employees and its key processes accomplish the work of the organization that yields your Business Results. All actions point toward Business Results – a composite of customer, financial, and operational performance results, including human resource results and public responsibility.

The horizontal arrow in the center of the framework links the leadership triad to the results triad, a linkage critical to organizational success. Furthermore, the arrow indicates the central relationship between Leadership (Category 1) and Business Results (Category 7). The two-headed arrow indicates the importance of feedback in an effective performance management system.

Information and Analysis

Information and Analysis (Category 4) are critical to the effective management of the organization and to a fact-based system for improving organizational performance and competitiveness. Information and Analysis serve as a foundation for the performance management system.

Criteria Structure

The seven Criteria Categories shown in the figure are subdivided into Items and Areas to Address. Items and Areas to Address help focus your self-assessment of your organization.

Items

There are 18 Items, each focusing on a major requirement. Item titles and point values are given on page 11.

Areas to Address

Items consist of one or more Areas to Address (Areas). Organizations should address their responses to the specific requirements of these Areas.

Key Characteristics of the Criteria

1. The Criteria focus on organization results.

The Criteria focus on the key areas of business performance, given below.

Business performance areas:

(1) customer focused results

(2) financial and market results

(3) human resource results

(4) organizational effectiveness results, including operational and supplier performance.

The use of this composite of indicators is intended to ensure that strategies are *balanced* – that they do not inappropriately trade off among important stakeholders, objectives, or short- and longer-term goals.

2. The Criteria are non-prescriptive and adaptable.

The Criteria are made up of results-oriented requirements. However, the Criteria ***do not*** prescribe:

- that your organization should or should not have departments for quality, planning, or other functions;
- how your organization itself should be structured; or
- that different units in your organization should be managed in the same way.

These factors differ among organizations, and they are likely to change as needs and strategies evolve.

The Criteria are non-prescriptive for the following reasons:

- The focus is on results, not on procedures, tools, or organizational structure. Organizations are encouraged to develop and demonstrate creative, adaptive, and flexible approaches for meeting basic requirements. Non-prescriptive requirements are intended to foster incremental and major ("breakthrough") improvements as well as basic change.
- Selection of tools, techniques, systems, and organizational structure usually depends on factors such as organization type and size, your organization's stage of development, and employee capabilities and responsibilities.
- Focus on common requirements, rather than on common procedures, fosters better understanding, communication, sharing, and alignment, while supporting innovation and diversity in approaches.

3. The Criteria support a systems perspective to maintaining organization-wide goal alignment.

The systems perspective to goal alignment is embedded in the integrated structure of the Core Values and Concepts, the Organizational Profile, the Criteria, and the results-oriented, cause-effect linkages among the Criteria Items.

Alignment in the Criteria is built around connecting and reinforcing measures derived from your organization's strategy. These measures tie directly to customer value and to overall performance. The use of measures thus channels different activities in consistent directions with less need for detailed procedures, centralized decision-making, or process management. Measures thereby serve both as a communications tool and a basis for deploying consistent overall performance requirements. Such alignment ensures consistency of purpose while also supporting agility, innovation, and decentralized decision-making.

A systems perspective to goal alignment, particularly when strategy and goals change over time, requires dynamic linkages among Criteria Items. In the Criteria, action-oriented cycles of learning take place via feedback between processes and results.

The learning cycles have four clearly defined stages:

(1) planning, including design of processes, selection of measures, and deployment of requirements;

(2) execution of plans;

(3) assessment of progress, taking into account internal and external results; and

(4) revision of plans based upon assessment findings, learning, new inputs, and new requirements.

4. The Criteria support goal-based diagnosis.

The Criteria and the Scoring Guidelines make up a two-part diagnostic (assessment) system.

The Criteria are a set of 18 performance-oriented requirements. The Scoring Guidelines spell out the assessment dimensions – Approach, Deployment, and Results – and the key factors used to assess each dimension. An assessment thus provides a profile of strengths and opportunities for improvement relative to the 18 basic requirements. In this way, assessment leads to actions that contribute to performance improvement in all areas, as described above. This diagnostic assessment is a useful management tool that goes beyond most performance reviews and is applicable to a wide range of strategies and management systems.

Changes From the 2001 Criteria

The Army Performance Improvement Criteria (APIC) have evolved significantly over time to help organizations address a dynamic environment of change, focus on strategy-driven performance and manage for results that balance the needs of all stakeholders. The Criteria have continually progressed toward a systems perspective of overall organizational performance management.

The APIC are revised to be more closely aligned with the Baldrige Criteria in **all** Categories. The most significant changes in the Criteria are summarized as follows:

- The Scoring of each Category has been changed to align with the Baldrige Criteria.
- The Glossary of Key Terms continues to be revised and expanded.
- A new diagram has been added to describe the steps toward a mature process approach.
- In Category 6, the Supplier and Partnering Processes Item is no longer required.

Minor wording improvements have been made in other sections of the APIC,

Glossary of Key Terms

In total, 20 new words have been added to the glossary. Several of these words are used in groupings:

- Basic requirements, overall requirements, multiple requirements
- Purpose, vision, mission, values
- Goals, performance projections, benchmarks (previously defined)
- Levels, trends
- Alignment (previously defined) integration

The glossary definitions should help clarify the meaning of these terms and their relationship to the other terms within these groupings.

Process Approach Diagram

A diagram and brief descriptors have been provided to help Criteria users understand the growth in organizational maturity associated with progress from “reacting to problems” to an “integrated approach” to process management. See page 98.

HQDA Feedback Comments

The feedback comments from the HQDA Board of Examiners for the PQA process are not included in the 2002 APIC. The Board’s feedback comments, published in previous years’ APIC booklets, provided a one-dimensional view in that only strengths were used for the examples. “Opportunities for Improvement” comments provide valuable input about your organization and how it can improve. “Opportunities for Improvement” comments have not been published previously primarily to respect the applicant’s privacy.

The examples provided in this year’s APIC are from applicants that competed for the 2001 and 2002 President’s Quality Award.

2002 Army Performance Improvement Criteria – Item Listing

Categories/Items		Point Values	
	Preface: Organizational Profile		
	P.1 Organization Description		
	P.2 Organizational Challenges		
1.0	**Leadership**		**120**
	1.1 Organizational Leadership	80	
	1.2 Public Responsibility and Citizenship	40	
2.0	**Strategic Planning**		**85**
	2.1 Strategy Development	40	
	2.2 Strategy Deployment	45	
3.0	**Customer Focus**		**85**
	3.1 Customer and Market Knowledge	40	
	3.2 Customer Relationships and Satisfaction	45	
4.0	**Information and Analysis**		**90**
	4.1 Measurement and Analysis of Organizational Performance	50	
	4.2 Information Management	40	
5.0	**Human Resource Focus**		**85**
	5.1 Work Systems	35	
	5.2 Employee Education, Training, and Development	25	
	5.3 Employee Well-Being and Satisfaction	25	
6.0	**Process Management**		**85**
	6.1 Product and Service Processes	45	
	6.2 Business Processes	25	
	6.3 Support Processes	15	
7.0	**Business Results**		**450**
	7.1 Customer-Focused Results	125	
	7.2 Financial and Market Results	125	
	7.3 Human Resource Results	80	
	7.4 Organizational Effectiveness Results	120	
TOTAL POINTS			**1000**

Note: The Scoring System and Guidelines used with the Criteria Items in an APIC assessment are on pages 97-99.

Preface: Organizational Profile

The ***Organizational Profile*** is a snapshot of your organization, the key influences on how you operate, and the key challenges you face.

P.1 Organizational Description

Describe your organization's business environment and your key relationships with customers, suppliers, and other partners.

Within your response, include answers to the following questions:

a. Organizational Environment

(1) What are your organization's main products and/or services? Include a description of how your products and services are delivered to customers.

(2) What is your organizational context/culture? Include your purpose, vision, mission, and values, as appropriate.

(3) What is your employee profile? Include educational levels, workforce and job diversity, bargaining units, use of contract employees, and special safety requirements, as appropriate.

(4) What are your major technologies, equipment, and facilities?

(5) What is the regulatory environment under which your organization operates? Include unique laws or regulations which impact your operations, including occupational health and safety regulations; accreditation requirements; and environmental, financial, and product regulations.

b. Organizational Relationships

(1) What are your key customer groups and/or market segments? What are their key requirements for your products and services? Include how these requirements differ among customer groups and/or market segments, as appropriate.

(2) What are your most important types of suppliers and dealers and your most important supply chain requirements? What are your key supplier and customer partnering relationships and communication mechanisms?

Notes:

N1. Customer group and market segment requirements (P.1b[1]) might include on-time delivery, low defect levels, price reductions, electronic communication, and after-sales service.

N2. Communication mechanisms (P.1b[2]) should be two-way and might be in person, electronic, by telephone, and/or written. For many organizations, these mechanisms might be changing.

Item notes serve three purposes:

- ??to clarify terms or requirements presented in Items,
- ??to give instructions on responding to the Criteria Item requirements, and
- ??to indicate key linkages to other Items. In all cases, the intent is to help you respond to the Item requirements.

For definition of the following key terms, see Glossary at pages 100-106: how, mission, purpose, values, and vision.

P.2 Organizational Challenges

Describe your organization's competitive environment, your key strategic challenges, and your system for performance improvement.

Within your response, include answers to the following questions:

a. Competitive Environment

(1) What is your competitive position? Include your relative size and growth in your industry and the numbers and types of your competitors or like/similar organizations.

(2) What are the principal factors that determine your success relative to your competitors? Include any changes taking place that affect your competitive situation.

b. Strategic Challenges

What are your key strategic challenges? Include operational, human resource, business, local, regional, national, and global challenges, as appropriate.

c. Performance Improvement System

How do you maintain an organizational focus on performance improvement? Include your approach to systematic evaluation and improvement of key processes and to fostering organizational learning and knowledge sharing.

Notes:

N1. Factors (P.2a [2]) might include differentiators such as price leadership, design services, e-services, geographic proximity, and warranty and product options.

N2. Challenges (P.2b) might include electronic communication with businesses and end-use consumers, reduced product introduction cycle times, mergers and acquisitions, global marketing and competition, customer retention, staff retention, and value chain integration.

N3. Performance improvement (P.2c) is an assessment dimension used in the Scoring System to evaluate the maturity of organizational approaches and deployment (see page 92). This question is intended to help you and APIC Examiners set a context for your approach to performance improvement.

For definitions of the following **key terms**, see glossary, pages 100-106: strategic challenges and systematic.

Importance of Your Organizational Profile

Your Organizational Profile is critically important because

- ??it is the most appropriate starting point for self-assessment and for writing an application;
- ??it helps you identify potential gaps in key information and focus on key performance requirements and business results;
- ??it may be used by itself for an initial self-assessment. *If you identify topics for which conflicting, little, or no information is available, it is possible that your assessment need go no further and you can use these topics for action planning;*
- ??it may also be used by the Examiners and Judges in all stages of application review for Army and MACOM-level award programs such as the Army Communities of Excellence Programs including the site visit, to understand your organization and what you consider important.

Page Limit

For Army-level award applicants, the organizational profile is limited to five pages of text.

Army Performance Improvement Criteria 2002

1.0 Leadership (120 pts.)

The **Leadership** Category examines how your organization's senior leaders address values, directions, and performance expectations, as well as a focus on customers and other stakeholders, empowerment, innovation and learning. Also examined is how your organization addresses its responsibilities to the public and supports its key communities.

1.1 Organizational Leadership (80 pts.) [Approach-Deployment]

Describe how senior leaders guide your organization, including how they review organizational performance.

Within your response, include answers to the following questions:

a. Senior Leadership Direction

(1) How do senior leaders set and deploy organizational values, short- and longer-term directions, and performance expectations, including a focus on creating and balancing value for customers and other stakeholders? Include how senior leaders communicate values, directions, and expectations through your leadership system and to all employees.

(2) How do senior leaders create an environment for empowerment, innovation, organizational agility, and organizational and employee learning?

b. Organizational Performance Review

(1) How do senior leaders review organizational performance and capabilities to assess organizational success, competitive performance, progress relative to short- and longer-term goals and the ability to address changing organizational needs? Include the key performance measures regularly reviewed by your senior leaders. Also, include your key recent performance review findings.

(2) How are organizational performance review findings translated into priorities for improvement and opportunities for innovation? How are they deployed throughout your organization and, as appropriate, to your suppliers/partners to ensure organizational alignment?

(3) How do senior leaders use organizational performance review findings to improve their own leadership effectiveness and your leadership system?

Notes:

N1. Organizational directions (1.1a[1]) relate to strategic objectives and action plans described in Items 2.1 and 2.2.

N2. Senior leaders' organizational performance reviews (1.1b) should be based on organizational performance analyses described in 4.1b and strategic objectives and action plans described in Items 2.1 and 2.2.

N3. Leadership effectiveness improvement (1.1b[3]) should be supported by formal and/or informal feedback/surveys.

N4. Your organizational performance results should be reported in Items 7.1, 7.2, 7.3, and 7.4

Item responses are assessed by considering the Criteria Item requirements and the maturity of your approaches; breadth of deployment; and strength of your improvement process and results to the Scoring System. Refer to the Scoring System on pages 97-98.

For definition of the following **key terms**, see glossary at pages 100-106: alignment, approach, deployment, empowerment, goals, innovation, leadership system, measures, performance, senior leaders, stakeholders, and value.

Leadership addresses how your senior leaders guide your organization in setting organizational values, directions and performance expectations. Attention is given to how your senior leaders communicate with employees, review organizational performance, and create the environment that encourages high performance. The Category also includes your organization's responsibilities to the public and how the organization practices good citizenship.

1.1 Organizational Leadership

Purpose

This Item examines the key aspects of your organization's leadership and the actions of your senior leaders to create and sustain a high-performance organization.

Requirements

You are asked how your senior leaders:

??Set and deploy values, performance expectations, and short- and longer-term directions, and performance expectations and balance the expectations of customers and other stakeholders. This includes how leaders create an environment of empowerment, innovation, organizational agility and learning; and

??review organizational performance, what key performance measures they regularly review, and how review findings are used to drive improvement and innovation, including improvement in your leaders' effectiveness.

Comments

Leadership's central role in setting values and directions, creating and balancing value for all stakeholders, and driving performance are the focus of this item. Success requires a strong orientation to the future and a commitment to both improvement and innovation. Increasingly, this requires creating an environment for empowerment and agility, as well as the means for rapid and effective application of knowledge.

The organizational review called for in this Item is intended to cover all areas of performance. This includes not only how well you are currently performing, but also how well you are moving toward the future. It is anticipated that review findings will provide a reliable means to guide both improvement and opportunities for innovation that are tied to your organization's key objectives, success factors, and measures. Therefore, an important component of your senior leaders' organizational review is the translation of the review findings into an action agenda, sufficiently specific for deployment throughout your organization and to your suppliers/partners and key customers.

Example 1.1 (279th Base Support Battalion, self-assessment for 2001 PQA Application)
Shows only a technique for assessment. This example does not represent a 100% Score:

1.0 Leadership

We applied our Quality Process Management Cycle (item 6.1) to design a visionary leadership process (fig. 1.1-1), which proactively forces the constant review of our systems perspective and takes advantage of our organizational culture through the systemic approach of valuing employees and partners.

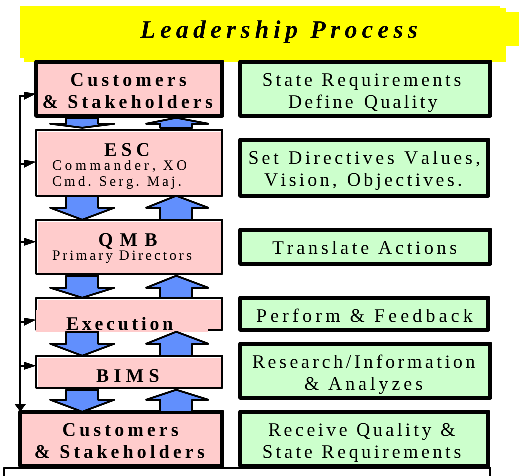


Fig. 1.1-1

Our unified organizational culture (fig. 1.1-2) is the solid platform for organizational and personal learning. To develop this platform, we used the seven ***Army Values (LDRSHP)*** (Overview, fig. O-4) as foundation onto which we built our ***BSB-Values*** (fig. O-5) to serve as ethical cornerstones. Our ***Vision*** (fig. O-6) is the combining driver that creates and sustains ***one common organizational culture*** (OV, item 1.c)

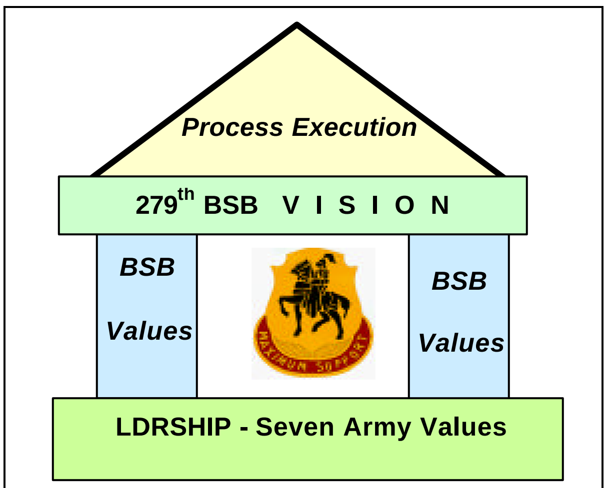


Fig. 1.1-2 ***BSB Organizational Culture***

Figure 1.1-3 depicts the personnel composition of our Leadership Structure.

Leadership Personnel Structure

Executive Steering Committee (ESC)
Voting Members:
BSB Commander (Chairperson)
Command Sergeant Major
Executive Officer
Note: The Commander serves as chairperson and final approving authority

Quality Management Board (QMB)
Voting Members:
Executive Officer
Director DPW (Chairperson)
Director DCA
Director DOL
Director S-2/3
Director PMO
Primary Advisor :
Chief SBPO

Note: The QMB is a self directed team and elects its chairperson. Currently the Director DPW serves as chairperson. The Executive Officer is the liaison between ESC and QMB and is appointed on both teams. The Chief SBPO serves as permanent advisor and additional subject matter experts are designated as required.

Fig. 1.1-3

1.1 Organizational Leadership

1.1a(1) Communication of Values and Expectations

We maintain ***over 44 different "Listening and Learning"*** forums (fig. 3.0-1) and, pre-designated members of the ESC attend each one of these forums. These forums are designed as the predominate tool to communicate with our customers (incl. workforce) and/or stakeholders. They are in fact two folded:

- to learn from our customers and stakeholders, in regard to what they perceive as most important,
- to articulate values, vision, direction, and expectations.

These forums enable our leadership to transform important subject matters into values and performance expectations for the workforce and, to balance these values for external customers and stakeholders.

Additional expectations from the U.S. and German public, statutory/government guidance are obtained from higher headquarters through staff action memorandums and/or quarterly Commanders' meetings at HQ USAREUR.

Additionally, our long-range orientation to seek for future opportunities is systematically incorporated into our strategic planning process (item 2.1a), which is annually reviewed by the ESC and QMB.

Following systematically deployed processes focus directly on our leadership direction and, ensure communication to all employees through our leadership structure.

- ✍✍The Executive Steering Committee (ESC) meets every Monday (permanently scheduled 1000-1100 hrs), to share and translate the acquired knowledge into current and future oriented directives and, actionable guidance that focus on results and create values for the organization and associate business partners and customers.
- ✍✍Every Tuesday our Commander meets with the ASG Commander and staff to define organizational performance expectations.
- ✍✍Once a week and for one hour, every senior director is scheduled to meet with the ESC to discuss any matters that impact on values and expectations for customers and/or stakeholders.
- ✍✍Every first and second Thursday per month, our senior activity managers meet in our "Staff-Alignment-Meeting" chaired by the Commander in which alignment and priorities are set for expected activity performance of immediate matters.
- ✍✍Weekly alignment meetings are conducted at directorate, division, and branch level to further disseminate our senior leaders' guidance and directives to all employees.
- ✍✍Every third Thursday per month, we are conducting 2 hour "Senior Leaders' Training" to reinforce the focus of our senior executives to create and balance values for their subordinated personnel, customers and all stakeholders. In this training, the Commander, LTC Lewis himself reiterates our vision and command expectations.
- ✍✍Following our "Senior Leaders Training", the QMB meets every third Thursday to ensure performance expectations are met for cross-functional matters and communication is deployed to all activity elements. The board is appointed by charter and tasked to translate and execute objectives, and implement high performance expectations.
- ✍✍Each board member is also a permanent member of functional proponent meetings (vertical flow of information) at the next higher echelon (ASG). This "dual hatted" constitution enables organizational learning as all members are mandated to share "lessons learned" (horizontal flow of information) with the board and other leadership forums.
- ✍✍Once a month our Commander meets with the local Works Council (union representative) to communicate expectations and to strengthen the leaderships' commitment to valuing employees.
- ✍✍We are conducting four-hour training sessions (Quality Management Workshop) in English and German to reinforce quality management principles and most of all, communicating the BSB's future to the entire workforce.
- ✍✍Senior leaders incorporate vision & values in subordinate employees' evaluation documentation, including Officer Evaluation Reports (OERs), Non-Commissioned Officer Evaluation Reports (NCOERs), and Total Army Performance Evaluation System (TAPES). For Host Nation employees, LTC Lewis personally conveys values and performance expectations at semi annual personnel assemblies and during monthly Works Council meetings.
- ✍✍Our leaders maintain personal contact with the workforce at every possible opportunity. Figure 1.1-4 portrays an average timetable for our leaders, which documents the continued efforts for communication and reinforcement through structured Management-By-Walking-Around.

Time Management of Senior Leaders

	Cdr	XO	CSM	QMB
Mgt-By-Walking-Around	50%	50%	60%	50%
Listening & Learning Posts	40%	30%	30%	20%
Administrative Functions	10%	20%	10%	30%

Fig 1.1-4

- ✍✍Senior leaders communicate values and in-house performance expectations to our customers during People Encouraging People (PEP) class for family members, Better Opportunities for Single Soldiers (BOSS) focus meetings, and with every new brigade or battalion commander.
- ✍✍During our Civilian Personnel Action Center's in-processing class, all new personnel receive a comprehensive in-brief on our vision and mission, and their roles in our quality management system.
- ✍✍To create even stronger values for our primary customers, LTC Lewis emphasis organizational values, vision, and performance expectations to all incoming customers during the In-Processing-Training-Course (ITC) class for new soldiers.

- ✍✍We use the full range of available media and publications to communicate and reinforce values and expectations. Some of the media include Internet home page, email, town hall meetings, "The Warner Post" (community newsletter), the "Crusader" (community paper), flyers, and AFN Radio and television.
- ✍✍Our vision and mission is documented on the Bamberg German/American Military Community Home Page (http://www.bamberg.army.mil).
- ✍✍The BSB's mission and vision statements, our values, objectives and, Key Business Drivers are printed on our doctrine Strategic Business Plan. This plan is posted in every BSB facility and main office.
- ✍✍We installed information boards at every main entrance of our directorates and customer service areas. These boards include news and guidance pertaining to the competitive sourcing study as well as a suggestion box that encourages every individual employee and/or customer to provide feedback to our senior leaders.

1.1a(2) Empowerment & Innovation

Commander LTC Lewis and his senior executives coach the community as a "Living Pattern", generating an atmosphere of trust and motivation that encourages process improvements at each staffing echelon.

As depicted above, our leadership system sets our values as the ethical cornerstones of our operations and our vision aligns cultural diversity into one common organizational culture. Therefore, our employees understand and believe their important role in support of our vision. They feel comfortable to initiate changes and exercise their liberty to manage their work environment.

This well designed process allowed our leadership to share knowledge that enabled our workforce to improve their performance as evidenced in our business results of customer loyalty and perceived value (item 7.1). Following are patterns that further promote this process:

- ✍✍The ESC appointed a cross-functional and self directed BSB Management Study Team to make meaningful changes to the BSB's organizational structure, functions and, responsibilities. The team operates with autonomous responsibility and the membership is composed of employees from all organizational echelons, including Works Council representation
- ✍✍The QMB is a self directed team, that elects its Chairperson and, maintains an established equivalency among each voting member, disregarding existing supervisory roles.
- ✍✍Additionally, each board member serves as "APIC Category Champion" to focus on innovation and improvement that result from applying the criteria's philosophy/principles throughout the entire year.
- ✍✍ESC and QMB members furnish immediate information to their subordinated employees. However, neither ESC nor QMB perform direct operational execution within any activities. The division/branch internal operation is at the discretion of each team concerned.
- ✍✍Every directorate maintains a permanent PAT for internal improvements, which again is only "guided" by the director/QMB member concerned. This specific process reinforces an environment for empowerment and innovation.
- ✍✍For cross-functional matters, the board appoints cross-functional Process Action Teams (item 6.1a) for generic process improvements and innovations. Cross-functional teams are appointed via charter, which documents that the team's internal operation is at the discretion of a self elected team leader.
- ✍✍The QMB is also responsible for the design and execution of action plans to support our eight objectives (fig. 2.1-4). For the enhancement of an environment that reinforces empowerment and team building we specifically designed one of our eight objectives (item 2.1b) to:

"Build a Participative Management Team"

This objective is supported by several action plans that encourage individual initiatives, team building, and autonomous responsibility. Item 5.1a outlines the design of our "Work Systems" which fosters employee empowerment, innovation, and organizational and individual learning.

1.1b Organizational Performance Reviews

1.1b(1) Organizational Performance Reviews

Methods for Performance reviews stem from the deployment of our Strategic Planning Process (fig. 2.1-1). It includes a built-in feedback on organizational performance and assessment of organizational health. Further individual elements/processes are added to this feedback process to provide immediate identification of achievements/area for improvements. Individual process elements are depicted below:

- ✍✍The **Bamberg Information Management System *(BIMS)*** tracks quarterly and annual performance progress of Key Processes & Key Support Processes via action plans, and reveals balanced achievements of objectives and Key Business Drivers (KBD) as depicted in item 2.2a & 4.2a. This process enables the performance review of individual processes and summarizes all Key Processes to reflect overall organizational performance (KBD) and progress relative to performance goals (objectives).

- ✍✍Action plans derived from our objectives serve as key performance measures. Our quarterly BIMS includes two balanced organizational summaries that depict organizational performance and progress by (1) KBD and (2) objectives. The correlation of organizational data to support leadership planning is outlined in item 4.1a(1). Examples that portray the deployment and correlation of objectives, Key Processes, Action Plans, and measurements are illustrated in figures 2.2-1, 2.2-3 and 4.2-2. Process owners maintain numerous action plans that measure progress toward the achievement of our objectives. Objectives are designed to fulfill our one and only goal the Bamberg vision.

- ✍✍Annual application of our Environmental Scan (item 2.1.a(2)) and the deployment of our Strategic Plan depict organizational capabilities, which are formally documented on the Installation Status Report (ISR).

- ✍✍The assessment of organizational health is accomplished through annual reviews of the Bamberg, annual review of Quality Of Life (QOL) standards, the annual APIC self assessment, including the professional utilization of recurring external audits and/or Command Inspections.

- ✍✍Competitive performance is reviewed during ASG Commanders' Conferences and are now adopted into the quarterly 98th ASG APIC Information Management System (AIMS).

- ✍✍Changing organizational needs are identified through our **"Listening and Learning"** forums (fig. 3.0-1) and addressed immediately. Our senior leaders participate in these forums to obtain further indications of key performance measures.

- ✍✍Weekly individual meetings and weekly staff alignment meetings of the ESC with our senior directors and/or suppliers grant systematic review and comparison of immediate expectations versus organizational performance.

- ✍✍The Commander personally reviews all customer comment cards, numerous surveys and feedback documents, and involves the appropriate director in the problem resolution and process management.

- ✍✍Information revealing employee well being and satisfaction (item 5.3) depict the alignment of our workforce with our objectives (fig. 2.1-4) and their positive or negative perception of our leadership system. Item 7.3 portrays several clear evidences of a most positive attitude. The Installation Volunteer Program and customer feedback are further clear indicators of an effective leadership system.

- ✍✍Our work systems (item 5.1a(1)) are designed to reinforce employee engagement. We maintain an "Ask the Boss Luncheon" and an e-mail line on the World Wide Web home page for the "Ask the Boss Program. These sub-processes encourage our internal (workforce) and external customers to communicate with our leaders either in writing (e-mail) or verbally in a relaxed atmosphere.

- ✍✍Personal contacts (fig. 1.1-4), staff alignment meetings (fig. 4.1-4), and other data sources (fig. 3.0-2) complete the efforts of our senior leaders to obtain direct feedback of organizational and individual process performance.

1.1b(2) Priorities for Improvement

Our leadership structure systematically supports our organizational culture, which creates and sustains a platform for creativity, innovation, and reinvention. Results of organizational performance reviews are translated into priorities for improvement through clear guidance and directives and delivered in:

- ✍✍Weekly ESC-Director meetings, permanently scheduled for one hour to meet with the ESC for discussion of any matters that impact on values and expectations for customers and/or stakeholders.

- ✍✍Semi monthly Staff Alignment meetings, including suppliers.

- ✍✍Quarterly combined ESC-QMB BIMS meetings. The Commander personally chairs these BIMS meetings, QMB members are voting members and other activity managers participate for expert guidance.

- ✍✍Annual BIMS and Strategic Planning Reviews, and personnel assemblies.

- ✍✍Personal contact through Management-By-Walking-Around (fig. 1.1-4)

Recent Priorities for Improvement

The commander deploys semi-annually the ESC's assessment, which includes BSB priorities for the current two quarters. FY 00 2nd and 3rd Qtr, "top five" Most recent priorities for improvement and opportunities for innovation are outlined below:

- Execute MEO Study to standard
- Successful completion of remaining 99 ACOE initiatives
- Keep all AFH projects on track. Successful initiation of Barracks (1+1) program
- Complete Unit Readiness projects prior to their deployment in June
- Leaders, coach, counsel and recognize employee

These priorities result from our combined ESC/QMB meetings, Strategic Planning and other "Listening & Learning" forums. Semi-annual personnel assemblies inform our workforce, and a formal communication plan, established by the 98th ASG ensures further deployment throughout the installation. Therefore, process owners are not only informed but actually engaged in process design for improvement and innovation. Further alignment is granted through "topic" adoption in our semi-monthly staff alignment meetings and weekly discussions of our ESC with individual directors.

1.1b(3 Systems Improvement

We assess the system through evaluation of our Key Process ***"Command & Control"*** (fig. 1.1-6)**:**

Leadership Evaluation	
Key Process:	Measurement/Assessment:
Command and Control	**Overall Performance,** results from all other Key Processes **Human Resource Results**; e.g. sick absence, participation in community events, volunteerism, Works Council a/o EEO grievances, etc. **Other Indicators;** e.g. command profile survey, APIC, inspection results, activity awards, etc. **Self Assessment,** MBWA, own observations, etc.

Fig. 1.1-6

- Annually, our senior leaders apply our Quality Management Process Cycle (fig. 6.1-1) to review, evaluate and improve the leadership system.

- Key Process principle requirements are outlined in figure 6.1-3. We apply the same process for the assessment of progress relative to action plans, goals, and changing business needs as described in item 4.2, figure 4.2-1.

During the fiscal execution, this process is further compensated by three basic elements in frequencies as presented in fig. 1.1-7.

Continued Review and Improvement	
ELEMENT	**FREQUENCY**
(1) The BIMS	Quarterly
(2) "Listening and Learning"	Monthly/Weekly
(3) Personal Contacts	Daily

Fig. 1.1-7

Since 1996 we have constantly been training our leadership on the application of APIC. While APIC is used as a self-assessment tool, we use feedback received from the ACOE competition to evaluate the evaluation process itself. Our Commander's own Officer Evaluation Report (OER) support form includes the Army Performance Improvement Criteria (APIC) as a vehicle to focus on continuous improvement.

1.2 Public Responsibility and Citizenship (40 pts.) [Approach Deployment]

Describe how your organization addresses its responsibilities to the public and how your organization practices good citizenship.

Within your response, include answers to the following questions:

a. Responsibilities to the Public

(1) How do you address the impacts on society of your products, services, and operations? Include your key processes, measures, and targets for regulatory and legal requirements and for addressing risks associated with your products, services, and operations.

(2) How do you anticipate public concerns with current and future products, services, and operations? How do you prepare for these concerns in a proactive manner?

(3) How do you accomplish ethical business practices in all stakeholder transactions and interactions?

b. Support of Key Communities

How do your organization, your senior leaders, and your employees actively support and strengthen your key communities? Include how you identify key communities and determine areas of emphasis for organizational involvement and support.

Notes:

N1. Public responsibilities in areas critical to your organization also should be addressed in Strategy Development (Item 2.1) and/or in Process Management (Category 6). Key results, such as results of regulatory/legal compliance or environmental improvements through the use of 'green' technology or other means should be reported in Organizational Effectiveness Results (Item 7.4).

N2. Areas of community support appropriate for inclusion in 1.2b might include your efforts to strengthen local community services, education, and health; the environment, and practices of trade, business, or professional associations.

N3. The health and safety of employees are not addressed in Item 1.2; you should address these employee factors in Item 5.3

For a definition of the following key term, see glossary at pages 100-106: Process

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1.2 Public Responsibility and Citizenship

Purpose

This Item addresses how your organization fulfills its public responsibilities and encourages, supports, and practices good citizenship.

Requirements

You are asked how your organization:

??addresses its current and future impacts on society in a proactive manner and how you accomplish ethical business practices in all stakeholder interactions. The impacts and practices are expected to cover all relevant and important areas – products, services, and operations; and senior leaders, and employees identify, support, and strengthen key communities as part of good citizenship practices.

Comments

An integral part of performance management and improvement is proactively addressing legal and regulatory requirements and risk factors. Addressing these areas requires establishing appropriate measures and/or indicators that senior leaders track in their overall performance review. Your organization should be sensitive to issues of public concern, whether or not these issues are currently embodied in law.

Citizenship implies going beyond a compliance orientation. Good citizenship opportunities are available to organizations of all sizes. These opportunities include employee community service that is encouraged and supported by your organization.

Examples of organizational community involvement include: influencing the adoption of higher standards in education by communicating employability requirements to schools and school boards; partnering with other government organizations and health care providers to improve health in the local community by providing education and volunteer services to address public health issues; and partnering to influence trade business and professional associations to engage in beneficial, co-operative activities, such as sharing best practices to improve overall U.S. global competitiveness and environment.

Example 1.2 (10th Area Support Group, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

1.2 Public Responsibility and Citizenship. Our Commander has made "Public Responsibility" a priority by establishing a strategic goal of "Maintain Exceptional Bilateral Relationships with our Host Nation, Pacific Region Governments, and Okinawan Neighbors." The 10th ASG is committed to maintaining and strengthening our "Bond of Brotherhood" with our host nation family. We strive to be part of the community by participating in many community events to include: Assisting in the Okinawan Special Olympics; participating in the annual Naha Dragon Boat Race, and various sporting events with local organizations', holding various Fun Runs', and attending social events with the Japanese Ground Self Defense Force (JGSDF); and by inviting our host nation counterparts to participate in events such as 10th ASG Group runs, Friendship Festival, and other community events (Figures 7.4.5 and 7.5.6).

1.2a Responsibilities To The Public. The 10th ASG strives to limit the negative impact of our products and services on our local community. One of the key organizations that helps us addresses these concerns is the OACC. Its purpose is to strengthen the unity between U.S. Forces on Okinawa and our host nation through effective community relations and proper implementation of policies that impact on the local public. The OACC has successfully assisted us in planning the return of military bases, tactical operations, and base operations and infrastructure. Recently, the OACC relieved tensions with regard to the return of land at the Naha Military Port and is assisting us in negotiations with the Okinawan and Japanese governments in the return of property planned as part of a local underground highway project.

Our Community Relations Office (CRO) is charged with anticipating community relations issues prior to any tensions developing. Our Commander is personally committed to staying in touch with local issues and developing effective courses of action that are sensitive to the needs and desires of the public.

1.2a(1) Impacts On Society of Our Products and Services. The 10th ASG operates in a highly regulated and politically charged environment. Our Status of Forces Agreement (SOFA) in conjunction with Japanese law regulates every aspect of our operations on Okinawa. Violations can, and have led to consequences that effect our ability to accomplish our assigned mission. To safeguard against such consequences, we include in our planning process cooperative cultural surveys led by our CRO, as well as, providing training in many areas that have led to serious American to Japanese consequences. These areas include: driving, drinking, customs/courtesies, language, values, and general behavior. The Commander fully supports the concept that all Americans are Ambassador's to our host nation. Throughout our KPs you will find linkages that support our Commander's belief in societal harmony. Two such KPs are KP number 8:"Community Relations Support" and KP number 10: "Environmental Stewardship." Because of the highly sensitive nature of our presence on Okinawa, we include in our strategic plan comprehensive surveys dealing with cultural impact, environmental compliance, pollution prevention, fuel spill response capability, and remediation programs that fully comply with the Japanese Final Governing Standards (JFGS) - the equivalent of our U.S. Environmental Protection Agency laws.

As testimony to our public responsibility, our environmental compliance program has been rated as the best in the Pacific and no 10th ASG soldier or civilian has been indicted by Japanese prosecutors for serious criminal conduct in over 7 years.

1.2a(2) Anticipating Public Concerns. As the land manager for the Army on Okinawa, we strive for good relationships with residents and leaders in the community. Much of the land on Torii Station and other Army compounds is cultivated by local tacit (permissive) farmers. Our DPW successfully coordinates land usage and concerns of the farmer population. The positive influence of this program has enhanced the "good neighbor" standing we enjoy in the local community. Additionally, as discussed in 1.2a above, our Commander fully supports our CRO in providing command emphasis in anticipating public issues and concerns prior to them escalating into political quandaries. A recent success was the installation of our floating pier at Torii beach. We anticipated concerns from our local Yomitan Fisherman's Association and addressed them early in the planning cycle.

Our organization is in touch with risks associated with our presence as a foreign military force in Japan. Our customer and partner, the 500th Military Intelligence Group (500th MI Group), works in concert with our Plans and Operations office to anticipate unforeseen dilemmas, prevent undesirable political consequences and protect our organization and personnel from potential acts of terrorism. This is no better illustrated than with current working group relationships between local law enforcement agencies, the 500th MI Group, and our S-2/3 with regard to cooperative efforts in planning for the upcoming, July 2000, Okinawa G8 Summit.

1.2a(3) Ensuring Ethical Business Practices. The Army on Okinawa strives for ethical excellence by adhering to the Army's values as described in Figure 1.1.3. The Commander augments these values by having the command ethics counselor, our Staff Judge Advocate (SJA), conduct annual ethics training. The SJA also reviews organizational procedures, policies, and regulations for ethical compliance. The Judge Advocate section has taken the lead in providing ethics training to our sister services on Okinawa, mainland Japan, and Korea by hosting the semi-annual Pacific Rim Government Ethics Conference. The Commander regularly discusses professional ethics at weekly staff meeting. Further, professional ethics and training on Japanese law and tradition is provided to all newly arrived personnel during the our Newcomers' Orientation and during annual training events such as, Prevention of Sexual Harassment (POSH), see Figure 5.2.3.

1.2b Support of Key Communities. The 10th ASG considers its obligation of good citizenship as more than a policy for command representatives or leaders; it includes every Army soldier, civilian employee, and family member on Okinawa. Our senior leaders instill in the command the importance of building good working relationships with our local military and host nation communities. Our entire Army family is an integral element of good citizenship and ambassadorship.

Our commitment to supporting the community extends beyond the scope of official activities and social events. Many of our personnel and units reach out to our local community as ambassadors of goodwill supporting organizations such as the Okinawan Christian Fellowship, Boy and Girl Scout Associations, and local orphanages. Our Humanitarian Assistance Program (HAP), managed through the U.S. State Department, provides aid to countries throughout Asia that are suffering as a result of natural disasters or other social distress. Our HAP provides supplies and services such as transportation assets, medical equipment, food, and construction materials. These shipments are considered charitable donations from the United States. During FY99, our HAP program provided support valued at $11,821,145 to 18 different countries in the Pacific region.

The Okinawan Public. Without question, our senior leadership understands the absolute importance of the Okinawan people with regard to mission accomplishment. We strive to improve the relationship between the Okinawan public and our U.S. Forces. We accomplish this in several ways to include: Attending local Okinawan celebrations and holidays, participating in community events, and by requesting the participation of local leaders in our holiday celebrations and sporting events. We also open Torii Station annually to conduct our Friendship Festival. The Friendship Festival takes place in early April and attracts thousands of Japanese visitors island-wide for a weekend of carnival-type games, food, and free entertainment. Our Commander attends monthly JN work force council meetings and is instrumental in encouraging new ideas that enhance the Command's community awareness, involvement, and team-building effort. Local community support is provided, such as, Highway 58 clean-up, Commanders visits' to senior citizen home and volunteers school grounds improvement. Other senior leaders attend local activities and festivals, such as the Japanese Bon Odori, or Ancestors' Festival, and Okinawa's world-famous Giant Tug-of-War Festival. Participation in these activities greatly enhances the perception that the public has of Americans living and working on Okinawa.

Our Commander believes that only by knowing and understanding the Okinawan culture can we fully support and strengthen community relations. To support this belief, the 10th ASG Army Community Service (ACS) sponsors monthly cultural enrichment activities designed to teach Americans about the Okinawan people and culture. These activities include visits to Okinawan historical sites, parks, the outer islands, bathhouses, shopping centers, and other areas of interest. The ACS coordinates these visits and arranges for speakers from local universities, schools, or museums to enhance the cultural experience for our personnel. The Command Leadership Development Program has also organized trips to battle sites and museums on Okinawa to educate 10th ASG leadership on the tremendous suffering of the Okinawan people during World War II. A Japanese

Headstart program is also required for all newly arrived personnel and their spouses to learn basic Okinawan phrases and customs. These programs have led to heightened morale, improved working environment for our personnel and created an active and enviable relationship with our Okinawan sponsors (Figures 7.1.10, 7.3.19, 7.3.21).

How We Identify Key Communities. Key communities are identified in many ways. First and foremost, the majority of our key communities are endorsed by our higher headquarters selects. Our CRO and various other Directorates identify key communities. For example, our DPW identified our local Okinawan schools as a key community as a result of environmental training that is routinely provided to their students during Earth Day/Green Day. Our SJA and Provost Marshal Office (PMO) have identified local law enforcement agencies as key communities as a result of frequent law enforcement partnerships that have developed over the years. Finally, our supported units provide valuable insight into their key communities, which quite often results in them becoming members of our key communities.

Benefits of Support. The Army on Okinawa strives to make a positive impact on all aspects of mission, family, and community. To accomplish this goal, our leadership will continue to lead the way for other organizations to emulate. The leadership in the 10th ASG is optimistic about our future. We are prepared to accomplish our mission while simultaneously supporting our families and communities. The future holds great promises for the 10th ASG.

2.0 Strategic Planning (85 pts.)

The **Strategic Planning** Category examines how your organization develops strategic objectives and action plans. Also examined are how your chosen strategic objectives and action plans are deployed and how progress is measured.

2.1 Strategy Development (40 pts.) [Approach-Deployment]

Describe how your organization establishes its strategic objectives, including enhancing its competitive position and overall performance.

Within your response, include answers to the following questions:

a. Strategy Development Process

(1) What is your overall strategic planning process? Include key steps, key participants, and your short- and longer-term planning time horizons.

(2) How do you ensure that planning addresses the following key factors? Briefly outline how relevant data and information are gathered and analyzed to address these factors:

- customer and market/mission needs/expectations/opportunities
- your competitive and mission environment and capabilities relative to competitors
- technological and other key changes that might affect your products/services and/or how you operate
- your strengths and weaknesses, including human resource and other resources
- your supplier/partner strengths and weaknesses
- financial, societal and other potential risks.

b. Strategic Objectives

(1) What are your key strategic objectives and your timetable for accomplishing them? Include key goals/targets, as appropriate.

(2) How do your strategic objectives address the challenges identified in response to P.2 in your Organizational Profile? How do you ensure that your strategic objectives balance the needs of all key stakeholders?

Notes:

N1. "Strategy development" refers to your organization's approach (formal or informal) to preparing for the future. Strategy development might utilize various types of forecasts, projections, options, scenarios, and/or other approaches to envision the future for purposes of decision-making and resource allocation.

N2. "Strategy" should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new products, services, and markets; revenue or mission growth via various approaches, including acquisitions, and new partnerships and alliances. Strategy might be directed toward becoming a preferred supplier, a local supplier in each of your major customers' markets, a low-cost producer, a market innovator, and/or a high-end or customized product/service provider.

N3. Challenges (2.1b[2]) addressed in your strategy might include rapid response, customization, lean or virtual manufacturing, rapid innovation, Web-based supplier/customer relationship management, and product/service quality. Responses to Item 2.1 should focus on your specific challenges —those most important to your business success and to strengthening your organization's overall performance.

N4. Item 2.1 addresses your overall organizational strategy that might include changes in services, products, and product lines. However, *the Item does not address product and service design; you should address these factors in Item 6.1.*

N5. For organizations whose strategies are developed by higher levels (e.g., agency headquarters), this item should describe how the organization provides input to the parent organization's strategy development process and how your organization's own strategy is developed consistent with that of higher levels.

For definitions of the following key term, see glossary starting at page 100: strategic objectives.

2.0 Strategic Planning

Item Descriptions

Strategic Planning addresses strategic and action planning and deployment of plans. The Category stresses that customer-driven quality and operational performance are key strategic issues that need to be integral parts of your organization's overall planning.

Specifically:

- customer-driven quality is a strategic view of quality. The focus is on the drivers of customer satisfaction, customer retention, new markets, and market share – key factors in competitiveness, profitability, and business and/or mission success.
- operational performance improvement contributes to short-term and longer-term productivity growth and cost/price competitiveness. Building operational capability*, including speed, responsiveness, and flexibility*, represents an investment in strengthening competitive and performance fitness.

The Criteria emphasize that improvement and learning need to be embedded in work processes. The special role of strategic planning is to align work processes with your organization's strategic directions, thereby ensuring that improvement and learning reinforce organizational priorities.

The Strategic Planning Category examines how your organization:

- understands the key customer, market, mission, and operational requirements as input to setting strategic directions. This helps to ensure that ongoing process improvements and change are aligned with the organization's strategic directions.
- optimizes the use of resources, ensures the availability of trained employees, and bridges short-term and longer-term requirements that may entail capital expenditures, technology development or acquisition, and supplier development.
- ensures that deployment will be effective – that there are mechanisms to transmit requirements and achieve alignment on three levels: (1) the organization/executive level; (2) the key process level; and (3) the work-unit/individual-job level.

The requirements in the Strategic Planning Category encourage strategic thinking and acting – to develop a basis for a distinct competitive position in the marketplace and/or program/mission driven environment. *These requirements do not imply formalized plans, planning systems, departments, or specific planning cycles.* Also, the requirements do not imply that all your improvements could or should be planned in advance. An effective improvement system combines improvements of many types and degrees of involvement. This requires clear strategic guidance, particularly when improvement alternatives, including major change, compete for limited resources. In most cases, setting priorities depends heavily upon a cost rationale. However, you also might have critical requirements such as public responsibilities that are not driven by cost considerations alone.

2.1 Strategy Development

Purpose

This Item addresses how your organization sets strategic directions and develops your strategic objectives, guiding and strengthening your overall performance and competitiveness

Requirements

You are asked:

- to outline your organization's strategic planning process, including the key participants, key steps, and your planning time horizons;

??how you consider the key factors that affect your organization’s future. These factors cover external and internal influences on your organization;

??to address each factor and outline how relevant data and information are gathered and analyzed;

??to summarize your key strategic objectives and your timetable for accomplishing them; and

??how these objectives address the challenges outlined in your Organizational Profile.

Comments

This Item calls for basic information on the planning process and for information on all the key influences, risks, challenges, and other requirements that might affect the organization’s future opportunities and directions – taking as long-term a view as possible. This approach is intended to provide a thorough and realistic context for the development of a customer- and mission/market-focused strategy to guide ongoing decision-making, resource allocation, and overall management.

This Item is intended to cover all types of organizations, competitive situations, strategic issues, planning approaches, and plans. The requirements explicitly call for a future-oriented basis for action, but do not imply formalized planning, planning departments, planning cycles, or a specified way of visualizing the future. Even if your organization is seeking to create an entirely new business situation, it is still necessary to set and to test the objectives that define and guide critical actions and performance.

This item focuses on competitive leadership, which usually depends upon revenue/mission growth and operational effectiveness. Competitive leadership requires a view of the future that includes not only the markets or segments in which your organization operates, but also how it competes. *How it competes* presents many options and requires that you understand your organization’s and competitors’ strengths and weaknesses. Although no specific time horizon is included, the thrust of this Item is sustained competitive leadership.

An increasingly important part of strategic planning is projecting the future competitive environment. Such projections help to detect and reduce competitive threats, to shorten reaction time, and to identify opportunities. Depending on the size and mission of the organization, maturity of markets, pace of change, and competitive parameters (such as price or innovation rate), organizations might use a variety of modeling, scenarios, or other techniques and judgments to anticipate the competitive environment.

Example 2.1 (10th Area Support Group, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

2.0 Strategic Planning

Our strategic planning process begins with a comprehensive review of our design approach to performance. This methodology ensures that all aspects of mission assessment, operations, and customer requirements are captured in our strategy formulation of our future vision. Our primary concern is to fully develop, balance, and integrate our Key Processes (KP), Figure 0.3, Key Business Drivers (KBD), Figure 0.6, customer needs (Figure 3.1.2) and supplier/partner capabilities (Figure 6.3.1) into formulating measurable goals and objectives (Figure 2.2.1). A key to our success has been the implementation of our High Performance Management System (HPMS), which allows our organization to quantify and scientifically measure improvement through the use of empirical data that illustrates trends through the use of benchmarks and target analysis. Following this strategy, our organization has successfully managed improvement by measuring key indicators against established standards as determined by Department of Defense (DoD), Headquarters, Department of Army (HQDA), U.S. Army Pacific (USARPAC), U.S. Army Japan/9th Theater Army Area Command (USARJ), and various other internal and external elements. To ensure we capture current customer and supplier needs our organization has, over the past several years instituted a series of Customer Needs Surveys (CNSs) and Customer Satisfaction Surveys designed to ascertain the bona fide requirements and feedback from our service base. Our customer and supplier partnerships are acknowledged throughout the command as a vital component in our strategic planning process. Products of our strategic planning process include: a vision statement; guiding principles; and adjusted goals and objectives that are linked to existing improvement actions and processes. In executing our strategic plan, we communicate our critical requirements to all personnel and track performance within our key processes to ensure we are meeting/exceeding customer and supplier requirements while accomplishing our assigned mission.

2.1 Strategy Development. When reviewing our strategic plan, we concentrate on our strategic planning considerations as they correspond with functional improvement process review (Figure 2.1.1). Our goal is to refine overall productivity and customer support by improving workflow processes, prioritizing objectives, and managing our resources. The intent is to quantify our vision through measurable objectives, which will enable the organization to determine it is on the right track, and also evaluate the rate of progress being made toward our vision.

To develop and improve of our products and services, we translate customer requirements into; discovering technological breakthroughs, using analysis and review to design and improve processes, and responsible resource utilization. Our senior leaders use our strategic plan as a tool to facilitate operational needs of staff, training, and logistics to prepare for future operational demands.

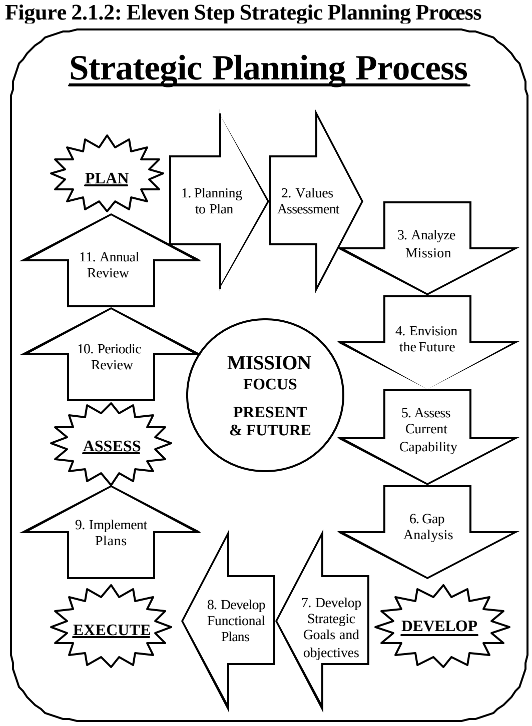
2.1.a Strategy Development Process. Our primary concern is to fully develop and integrate our KP's; KBD's and principle requirements into a formalized strategic plan that can be measured against established goals and objectives. By creating an organizational infrastructure to design and execute this plan we are able to achieve our strategic objectives.

To accomplish this, we focus on fulfilling the requirements of our customers. To guarantee that we meet these requirements, we employ our eleven steps, systematic strategic planning process (Figure 2.1.2). Our process is continuous and provides us with the flexibility to adjust our plan as necessary to meet changing requirements. Additionally, we formally review our strategic plan at our annual, off-site, Strategic Planning Conference (SPC) that is chaired by our Commander. The SPC provides a unique forum for our leadership to engage in review and update of our mission, guiding principles, vision, and goals. Prior to the SPC, our leadership is asked to review empirical data via our HPMS and to perform a CNS with our key customers. This review provides data on product/service delivery, product/service quality, and future requirements and customer satisfaction. During the SPC, our Executive Steering Committee (ESC), Figure 1.01, sets new objectives and identifies actions that apply to this data in service base weaknesses. We integrate this data into a refined strategic plan with the result of realigning our strategic direction.

A dynamic component of our strategic planning process is our use of situational analysis concepts (Figure 2.1.3).

Figure 2.1.1: Strategic Planning Considerations

Figure 2.1.2: Eleven Step Strategic Planning Process



This process allows our leadership to analyze market requirements (expectations); technological shifts; risks (socioeconomic, political, financial, unknowns); capabilities (internal to the 10th ASG); and our supplier/partner capabilities.

2.1.b Strategic Objectives. Our key strategic objectives in our planning processes are: mission accomplishment; the identification of new goals and objectives; prioritization of customer requirements; sustainment of productive supplier/partner relationships; and improvement in the quality of life for the Army on Okinawa. As our strategic objectives are broad in nature, most span the entire year and flow into subsequent planning years. This continuous process, in conjunction with documenting and analyzing our business results, allows our Commander to prioritize and reallocate resources during periodic performance reviews, such as our monthly R&A, to ensure that we accomplish these objectives. During our process design we strive to establish benchmarks that can be used to compare our products and services with comparatively equal organizations. Because our sister services provide many of the same services, we have many excellent comparisons here on Okinawa (Figure 2.1.4).

With regard to dissimilar services, we look to like installations, local providers and contractors, as well as, similar Army baselines abroad and Continental United States (CONUS) to establish realistic standards and benchmarks for comparison.

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Figure 2.1.3: Situation Analysis Factors in the Strategic Planning Process

Requirements & Opportunities	Capabilities	Trends & Benchmarking	Risks	Suppliers/ Partners Requirements/Needs
??Customer Surveys ??PAT Information ??Performance Data ??Service Requirements ??Product Demands ??Readiness ??Needs Assessment ??Comparison ??Technology ??Partnering	??Trained Force ??Responsiveness ??Customer Focus ??Proven Performance ??Assets ??Information Management System ??PATs ??Alternative Methods ??Empowerment ??Partnership ??Automation ??Dedicated Work Force ??Customer Involvement	??Ratings ??Training ??Readiness ??Inspections ??Employee Satisfaction ??Improvement Initiatives ??Capabilities ??Local Markets ??Needs Surveys ??Local Media ??Accessibility ??Like Installations ??Installation Status Reports	??Regulatory ??Customer Base ??Environmental ??Restructuring ??Reorganizing ??Increasing Costs ??Market Change ??Financial Restrictions ??Fluctuating Currency ??Unknown Obligations ??Seasonal ??Local Community ??Political Climate	??On Time Delivery (Products/ Services) ??Capabilities ??Quality Evaluations ??Feedback ??Performance Measures ??IMPAC Card ??Compliance ??New Products ??New Services ??Post Delivery Support ??Historical Data ??Ethics

Figure 2.1.4: Comparable Services on Okinawa

Services	Suppliers
Unaccompanied Housing	U.S. Air Force, Marines, Navy
Facilities Maintenance	U.S. Air Force, Marines
MWR Services	U.S. Air Force, Marines, Navy
Transportation Services	U.S. Air Force, Marines, Navy
Education Services	U.S. Air Force, Marines
Community Services	U.S. Air Force, Marines

Figure 2.1.5: Risks Common to the 10th ASG

Risk	Effect
Typhoon Preparedness	Lack of Life Support Resources
PACRIM Political Climate	Personnel Injuries/Safety
Limited Transportation	Untimely Humanitarian Assistance
Fluctuating Exchange Rate	Limits Resources
Key Leadership Vacancies	Mission Shortfalls

During our planning process we also evaluate our weaknesses by employing risk analysis practices. Risk analysis provides an extra measure of assurance in achieving planned goals. By identifying and planning for risks such as listed in figure 2.1.5, we negate a high percentage of our unforeseen problems. Our track record with regard to typhoon support, Disaster Relief Operations, and safety is testament to our unyielding commitment to quality service and leadership.

Additionally, we use our Process Improvement Model (PIM), as described in Category 6, to "lean forward" and anticipate changes within our operating environment.

Our current capabilities are incorporated into our strategic planning process as a baseline for commitment to new objectives. Applying our capabilities to the mandates of our KBD's (Figure 0.6), we commit resources to develop, motivate, recognize, and reward our personnel, exploit technology, and implement innovative customer service initiatives. As the winner of the 1999 and 2000 Army Communities of Excellence (ACOE), we continue to focus our efforts and commitment towards pride and excellence.

With current downsizing and budget restrictions, we rely on our suppliers and partners to augment our capability of providing products and services, while monitoring their performance. Together with our sister services and Army partners on Okinawa, we have identified several redundant service providers. Joint service councils have used this information to designate certain service providers for all DoD agencies on Okinawa. Responsible agency focuses their efforts on standardizing processes with joint coordination of needs assessment. Some examples of these efficiencies include: the U.S. Marine Corps acting as our sole mail delivery source and the vehicle licensing and registration authority, the U.S. Air Force providing us with contracting services, family housing, commissary facilities, and civilian personnel services, and the U.S. Navy providing hospital and general medical services. One of our key Army partners, the 58th Signal Battalion (58th SIG Bn), provides island-wide communication services while our own 505th Quartermaster Battalion (505th QM Bn) supplies all fuel and petroleum products on the island.

We disseminate our goals and objectives through various means: quarterly training briefings, publication of annual and quarterly training guidance, various visual media, our on-line HPMS, executive and strategic planning conferences, and our integrated training initiatives. We distribute posters and wallet-sized foldout cards describing mission, vision, strategic goals, guiding principles, and key business drivers throughout the command.

In our strategic development process, we focus our efforts on eliminating or minimizing weaknesses, exploiting opportunities, measuring our performance and customer satisfaction against benchmarks, and anticipating future requirements.

2.2 Strategy Deployment (45 pts.) [Approach-Deployment]

Describe how your organization converts its strategic objectives into action plans. Summarize your organization's action plans and related key performance measures/indicators. Project your organization's future performance on these key performance measures/indicators.

Within your response, include answers to the following questions:

a. Action Plan Development and Deployment

(1) How do you develop and deploy action plans to achieve your key strategic objectives? Include how you allocate resources to ensure accomplishment of your action plans.

(2) What are your key short- and longer-term action plans? Include key changes, if any, in your products/services, your customers/markets/mission, and how you operate.

(3) What are your key human resource plans that derive from your short- and longer-term strategic objectives and action plans?

(4) What are your key performance measures/indicators for tracking progress relative to your action plans? How do you ensure that your overall action plan measurement system achieves organizational alignment and covers all key deployment areas and stakeholders?

b. Performance Projection

What are your performance projections for your key measures/indicators for both your short-and longer-term planning time horizons? How does your projected performance compare with the performance of competitors and similar organizations, key benchmarks, goals, and past performance, as appropriate?

Notes:

N1. Action plan development and deployment are closely linked to other Items in the Criteria. Examples of key linkages are:

??*Item 1.1 for how senior leaders set and communicate directions;*

??*Category 3 for gathering customer and market knowledge as input to strategy and action plans, and for deploying action plans;*

??*Category 4 for information and analysis to support your key information needs, to support your development of strategy, to provide an effective basis for performance measurements, and to track progress relative to your strategic objectives and action plans;*

??*Category 5 for your work system needs; employee education, training, and development needs; and related human resource factors resulting from action plans;*

??*Category 6 for process requirements resulting from action plans; and*

??*Item 7.4 for accomplishments relative to organizational strategy.*

N2. Measures and/or indicators of projected performance (2.2b) might include changes *resulting from new business ventures; business acquisitions; new value creation; market entry and shifts, and significant anticipated innovations in products, services, and/or technology.*

N3. In responding to Area 2.2a(3), related human resource plans might include:

- ??*recruitment, including critical skill categories and expected or planned changes in work force demographics;*
- ??*how the organization evaluates and improves its human resource planning and practices and alignment of these with the strategic business directions; and*
- ??*changes in: (a) work design and/or organization to improve knowledge creation/sharing, flexibility, innovation and rapid response; (b) employee development, education and training; (c) performance appraisal; and (d) compensation, recognition, and benefits.*

For definition of the following key terms, see the glossary starting at page 100: action plans, benchmarks, measures and indicators, and performance projections.

2.2 Strategy Deployment

Purpose

This Item addresses how your organization converts your strategic objectives into action plans to accomplish the objectives and how your organization assesses progress relative to your action plans. The aim is to ensure that your strategies are deployed for goal achievement.

Requirements

You are asked:

??how you develop and deploy action plans that address your organization's key strategic objectives including the allocation of needed resources;

??to summarize your key short- and longer-term action plans. Particular attention is given to changes in product/services, customer/markets, mission, and how you operate; and about your key human resource plans that will enable accomplishment of your strategic objectives and action plans;

??to give your key measures and/or indicators used in tracking progress relative to the action plans, and how you use these measures to achieve organizational alignment and coverage of all key work units and stakeholders; and finally

??to provide a projection of key performance measures and/or indicators. As part of this projection, you are asked how your projected performance compares with performance of competitors and similar organizations, key benchmarks, goals, and past performance.

Comments

This Item asks how your action plans are developed and deployed. Accomplishment of action plans requires resources and performance measures, as well as the alignment of work unit and supplier/partner plans. Of central importance is how you achieve alignment and consistency – for example, via key processes and key measurements. Also, alignment and consistency are intended to provide a basis for setting and communicating priorities for ongoing improvement activities – part of the daily work of all work units. In addition, performance measures are critical to performance tracking. Action plans include human resource plans that support your overall strategy.

Key changes in your products/services or customers/markets/mission might include Web-based or e-commerce initiatives, integrated within or separate from your current business.

Examples of possible human resource plan elements are:

??a redesign of your work organization and/or jobs to increase employee empowerment and decision making;

??initiatives to promote greater labor-management cooperation, such as union partnerships;

??initiatives to foster knowledge sharing and organizational learning;

??modification of your compensation and recognition systems to recognize team, organizational, customer, or other performance attributes;

??education and training initiatives, such as developmental programs for future leaders, partnerships with universities to help ensure the availability of future employees, and/or establishment of technology-based training capabilities.

Projections and comparisons in this Item are intended to encourage your organization to improve its ability to understand and track dynamic, competitive performance factors. Through this tracking process, your organization should be better prepared to take into account its rate of improvement and change relative to competitors' and relative to your own targets or stretch goals. Such tracking serves as a key diagnostic management tool.

In addition to improvement relative to past performance and competitors' performance, projected performance also might include changes resulting form new business ventures, entry into new markets, e-commerce initiatives, product/servi ce innovations, or other strategic thrusts.

Example 2.2 (10th Area Support Group, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

2.2 Strategy Deployment. Our goal is to establish objectives that provide clear guidance to our personnel and that allow us to quantifiably measure our performance. The strength of our strategy lies in its adaptability and balance. To excel in our future market, we acknowledge that we must anticipate changes and incorporate new ideas so that we can take advantage of opportunities and translate them into achievable performance improvement initiatives.

Directorates develop group and individual goals and objectives to further support our cornerstone goals and objectives. Some of the milestones of achieving deployment are to identify weaknesses in target areas of customer service, human resource development, supplier and partner capabilities, work design, training effectiveness, proper equipment and financial resources. Our success depends on a top-down, bottom-up flow of information that measures the pulse of our organization and anticipates future requirements (Figure 4.1.2).

2.2a Action Plan Development and Deployment. The Pacific Rim is, and will always be, of major strategic interest to the United States. Considering this, our vision embodies where we want to be in the Commander in Chief, Pacific's Pacific Rim strategy in 5-10 years. With the recent history of rapid development in Asia, the 10th ASG can expect to play a major role in forward presence and power projection. We must remain a highly trained and capable, organization, ready to provide reliable support. The 10th ASG's goals, objectives, and performance improvement initiatives are integrated into our total quality improvement plan and HPMS (Figure 2.2.1). Leaders can review and Goal/Objective Champions can update progress and performance data. Our goals and objectives are developed based on mission requirements, the needs of our customers and capabilities of our supplier/partners.

We determine overall key process and measurements that are linked to metrics, which conform to standards established to meet our goals and objectives (figure 6.1.4). Meeting and exceeding these standards, targets and goals measure our success.

Our Human Resource Development planning process begins with a needs survey of leaders, managers, and employees throughout the command. Our goal is to identify administrative, managerial, and technical training needed to satisfy our customers' needs as well as overall employee development. Considering the results of these surveys, our comprehensive Human Resource Development Plan (HRDP) that maximizes our use of resources and best provides our work force with the skills needed to satisfy present and future customer/partner requirements. Figure 2.2.2 highlights strategic areas for work force development that we consider in our HRDP.

In category 5, we describe our commitment to employee development, recognition and its linkage to our key business drivers.

Our HPMS provides an avenue to deploy our strategic plan throughout the Command, to include data on resources, customer satisfaction/needs, mission, vision, goals, objectives, and many other pertinent data related to overall operations.

Figure 2.2.2: 10th ASG Human Resource Considerations	
??Work Design	??Flexibility
??Innovation	??Responsiveness
??Work Force Development	??Education
??Training	??Safety
??Recognition	??Benefits
??Recruitment	??Assistance Programs

Figure 2.2.1: 10th ASG Strategic Objectives (2-5 years) and Actions/Action Plans (1-2 years)
Objective 1.1 - Provide and Enhance Customer Oriented and Demand Driven Program/Services.
Objective 1.2 - Establish or Improve Grounds, Facilities and Infrastructure.
Objective 1.3 - Improve Work and Living Environment.
Objective 1.4 - Redistribute Funds and Resources Based on Customer Requirements.
Objective 2.1 - Enhance Individual and Team Improvement Effort.
Objective 2.2 - Improve and Expand Individual and Collective Education and Training.
Objective 2.3 - Improve and Increase Effective Communication of Information Throughout the Command.
Objective 3.1 - Integrate Technology.
Objective 3.2 - Maintain Continuity of Operations and Contingency Support.
Objective 3.3 - Increase logistics capability.
Objective 3.4 - Integrate new equipment.
Objective 3.5 - Maintain a trained and quality workforce.
Objective 4.1 - Enhance Internal/External Community Communications and Relations.
Objective 4.2 - Foster Cultural Awareness and Sensitivity Within The Army Community.
Objective 4.3 - Nurture and Enforce The Highest Standards of Individual and Collective Citizenship.

Actions/Action Plans	KBA	KP	Actions/Action Plans	KBA	KP
1.1.1 - Implement 2000 Leisure Needs Survey Results	CA	1	3.3.5 - Establish and Maintain Exercise Stocks Account	SOD	11
1.1.2 - Improve Child Care Services	ACS	1	3.3.6 - Establish and Maintain Air Delivery Operation Stocks (ADOP)	SOD	12
1.1.3 - Improve awareness of the services and programs available through the implementation of the 10th ASG Intranet and develop Japanese World Wide Web Torii Station Home Page	DOIM/CRO	7	3.3.7 - Reduce MLC and MLC Drivers' overtime via contract taxi	SOD	2
1.1.5 - Implement biochemical testing of DACs in TDPs	ADAPCP	2	3.3.8 - Establish a Remedial Driver's Training Program	SOD	2
1.1.6 - Hire civilian contract Drug Demand Reduction Coordinator/IBTC	ADAPCP	2	3.3.9 - Enhance LOG mission via purchase of 22 containers	SOD	11
1.1.7 - Coordinate tri-service effort to address substance abuse issues among middle school and high school students.	ADAPCP	2	3.3.10 - Exercise Arrival/Departure Airfield Control (ADAG)	SOD	12
1.2.1 - Implement the 5-years and master plans	DPW	9	3.3.11 - Develop a JCS exercise SOP based on Balikatn FY2000	SOD	4
1.2.2 - Develop and implement an Energy Conservation Plan	DPW	10	3.3.12 - Enhance ATCO Operations	SOD	12
1.3.1 – Implement the space utilization evaluation results	DPW	9	3.3.13 - Enhance TMP Operations	SOD	12
1.3.2 - Develop the Arrive Alive program plan	PMO	1	3.3.14 - Construct ramp to wash ramp	SOD	12
1.4.1 - Develop 5-years plan for revenue	DCA	1	3.3.15 - Increase storage area for the sheet metal shop	SOD	11
2.1.1 - Monitor individual soldier training and professional development to maintain	S-2/3	3	3.3.16 - Construct new CPC building	SOD	11
2.1.2 - JN work force training end education	CPO, KAB	2	3.3.17 - Construct overhang to welding shop	SOD	12
2.1.3 - Mange personnel gains and losses	S-1	2	3.3.18 - Modify and maintain upgraded LCM	SOD	12
2.1.4 - Revise the Human Resource Plan	EA	2	3.3.19 - Acquire furnishings support via ISA with the Air Force on Kadena for senior single soldiers and DACs who elect to live off post	SOD	1
2.2.3 - Plan and deploy a Joint Logistics Support of the USARPAC JCS Exercise Balikatan - FY2000	S-2/3	3	3.3.20 - Upgrade CIF stockage	SOD	11
2.2.4 - Plan and execute Habu Sakusen - FY 2000	S-2/3	3	3.4.1 - Field mobile laboratory	505th QM Bn	6
2.3.3 - Establish SJA Web Page with Claims & LA Information	SJA	1	3.4.2 - Obtain electric forklifts	SOD	12
2.3.4 - Publish Ethics Guide	SJA	1	3.4.3 - Obtain MHE for transportation support	SOD	12
2.3.5 - Publish Legal Assistance Guide	SJA	1	3.4.4 - Acquire new laptops for exercise and mission requirements	SOD	4
2.3.6 - Establish a Family Member Misconduct Adjudication SOP	SJA	1	3.5.1 - Use collective military training to maintain readiness	505th QM Bn	6
3.1.1 - Implement 505th QM Bn control room upgrade	505th QM Bn	6	3.5.2 - Provide Security and OPSEC training to maintain awareness	S-2/3	5
3.1.2 - Implement automatic fuel tank gauging	505th QM Bn	6	4.1.1 - Visits to local institutions	CRO	8
3.1.3 - Implement HAP Management System	SOD	13	4.1.2 - Sports activities with local residents	CRO	8
3.1.4 - Conduct pipeline cathodic protection survey	505th QM Bn	6	4.1.3 - Assist DPW and GOJ in flawless coordination on SACO related relocations to Torii Station	CRO	8
3.2.3 - Establish a 10th ASG NBC Plan	S-2/3	4	4.1.4 - Conduct semi-annual joint US/JGSDF concert	CRO	8
3.2.4 - Revise the 10th ASG Emergency Action Plan	S-2/3	5	4.1.5 - Publicize/advertise the Army on Okinawa Story	PAO	8
3.3.1 - Upgrade manifold system	505th QM Bn	6	4.2.1 - Provide Community Relations Training	CRO	8
3.3.2 - Procure stellar tank body	SOD	12	4.2.2 - Protect environment by reducing hazardous materials	DPW	10
3.3.3 - Restructure vehicle assets	SOD	12	4.2.3 - Protect environment by recycling	DPW	10
3.3.4 - Replace monobuey	505th QM Bn	6	4.3.1 - Develop SOP of open and confidential methods for reporting fraud, waste or abuse	S-1	2

* KBA = Key Business Area   * KP = Key Process

2.2.b Performance Projection. The Pacific Rim is of global strategic interest to the United States and our Allies. Considering this, our 5-10 year vision embodies our anticipated future missions, (Figure 2.2.3). As part of our planning process, we review the 5-10 year plans of our higher headquarters to ascertain our possible role in future operations and attend various joint planning session to include the Joint Okinawa Area Coordination Committee (JOACC). When planning for our future performance requirements, we consider both our macro and microenvironments.

Figure 2.2.3: Anticipated Future Mission
Intermediate Support Base (ISB) - 25th ID and 172nd SIB
Increased Support of Special Operation Forces
Increased Humanitarian Assistance Requirements
Increased Disaster Relief Operations
Safe Heaven for Noncombatants - Korea
Increasing Operational Requirements for Existing Services (Fuel, Communications, and Common User Land Transportation)
DoD Pacific Rim Military Organization Relocation Area
Increased Joint Service Planning & Operational Responsibilities

When planning to meet the requirements of our macro environment, we consider recent socioeconomic volatility, political instability, and rapid development in Asia. Based on these considerations and the long range plans of our higher headquarters, we expect to continue to play a pivotal role in providing our Major Army Command (MACOM), USARPAC, with a strategically located power projection platform that is capable of providing all forms of logistical support. Based on these considerations and our current strategic location, we believe that we have no competition from any other Area Support Group within the Asia-Pacific region. To prepare our organization, we have initiated planning in preparation of operating a Intermediate Support Base (ISB). Additionally, we have began practicing these skills during various Joint Chief of Staff (JCS) training exercises to include participation in Balikatan, the largest exercise held in the Republic of the Philippines. Other key training/ development events that have prepared our organization for future missions include participation in Yama Sakura (disaster relief mission) and Dragon Strike (ISB mission).

When planning to meet the requirements of our microenvironment, we consider our productivity in providing services such as petroleum, communications, transportation, and facilities management. To prepare and plan for increased requirements and more efficient use of resources, we conduct internal planning sessions such as our Programming, Budgeting Advisory Committee (PBAC) meeting, Real Property Planning Board (RPPB) meeting, Japan Facilities Improvement Program (JFIP) meeting, Information Management Support Council (IMSC) meeting, and various other training related meetings. The goals of these meetings are to ascertain future resource requirements and then plan to meet them. During these meetings, productivity shortfalls are highlighted and performance improvement initiatives are measured. The best example of benefits resulting from these meetings was our use of Unfunded Finance Requirements (UFRs), identified and prioritized during our PBACs, that resulted in a landfall of money that was used to upgrade several of our antiquated Information Technology (IT) systems and to replace many of our high mileage Non-Tactical Vehicles (NTVs) supporting our Directorate of Public Works (DPW) mission.

Anticipated construction managed by the Japan Engineer District Okinawa and our DPW includes: a new Auto Craft Shop (FY00); the relocation of the DoDs' Schools (FY01); the relocation of the Foreign Intelligence Broadcasting Systems array site (FY01); the construction of a new Public Works Shop Complex (FY01); the construction of a new Small Craft Pier (FY02); the construction of a new Indoor Swimming Pool (FY03); and athletic facilities improvements (FY04). Figures 1.1.6, 1.1.7, and 1.1.8 represent our upgrade plan for replacement or construction of facilities intended to increase our productivity and prepare our organization for future missions and support requirements.

Anticipated training requirements that are programmed include: receiving and providing petroleum operations training to three USAR/ANG Quartermaster Companies (May-Aug 01); participation in several JCS exercises, including Balikatan (Apr-May 01); and various other sustainment training activities (Oct-Sep 01). These training exercises are designed to support our strategic vision, ultimately preparing our organization to assume a greater role in providing increased support and service to our Asia-Pacific customers/partners.

3.0 Customer Focus (85 pts.)

The **Customer Focus Category** examines how your organization determines requirements, expectations, and preferences of customers and markets. Also examined is how your organization builds relationships with customers and determines the key factors that lead to customer acquisition, satisfaction, retention, and to business expansion.

3.1 Customer and Market Knowledge (40 pts.) [Approach-Deployment]

Describe how your organization determines requirements, expectations, and preferences of customers and markets to ensure the continuing relevance of your products/services and to develop new opportunities.

Within your response, include answers to the following questions:

a. Customer and Market Knowledge

(1) How do you determine or target customers, customer groups, and/or market segments? How do you include customers of competitors and other potential customers and/or markets in this determination?

(2) How do you listen and learn to determine key requirements (including product/service features) and their relative importance/value to customers' purchasing decisions for purposes of product/service planning, marketing, improvements, and other business development? In this determination, how do you use relevant information from current and former customers, including marketing/sales information, customer retention data, won/lost analysis, and complaints? If determination methods vary for different customers and/or customer groups, describe the key differences in your determination methods.

(3) How do you keep your listening and learning methods current with business needs and directions?

Notes:

N1. Customer groups (3.1a(1)) might include Web-based customers and/or customers with whom you have direct contact. Key product/service features and purchasing decisions might take into account transactional modes and factors such as confidentiality and security.

N2. If your products and services are sold to end users via other organizations, such as retail stores or dealers, private contractors, state and local governments, or non-profit organizations, customer groups (3.1a(1)) should take into account the requirements and expectations of both the end users and these intermediate organizations.

N3. "Product and service features" (3.1a(2)) refers to all the important characteristics of products/services and to their performance throughout their full life cycle and the full "consumption chain." This includes all customers' purchase experiences and other interactions with your organization. The focus should be on features that affect customer preference and repeat business – for example, those features that differentiate your products and services from competing offerings. Those features might include price, reliability, value, delivery, customer or technical support, and the sales relationship. Many government agencies must also consider non-competitive factors such as fairness and mandated services to entitled customers.

N4 Listening/learning (3.1a(2)) might include gathering and integrating Web-based data and information that bear upon customers' purchasing decisions. Keeping your listening and learning methods current with business needs and directions (3.1a(3)) also might include use of current and new technology, such as Web-based data gathering.

N5. This Item addresses external customers only – those outside of the organization. Responses should also take into account the differing requirements of various categories of customers often served by government organizations, such as entitled and mandated customers in addition to the traditional voluntary customers For definition of the following key term, see glossary starting at page 100: customer

Customer and Market Focus addresses how your organization seeks to understand the voices of customers and of the marketplace. The Category stresses relationships as an important part of an overall listening and learning, and performance excellence strategy. Your customer satisfaction and dissatisfaction results provide vital information for understanding your customers and the marketplace. In many cases, such results and trends provide the most meaningful information, not only on customers' views but also on their marketplace behaviors – repeat business and positive referrals.

3.1 Customer and Market Knowledge

Purpose

This Item examines your organization's key processes for gaining knowledge about your current and future customers and markets, with the aim of offering relevant products and services, understanding emerging customer requirements and expectations, and keeping pace with marketplace changes and changing ways of doing business.

Requirements

You are asked how:

- you determine key customer groups and how you segment your markets;
- you consider potential customers, including your competitors' customers. Competitors may include similar organizations, both inside and outside government;
- you determine key requirements for and drivers of purchase decisions and how you determine key product/service features;
- these determinations include relevant information from current and former customers; and finally,
- you keep your customer listening and learning methods current with your changing business needs and directions.

Comments

In a rapidly changing competitive environment, many factors may affect customer preference and loyalty and your interface with customers in the marketplace. This makes it necessary to listen and learn on a continuous basis. To be effective, listening and learning need to be closely linked with your organization's overall business/mission-related strategy.

Knowledge of customer groups and market segments allows your organization to tailor listening and learning strategies and marketplace offerings, to support and tailor your market strategies, and to develop new business.

A relationship strategy may be possible with some customers but not with others. Differing relationships may require distinctly different listening and learning strategies. The use of e-commerce is rapidly changing many marketplaces and may affect your listening and learning strategies, as well as your definition of customer groups and market segments.

Selection of listening and learning strategies depends on your organization's key business factors. Increasingly, companies interact with customers via multiple modes. Some frequently used modes include:

- focus groups with key customers
- close integration with key customers;
- interviews with lost customers about their purchase decisions;
- use of the customer complaint process to understand key product and service attributes;
- won/lost analysis relative to competitors/similar organizations; and
- survey/feedback information, including information collected on the Internet.

Example 3.1 (U.S. Army Engineering and Support Center, Huntsville, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score

3.1 Customer and Market Knowledge

1a(1) Determining customer groups and markets

Our charter, our ten areas of expertise, and the HQUSACE Board of Directors define our competitive limits. Laws, regulations, and manpower ceilings also limit competition. For example, without specific authority, we are not allowed to compete with private industry. In addition, HQUSACE regulates new work distribution within the Corps of Engineers. Within those narrow limits, we study the military market for areas that could benefit from our services. As a result, we segmented our business into product lines to meet various market needs. We also segmented our customers into the three groups in table 3.1-1 for further market perspective (fig. 7.1-6). Using all that information during annual strategic planning (2.1), we determined our FY2004 end-state as stated in table 2.2-1.

3.1a(2) Determining key requirements

Table 3.1-4, column 2, shows our product line listening and learning strategies. Table 3.1-2 shows what data we obtain and how we use it to determine customer requirements that will affect purchasing decisions. The information obtained is used to revise listening and learning strategies and develop or update customer project management plans. It is also used corporately in our strategic planning process (fig. 2.1-1) to update the Center's operation plan (table 2.2-1, teams 2, 3, and 12) and supporting product line business plans.

Table 3.1-1. Product line customer groups

Command group. The highest level of the organization. Concerned with policy and overall execution. Deals with all aspects of the program and how the program relates to other agencies.
Program group. Deals with fiscal performance and execution of tasks at the program level. Programs are generally large and diverse and are direct-funded efforts.
Project group. Deals with fiscal performance and execution of tasks. In contrast to programs, projects are more narrowly focused, with shorter, defined time limits.

Table 3.1-2. How we use data from collection methods listed in table 3.1-4

Focus	Data and Analysis Tools
What we learn about needs	?Key requirements: cost, responsiveness, quality, safety ?Unique needs: design, construction, maintenance, ordnance removal, deployed forces support
How we identify purchase drivers	?Market data: industry expos, technology forums, working groups ?Customer data: current & new customer needs, lost customer analysis, complaints
How we evaluate data	?LIR's, PRB,'s, IPR's (table 1.1-1) ?Customer satisfaction data analysis (fig. 3.2-1)

Determining product and service features
Fig. 3.1-1 shows our corporate process for defining and documenting customer requirements, product and service features, and customer access needs in table 3.1-4. To determine technical needs and communication preferences, we hold partnering meetings with customers. We then document customer requirements in MOA's and/or PMP's; clarify and reinforce them through further partnering sessions and customer visits; track them through IPR's, LIR's, and PRB's (table 1.1-1); and modify them through configuration management, as needed (6.1a). Performance measures for key requirements are used to determine if we met requirements (table 4.1-1). Also, our product delivery performance report cards and our annual customer survey provide information on customer likes and dislikes (3.2).

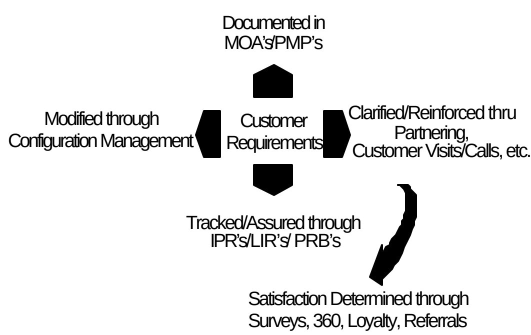


Figure 3.1-1 shows how we determine and manage customer requirements, receive feedback on recent transactions, and update the listening and learning strategies and access methods in table 3.1-4.

Table 3.1-4 Product line communications methods

Product Line	Listening and Learning Strategies	Customer Access
Demilitarization	Daily dialogue, weekly conferences, monthly visits, monthly face-to-face meetings, partnering, ERG, PRT, draft statements of work review by customer, customer survey, 360.	Assigned project manager, liaison at customer facility, website, monthly management review meetings, IPR's every 6 weeks with customer, contractor, suppliers.
Ordnance and Explosives	Pre-planning meetings, weekly tracking of customer feedback, quarterly IPR's, JPG tests, UXO Forum and other tech. conferences.	Assigned project manager, website, new customer survey, product/service survey, annual report, OE newsletter.
Installation Support	Partnering and planning sessions, quarterly updates and IPR's, team and interface meetings, conferences, seminars, configuration control boards, liaison customer facilities, draft RFP's sent to customer for comment, national conferences, customer/product surveys, site visits to end user, 360.	Assigned project manager, team leader liaison, bulletin boards updating documents, website, pagers, design manuals on the Internet, database allowing customer project status for CDUP, technical working groups, hotlines for Ranges, TRACES, and PAX.
Operational Forces Support	Direct consultation, teleconferences, tri-annual planning sessions, IPR's, conferences, customer/product surveys, 360.	Assigned project manager, DOG pamphlet in electronic format, annual Senior Leader Conference.
Medical Program	Daily telephone dialogue, weekly team meetings, monthly LIR's, quarterly IPR's, site and customer visits, customer project documents review.	Assigned project manager, website, pagers, central database, monthly reports, continual contact with facility reps.
Ballistic Missile Defense Program	Daily telephone dialogue, monthly LIR's, customer/partner meetings, customer survey, 360.	Assigned project manager, pager for primary POC, quarterly IPR's, weekly VTC with customers and partner, bi-weekly customer meeting, site and customer visits.

To determine long-term requirements, we:

- Review customers' current requirements.
- Survey customers' future needs (table 7.1-1 #18).
- Analyze DOD guidance, the program objective memorandum (POM), and federal legislation.
- Attend industry expos, technology forums, and technical working groups.
- Our ability to project customer and market needs resulted in more work as shown in table 3.1-3.

Table 3.1-3. Increased work resulting from improved product and service features

Product line	New work/Customers
Installation Support	Center for Public Works energy program
Medical Program	Medical Facilities Office
Ballistic Missile Defense	National Missile Defense central manager for facility design
Chemical Demil	Russian Demil facility construction
Ordnance & Explosives	Ft. McClellan BRAC

Increases in the Installation Support and Medical Programs resulted from marketing a time- and money-saving maintenance, repair, and renewal process we developed for our Energy Program. Our work for National Missile Defense was built through our long-term reputation in Ballistic Missile Defense work. The Russian Demil Program was transferred to us per customer request based on our current and past performance.

3.1a(3) Keeping listening and learning current

Table 3.1-5 shows processes used to evaluate and improve current and future listening/learning approaches. Listening and learning strategies are updated as customer requirements change (fig. 3.1-1) and issues are resolved (fig. 3.2-1). Data from all three processes are aggregated and evaluated during strategic planning (fig. 2.1-1) and incorporated into the operations plan as needed (table 2.2-1, teams 2, 3, and 5).

Table 3.1-5. Improving listening and learning

Process Used	Real-time actions	Strategic Plans
Customer Management Process (fig. 3.1-1)	?	?
Complaint Management Process (fig. 3.2-1)	?	?
Gap analysis (fig. 1.1-3)		?

3.2 Customer Relationships and Satisfaction (45 pts.) [Approach-Deployment]

Describe how your organization builds relationships to acquire, satisfy, and retain customers and to develop new opportunities. Describe also how your organization determines customer satisfaction.

Within your response, include answers to the following questions:

a. Customer Relationships

(1) How do you build relationships to acquire and satisfy customers and to increase repeat business and positive referrals?

(2) How do you determine key customer contact requirements and how they vary for differing modes of access? How do you ensure that theses contact requirements are deployed to all people involved in the response chain? Include a summary of your key access mechanisms for customers to seek information, conduct business, and make complaints.

(3) What is your complaint management process? Include how you ensure that complaints are resolved effectively and promptly and that all complaints are aggregated and analyzed for use in improvement throughout your organization and by your partners, as appropriate.

(3) How do keep your approaches to building relationships and providing customer access current with business needs and directions?

b. Customer Satisfaction Determination

(1) How do you determine customer satisfaction and dissatisfaction and use this information for improvement? Include how you ensure that your measurements capture actionable information that predicts customers' future business with you and/or potential for positive referral. Describe significant differences in determination methods for different customer groups.

(2) How do you follow-up with customers on products/services and transactions to receive prompt and actionable feedback?

(3) How do you obtain and use information on your customers' satisfaction relative to customers' satisfaction with competitors and/or benchmarks, as appropriate?

(4) How do you keep your approaches to satisfaction determination current with business needs and directions?

Notes:

N1. Customer relationships (3.2a) might include the development of partnerships or alliances with customers.

N2. Determining customer satisfaction and dissatisfaction (3.2b) might include use of any or all of the following: surveys, formal and informal feedback, use of customer account histories, complaints, and transaction completion rates. Information might be gathered on the Internet, through personal contact or a third party, or by mail.

N3. Customer satisfaction measurements might include both a numerical rating scale and descriptors for each unit in the scale. Actionable customer satisfaction measurements provide useful information about specific products/service features, delivery, relationships, and transactions that bear upon the customers' future actions - repeat business and/or positive referral.

N4. Your customer satisfaction and dissatisfaction results should be reported in Item 7.1.

3.2 Customer Relationships and Satisfaction

Purpose

This Item examines your organization's processes for building customer relationships and determining customer satisfaction, with the aim of acquiring new customers, retaining existing customers, and developing new opportunities.

Requirements

In this item you are asked:

- how you build relationships to acquire and satisfy customers and to develop repeat business and positive referrals.
- how you determine key customer contact requirements and how these vary for different modes of access. As part of this response, you are to describe key access mechanisms for customers to seek information, conduct business, and make complaints;
- how customer contact requirements are deployed along the entire response chain;
- to describe your complaint management process. This description should include how you ensure prompt and effective problem resolution. The description also should cover how all complaints are aggregated and analyzed for use in improvement throughout your organization and by your partners, as appropriate;
- how you keep your approaches to relationship building and customer access current with your changing business needs and directions;
- how you determine customer satisfaction and dissatisfaction, including how you capture actionable information that reflects customers' future business and/or positive referral;
- how you follow up with customers regarding products/services and recent transactions to receive prompt and actionable feedback;
- how you obtain and use information on customer satisfaction relative to satisfaction with competitors or similar organizations and/or benchmarks so you can gauge your performance in the marketplace; and finally
- how you keep your methods for determining customer satisfaction current with your changing business needs and directions.

Comments

This Item emphasizes how you obtain actionable information from customers. Information that is actionable can be tied to key product, service, and business processes and be used to determine cost/revenue implications for setting improvement and change priorities.

Complaint aggregation, analysis, and root cause determination should lead to effective elimination of the causes of complaints and to setting priorities for process, product, and service improvements. Successful outcomes require effective deployment of information throughout the organization.

In determining customers' satisfaction, a key aspect is their comparative satisfaction with competitors and competing or alternative offerings. Such information might be derived from your own comparative studies or from independent studies. The factors that lead to customer preference are of critical importance in understanding factors that drive markets and potentially affect longer-term competitiveness.

Changing business needs and directions might include new modes of customer access, such as the Internet. In such cases, key contact requirements might include on-line security for customers and access to personal assistance.

Example 3.2 (U.S. Army Engineering and Support Center, Huntsville, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

3.2 Customer Satisfaction and Relationships

3.2a Customer relationships

3.2a(1) Accessibility Our project management process is our primary system for ensuring strong customer focus and close contact with the customer. Each project customer has its own project manager (PM), who is the primary customer contact.

As shown in fig. 3.1-1, we then determine individual customer contact requirements in table 3.1-4 during initial partnering sessions. To meet changing requirements, we update approaches through IPR's, other customer reviews, or requests to the PM.

To ensure that customer contact is continuous and proactive, management policy requires that the staff initiate frequent personal contact with customers.

3.2a(2) Deploying contact requirements Table 3.2-1 summarizes our standard customer service process, including major customer contact points, key requirements of the contacts, and adequacy indicators.

Table 3.2-1. Standard key customer service process

Key Contact	Key Requirements	Key Indicators
Making the deal	Key players attend meeting, product needs, resources required, delivery timeline	MOA or formal agreement
In-process reviews	Milestones defined cost/schedule status	Up-to-date Project Management Plans
Product delivery	Meet product needs and teamwork agreements	Product/service performance review

With 500 projects to execute, our challenge is to tailor processes to individual requirements. We do that through our integrated process teams (IPT's). Lead by a PM, IPT's are cross-functional teams that integrate processes to deliver specific products and services. IPT members become knowledgeable of specific contact requirements through team meetings and MOA's/PMP's. To reinforce the importance of customer focus and communication, IPT performance measures include customer satisfaction ratings. Goals are based on comparisons with similar providers (figs. 7.1-1, -3, -5). We receive high ratings for flexibility in responding to needs and seeking requirements (figs. 7.1-1, -3, #'s 1 and 8). External customers also rate IPT members through 360.

3.2a(3) Complaint management Fig. 3.2-1 shows the flow of our complaint management process. PM's receive complaints through communication methods in table 3.1-4, our management process in fig. 3.1-1, or surveys. PM's analyze complaints and ensure that problems are resolved either within the team or through higher levels. Customers are included in and approve resolutions. Customer satisfaction data and concerns are shared at LIR's/PRB's.

To ensure that complaints are answered promptly and satisfactorily, IPT team award measures include customer satisfaction goals. Our customer survey team independently conducts the annual survey and collects the data. The survey team analyzes data by command group (table 3.1-1), product line, and individual PM, aggregating and reporting findings to the PM and the LIR/PRB. All customers who rated us below 3 in any category are contacted quickly (fig. 7.1-8). In addition, directors send letters to respondents, staffed through the commander for signature. The letters address corrective actions on specific issues. PM's develop improvement plans that become part of their business action plans and are briefed at the PRB.

Since 1995, we have increased our customers' satisfaction in how we solicit, listen to, and resolve concerns (fig. 7.1-1, question 4).

3.2a(4) Building relationships We build customer relationships in two ways:

?? *Customer-focused culture.* Building customer relations begins with our work design, which aligns along internal and external customer service as described in 5.1. We strengthen these relationships through our customer management and complaint processes (figs. 3.1-1 and 3.2-1) and 360 review and team performance awards.

?? *Strategic planning.* We also build customer relationships through our operations plan KSF "Focus On Customer and Market Needs" (table 2.2-1).

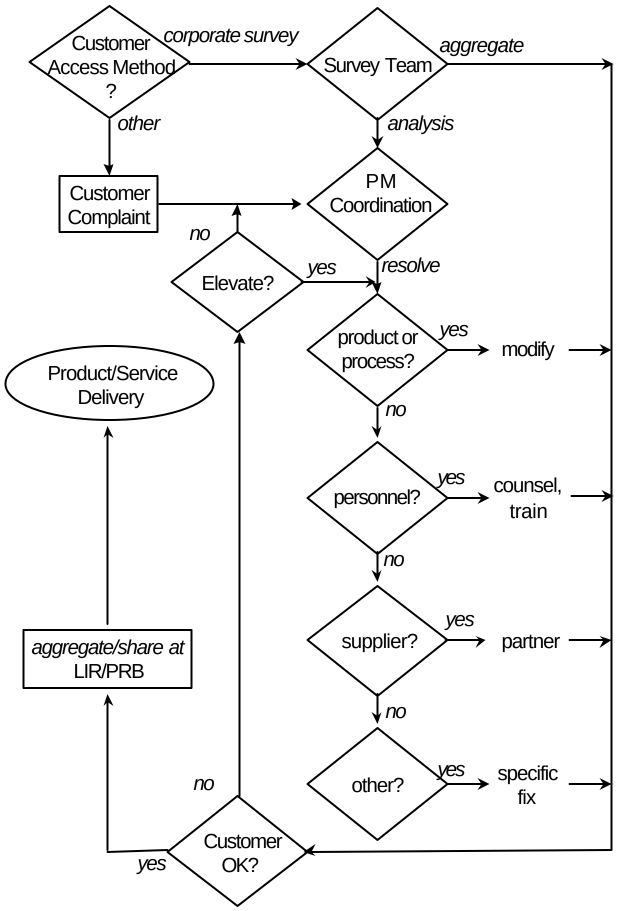


Figure 3.2-1. Complaint management process

Our customer satisfaction survey shows a high level of customer loyalty: 94% said that we would be their choice for future work, 95% said they would recommend us to other organizations, and nearly 35% stated that they knew of other organizations that would benefit from our services (table 7.1-1). Good relationships with customers gained us work as described in table 3.1-3 and charted in figs. 7.2-17, -18, -19.

3.2a(5) Evaluation and improvement We continually refine customer access methods in table 3.1-4 through our customer management process in fig. 3.1-1, annually through our customer satisfaction survey (table 7.1-1, questions 1, 4, and 9), and annually through our gap analysis (fig. 1.1-3). Table 3.2-2 summarizes customer access improvements.

Furthermore, during strategic planning, we developed several strategic initiatives through our annual SWOT analysis specifically aimed at building customer relationships (table 2.2-1):

Table 3.2-2. Access/relationship improvements

Review process	Improvements
Customer management process (fig. 3.1-1)	Improved PMP's. Top management involvement emphasized.
Annual Survey analysis (table 7.1-1) and complaint management (fig. 3.2-1)	Product performance report cards. Required PM weekly customer contacts.
Gap analysis (fig. 1.1-3)	Customer management SOP. Customers included in 360 ratings. Team performance goals.

??Team 2: Establish a team to monitor market trends and propose marketing strategies.

??Team 3: Develop marketing strategies for joint service and support for others opportunities.

??Team 5: Improve methodology for reviewing changing missions and customers.

??Team 12: Improve customer-relations management process.

??Team 13: Increase formal partnering with Corps regional business centers.

3.2b Customer satisfaction determination

3.2b(1) Satisfaction determination methods

??*Customer retention and referrals.* Fig. 7.2-17 shows development of our customer base since 1969. We also track customer retention and referrals through customer satisfaction survey questions (table 7.1-1, #14, #16, #18, #19). Fig. 7.1-9 shows long-term customers.

??*Market growth.* Market data discussed in 3.1a(3) and summarized in table 3.1-3 and current and projected workloads from tables 2.2-3 and -4 and figs. 7.2-17, -18, -19 are also satisfaction indicators.

??*Product/service performance.* Product lines have tailored performance "report cards" provided to customers at product/service delivery. Such performance data and rework rates are used to project satisfaction and validate annual customer satisfaction results (fig. 7.1-11 and table 7.1-2).

??*360 feedback.* Another tool for customer service satisfaction is our 360 review (1.1a(1), 5.1a(3)). Employees in the GS/GM 13-15 group include external customers as raters.

??*Comparison to similar providers.* See 3.2b(3).

??*Annual External Customer Survey.* Our annual customer satisfaction survey process is a Center-wide tool for determining customer satisfaction. Survey results are acted upon as shown in fig. 3.2-1, with low scores addressed through improvement plans. Our annual customer satisfaction survey data are analyzed and used in several ways:

>To determine customer satisfaction Center-wide (figs. 7.1-1, -2).

>To determine customer satisfaction for market segments (figs. 7.1-6).

>To determine areas of improvement (fig. 7.1-8).

>To determine/rank customer needs (table 7.1-1, #17 and #18, fig. 7.1-5).

>To compare to similar providers (table 7.1-1, #16, figs. 7.1-3, -4).

>To obtain seek new customers (table 7.1-1, #19 and #20).

>To seek future customer needs (table 7.1-1, # 18) as described in 3.1a(3).

__3.2b(2)__ **Follow-up on recent transactions** IPT's seek feedback on recent transactions through IPR's or partnering meetings (fig. 3.1-1). Such regularly scheduled reviews with customers and suppliers ensure that the customer is satisfied with project progress. IPT's find it beneficial to seek customer feedback through real-time performance data requests at key milestones and at product delivery. Even more, PM's have continual contact with their customer through daily dialogue, weekly conference calls, and visits to customers. For issues elevated to higher levels, senior managers or the commander calls or visits the customer.

__3.2b(3)__ **Customer satisfaction and competitors** We determine customer satisfaction relative to similar providers by comparing our annual customer satisfaction survey results Corps-wide and with individual Corps military districts and MSC's (fig. 7.1-3, -4). Because HQUSACE adopted our customer survey for Corps-wide use, we have an objective and parallel method for comparing customer satisfaction data to similar providers. Corps comparisons are critical to fulfilling our strategic objectives because our primary threat is HQUSACE distribution of work. Table 7.1-1 #16 shows customer satisfaction compared to our competitors/similar providers.

__3.2b(4)__ **Evaluation and improvement** We evaluate and improve our satisfaction determination process through our annual gap analysis (fig. 1.1-3). Improvements made since 1995 include:

??Aggregated and analyzed customer satisfaction data Center-wide and tracked corrective action plans for dissatisfied customers through a formally established survey team.

??Segmented survey results by product line, directorate, individual projects, project managers, and command levels.

??A weighting factor (fig. 7.1-5).

??Revised/new questions to meet changing needs.

??Satisfaction compared to competitors.

??Referral potential.

??Review customer satisfaction at PRB's.

4.0 Information and Analysis (90 pts.)

The **Information and Analysis** Category examines your organization's information management and performance measurement systems and how your organization analyzes performance data and information.

4.1 Measurement and Analysis of Organizational Performance (50 pts.) [Approach-Deployment]

Describe how your organization provides effective performance management systems for measuring, analyzing, aligning, and improving performance at all levels and in all parts of your organization.

Within your response, include answers to the following questions:

a. Performance Measurement

(1) How do you gather and integrate data and information from all sources to support daily operations and organizational decision-making?

(2) How do you select and align measures/indicators for tracking daily operations and overall organizational performance?

(3) How do you select and ensure the effective use of key comparative data and information?

(4) How do you keep your performance measurement system current with business needs and directions?

b. Performance Analysis

(1) What analyses do you perform to support your senior leaders' organizational performance review and your organization's strategic planning?

(2) How do you communicate the results or organizational-level analysis to work group and/or functional-level operations to enable effective support for decision-making?

(3) How do you align the results of organizational-level analysis with your key business results, strategic objectives, and action plans? How do these results provide the basis for projections of continuous and breakthrough improvements in performance?

Notes:

N1. Performance measurement is used in fact-based decision making for setting and aligning organizational directions and resource use at the work unit, key process, departmental, and whole organization levels.

N2. Comparative data and information sources (4.1a(3)) include benchmarking and competitive comparisons. "Benchmarking" refers to identifying processes and results that represent best practices and performance for similar activities, inside or outside your organization's industry. Competitive comparisons relate your organizations relate your organization's performance to that of competitors in your markets.

N3. Analysis includes examining trends; organizational, industry, and technology projections; and comparisons, cause-effect relationships, and correlations intended to support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, analysis draws upon all types of data: customer-related, financial and market, operational, and competitive.

N4. The results of organizational performance analysis should contribute to your senior leaders' organizational performance review in 1.1b and organizational strategic planning in Category 2.

N5. Your organizational performance results should be reported in Items 7.1,7.2,7.3,and 7.4.

For a definition of the following key terms, see glossary, pages 100-106: analysis and effective.

The Information and Analysis Category is the main point within the Criteria for all key information about effectively measuring and analyzing performance to drive improvement and organizational competitiveness. In the simplest terms, Category 4 is the "brain center" for the alignment of your organization's operations and its strategic objectives. Central to such use of data and information are their quality and availability. Furthermore, since information and analysis might themselves be primary sources of competitive advantage and productivity growth, the Category also includes such strategic considerations.

4.1 Measurement and Analysis of Organizational Performance

Purpose

This Item examines your organization's selection, management, and use of data and information for performance measurement and analysis in support of organizational planning and performance improvement. The Item serves as a central collection and analysis point in an integrated performance measurement and management system that relies on financial and nonfinancial data and information. The aim of measurement and analysis is to guide your organization's process management toward the achievement of key business results and strategic objectives.

Requirements

You are asked:

- how you gather and integrate data and information for monitoring daily operations and supporting organizational decision-making and how you select and use measures for tracking those operations and overall organizational performance;
- how you select and use comparative data and information to help drive performance improvement. These requirements address the major components of an effective performance measurement system.
- what analyses you perform to support your senior leaders' assessment of overall organizational performance and your strategic planning;
- how the results of organizational-level analysis are communicated to support decision making throughout your organization and are aligned with your business results, strategic objectives, and action plans; and
- how you keep your organization's performance measurement system current with changing business and mission-related needs and directions.

Comments

Alignment and integration are key concepts for successful implementation of your performance measurement system. They are viewed in terms of extent and effectiveness of use to meet your performance assessment needs. Alignment and integration include how measures are aligned throughout your organization, how they are integrated to yield organization-wide data/ information, and how performance measurement requirements are deployed by your senior leaders to track work group and process-level performance on key measures targeted for organization-wide significance and/or improvement.

The use of comparative data and information is important to all organizations. The major premises for use are (1) your organization needs to know where it stands relative to competitors and to best practices, (2) comparative and benchmarking information often provides the impetus for significant ("breakthrough") improvement or change, and (3) comparing performance information frequently leads to a better understanding of your processes and their performance. Benchmarking information also may support business analysis and decisions relating to core competencies, alliances, and outsourcing.

Your effective selection and use of comparative data and information require (1) determination of needs and priorities; (2) criteria for seeking appropriate sources for comparisons—from within and outside of your organization's industry and markets; and (3) use of data and information to set stretch goals and to promote major, non-incremental ("breakthrough") improvements in areas most critical to your organization's competitive strategy.

Individual facts and data do not usually provide an effective basis for setting organizational priorities. This Item emphasizes that close alignment is needed between your analysis and your organizational performance review and between your analysis and your organizational planning. This ensures that analysis is relevant to decision making and that decision making is based on relevant data and information.

Action depends on understanding cause-effect connections among processes and between processes and business/performance results. Process actions and their results may have many resource implications. Organizations have a critical need to provide an effective analytical basis for decisions because resources for improvement are limited and cause-effect connections are often unclear.

Analyses that your organization conducts to gain an understanding of performance and needed actions may vary widely depending on your type of organization, size, competitive environment, and other factors. Examples of possible analyses include:

??how product and service quality improvement correlates with key customer indicators such as customer satisfaction, customer retention, and market share

??cost/revenue implications of customer-related problems and effective problem resolution

??interpretation of market share changes in terms of customer gains and losses and changes in customer satisfaction

??improvement trends in key operational performance indicators such as productivity, cycle time, waste reduction, new product introduction, and defect levels

??relationships between employee/ organizational learning and value added per employee

??financial benefits derived from improvements in employee safety, absenteeism, and turnover

??benefits and costs associated with education and training, including Internet-based, or e-learning, opportunities

??benefits and costs associated with improved organizational knowledge management and sharing

??how the ability to identify and meet employee requirements correlates with employee retention, motivation, and productivity

??cost/revenue implications of employee-related problems and effective problem resolution

??individual or aggregate measures of productivity and quality relative to competitors'

??cost trends relative to competitors'

??relationships among product/service quality, operational performance indicators, and overall financial performance trends as reflected in indicators such as operating costs, revenues, asset utilization, and value added per employee

??allocation of resources among alternative improvement projects based on cost/benefit implications or environmental/community impact

??net earnings derived from quality, operational, and human resource performance improvements

??comparisons among business units showing how quality and operational performance improvement affect financial performance

??contributions of improvement activities to cash flow, working capital use, and shareholder value

??financial and other impacts of customer retention

??cost/revenue implications of new market entry, including global market entry or expansion

??cost/revenue, customer, and productivity implications of engaging in and/or expanding e-commerce/e-business and use of the Internet and intranets

??market share versus profits

??trends in economic, market, and shareholder indicators of value

The availability of electronic data and information of many kinds (e.g., financial, operational, customer-related, accreditation/ regulatory) and from many sources (e.g., internal, third party, and public sources; the Internet; and Internet tracking software) permits extensive analysis and correlations. Effectively utilizing and prioritizing this wealth of information are significant organizational challenges.

Example 4.1 (10th Area Support Group, self-assessment for 2001 PQA Application)

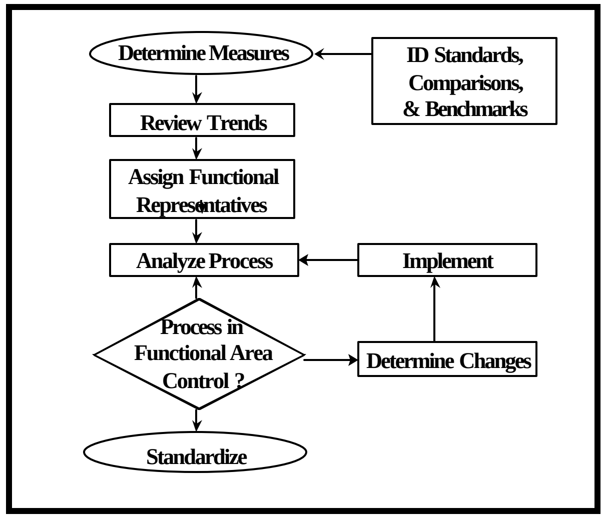
Shows only a technique for assessment. This example does not represent a 100% Score:

4.1 Measurement of Organizational Performance. Our understanding of the need to manage by fact using current data is the critical basis underlying the design and implementation of our Local Area Network (LAN) based High Performance Management System (HPMS). This system is available to all personnel and serves as a focal point for analyzing and improving the organization's performance.

4.1a(1-3) Effective Performance Measurement System. Our continuing focus on customer requirements, mission goals, and objectives and resource management is the driving force behind our strategic plan and dictates the information and data we collect in our HPMS. Through consistent Review and Analysis of the data, we evaluate the success of our key processes and adjust priorities as necessary. For each of our key products and services, we have identified our customers' key requirements. To monitor our success in satisfying these requirements, we measure key aspects of customer satisfaction, such as: availability of services; timeliness, efficiency, completeness, meeting customer expectations; and delivery of the product or service. We also collect data to determine our costs and efficiency in providing the services, such as time to completion and compliance with budget restrictions. A list of our key process requirement measures and standards is provided in Figure 6.1.4.

The process for our Trend Review and Analysis is depicted in Figure 4.1.1. This process occurs as a breakout of the "Measure Process and Determine Standards" steps of our Process Improvement Model (Figure 6.1.1). It is a continuous process of trend analysis and monitoring measurement data key to our overall performance. Performance data is archived in our centralized HPMS, which is available throughout the Command on the LAN. Personnel at all levels have read-only access to the data to consult for day-to-day decision-making, planning activities, reviewing trends, and conducting analysis. Only key personnel who are responsible for various measures are authorized to input data into the system for their respective areas. We regularly review our key processes and goals at various levels within the organization, with a focus on critical success factors. These scheduled reviews occur at the senior leadership, directorate, or work section level. Our monthly performance data and analysis results flows continuously both up and down within the command chain. The Executive Steering Committee (ESC) members

Figure 4.1.1: Trend Review and Analysis Model



regularly identify the appropriate areas to monitor and how to reallocate resources for process improvement design based on data provided by stakeholders and through feedback. Priority areas are adjusted based on this information, analysis and leadership guidance, and continuous review.

We determine initially what data is monitored during our annual Strategic Planning Conference (SPC) and adjust those areas as necessary throughout the year to reflect current requirements. Each measure is directly linked to one or more of our Key Business Drivers (KBD) and key processes (KP), see Figures 0.6 and 6.1.4. Considering current areas of interest and customer requirements (Customer Needs Surveys), Figure 3.1.2, the Commander and senior leaders identify a subset of measures to be reviewed on a monthly basis. They also identify measures to be used to specifically evaluate our progress toward meeting the goals identified by our Human Resources Plan (HRP). We maintain data using benchmarks or standards researched and recommended by our directorates and validated by our senior leaders. We use our HPMS as an efficient and simplified means of collecting, evaluating, and sharing this data throughout the Command. This tool presents data in standardized and easily understood formats and is an excellent source of information for use by anyone wanting to gain a quick review of the organization's overall performance. We also incorporate other types of data in the HPMS. For example, we store the strategic plan, directorate-specific information pages, major events calendar, local community events information, command policies, self-paced training, long-range goals and objectives within the HPMS to create a centralized system to monitor process performance. Many of these other types of information and data are critical to the determination, development and implementation of improvement options. For example, the Resource Management Directors Page has year-to-date budget information for each of the directorates. This data also contains the projected cost for many of the major improvements to be implemented throughout the year. As a result, we are able to monitor and balance the effect of various planned improvements on the overall organizational budget.

The 10th ASG is a unique and isolated organization. Our remote geographic location, work force composition, and responsibility to provide certain major products and services for all U.S. military services and Department of Defense (DoD) agencies on island combine to create a unique organization. We vigorously try to identify valid competitors, to meet or beat the competition in areas we identify, and best use our resources.

Using feedback from tools such as our Customer Needs Survey (CNS), which is assessed semi-annually, the ESC and our directors determine which of our processes areas can be benchmarked against competitors and those areas where other comparisons are more appropriate. For certain measures, such as fuel storage, there are no relevant external benchmarks or standards and we establish internal performance standards.

Whenever possible, we also compare current data to our historical trend data, which tracks our past performance. This allows us to regularly discuss and evaluate our present performance and to gauge our improvement efforts. This internal comparison is especially useful when evaluating newly implemented process changes. Based on these assessments we identify emphasis areas of improvement. We then prioritize these areas, identifying needs, resources, utilizing new technologies and instilling pride in process ownership as improvement techniques and methods.

Directorate and key process owners identify competitors that provide like products and services, or those who have earned the “best in class” distinction. A competitor can be another Army unit that has won a mission specific competition related to one of our key processes or an installation that has received an overall quality award. We are very proud to have been recognized as the winner of several such awards, as listed in Figure 0.7 of the Overview.

Where appropriate, we select private world-class industry standards as sources of comparative data.

For our products and services that compete with other similar offerings in the immediate geographic area, such as our Directorate of Community Activities (DCA) facilities and services or our tax center, we measure our performance against our sister services on island. One example is the offering of tax services at our Tax Assistance Center, compared to our better resourced and staffed sister services; we service a significantly higher percentage of our eligible clientele. Scuba diving equipment is a very competitive market on Okinawa. Our Scuba Locker periodically surveys the other services’ dive shops for comparable pricing. Using their price averages, we then try to meet or beat our competitors’ prices for equipment and services.

Once we identify a valid comparison source, we enter the comparison into our HPMS along with our own key measurement data (Figure 6.1.4). This allows us to continuously compare our performance against selected comparative data. Using data collected from the chosen competitor, we identify interim stretch targets and objectives for process improvement. These targets provide continuous, immediate trend gauges of comparative data as we input our current performance data.

When we conduct Review and Analysis or other progress reviews, we have current and accurate information readily available for analysis and decision-making. The deployment of the Defense Messaging System (DMS) is one example of how we apply comparison data to establish a stretch target. The Directorate of Information Management (DOIM) identified U.S. Army Pacific (USARPAC) as a source of comparison data for transitioning users from the existing messaging system to DMS. Based on projected cut over dates, we established a stretch target of June 1999 as our local date for converting organizational users. We established and exceeded the target by the end of May, and continue to exceed both USARPAC and other Army goals for the implementation of this new service.

Our competitive performance record in the 10th ASG has been remarkable, particularly considering the size of our organization. We were Winner in the Chief of Staff of the Army (CSA) Army Communities of Excellence (ACOE) Award in 1999, 2000, and Runner-Up in 1998. We received the CSA ACOE Award for Excellence in Legal Assistance in 1995, 1996, and 1997 and also won the Judge Advocate General’s Award for Excellence in Claims in 1996, 1997, and 1999. Directorate of Public Works (DPW) rated “Best in Pacific” status under the Army’s 1997

Environmental Compliance System, and won the U.S. Forces Japan Installation Environmental Excellence Award in 1996. Support Operations Directorate (SOD) was Runner-Up in the CSA Award for Supply Excellence (USARPAC Division) in 1996, and 1997. The 505th Quartermaster Battalion (505th QM Bn) has distinguished itself in worldwide competition. Among other awards, it won the 1995, 1997, and 1999 CSA Award for Maintenance Excellence (USARPAC Division); and in 1996, won Runner-Up in the CSA Award for Maintenance Excellence.

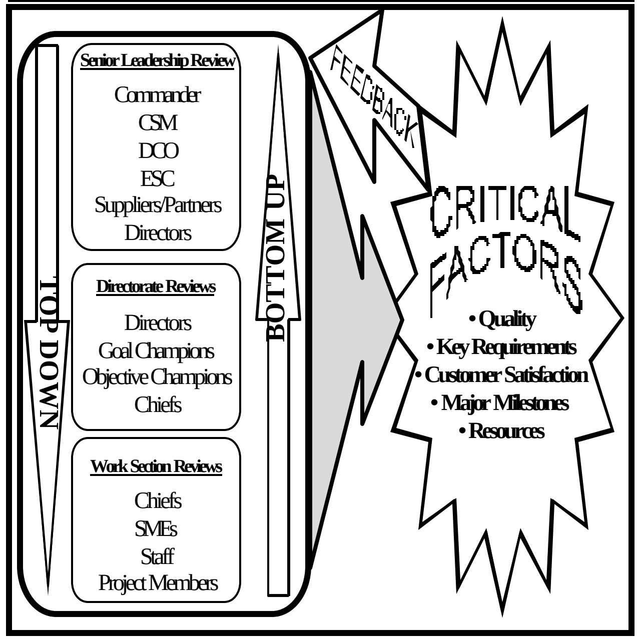
4.1a(4) Keeping Our Performance Measurement System Current. During our annual SPC, we jointly review goals and processes and assess whether we are tracking the appropriate data and information in our HPMS. Throughout the year we use the approach of Figure 4.1.2 to ensure a top-down and bottom-up flow of information that enables a continuous review cycle of customer requirements, satisfaction against our strategic goals, and continued relevancy of data measurements.

During our process review, we evaluate our goals, plans, performance shortfalls, and pending changes. This allows us to continuously assess and reassess our progress to meet our goals and objectives under the current plan and discuss needed alterations or changes to accommodate changing business requirements. New objectives are established and assigned as necessary. Once objectives are established, we identify new performance measures to monitor our progress toward accomplishing the goal. Goal Champions and senior leaders may then recommend to the Commander, based on analysis, appropriate measures to be added to, or deleted from, the list of measures reviewed on a monthly basis. Our performance against these new measures is addressed at the monthly Review and Analysis (R&A) meetings.

During our R&A meetings, we review and discuss competitor information, data measures, and stretch targets. Using information gained from the "top-down and bottom-up information flow", we are able to discuss the effectiveness of our approach to continuous improvement with current data immediately available.

When changing conditions or requirements necessitate designing new processes or improving current processes, we begin anew seeking performance measures and competitor identification. Managing change has become an essential business reality. We manage this reality by searching for best practices, innovative ideas, and highly effective operating procedures. Our experience has shown that it makes good sense to learn from the lessons of others.

Figure 4.1.2: "Top Down / Bottom Up Information Flow"



To this end, Figure 4.1.3 shows how we purposely set out to obtain key information from superior performers.

Less complex changes are discussed and approved during monthly R&A meetings and staff meetings while major changes are addressed at the off-site SPC. Plans and measures are then updated to reflect the changes. Once new key measures are established and a comparative data source identified, the cycle returns to continued analysis and review of feedback.

During our annual SPC we also assess the usefulness and effectiveness of the software used within our HPMS. Information gathered from users of the system suggested the previous system was too cumbersome. Proposed changes to the HPMS were submitted at the most recent SPC and ESC members reviewed the proposed system. A plan to test and implement the modifications was put in place. Users were given the opportunity to test out the new system. After successful completion of the test phase, the new system was brought on line in February of this year.

4.2 Information Management (40 pts.) [Approach-Deployment]

Describe how your organization ensures the quality and availability of needed data and information for employees, suppliers/partners, and customers.

Within your response, include answers to the following questions:

a. Data Availability

(1) How do you make needed data and information available? How do you make them accessible to employees, suppliers/partners, and customers, as appropriate?

(2) How do you ensure data and information integrity, reliability, accuracy, timeliness, security, and confidentiality?

(3) How do you keep your data and information availability mechanisms current with business needs and directions?

b. Hardware and Software Quality

(1) How do you ensure that hardware and software are reliable and user friendly?

(2) How do you keep your software and hardware systems current with business needs and directions?

Notes:

N1. Data availability (4.2a) is of growing importance as the Internet and e-business/e-commerce are used increasingly for business-to-business and business-to-consumer interactions and intranets become more important as a major source of organization-wide communications.

N2. Data and information access (4.2a[1]) might be via web-based, electronic or other means.

4.2 Information Management

Purpose

This Item examines how your organization ensures the availability of high-quality, timely data and information for all your key users—employees, suppliers/partners, and customers.

Requirements

You are asked how you:

??make data and information available and accessible to your user communities;

??ensure that the data and information have all the characteristics your users expect: reliability, accuracy, timeliness, and appropriate levels of security and confidentiality;

??ensure that your hardware systems and software are reliable and user friendly so that access is facilitated and encouraged; and

??keep your data availability mechanisms, software, and hardware current with changing business needs and directions.

Comments

Managing information can require a significant commitment of resources as the sources of data and information grow dramatically. The expanding use of electronic information within organizations' operations, as part of organizational knowledge networks, from the Internet, and in business-to-business and business-to-consumer communications challenges organizational abilities to ensure reliability and availability in a user-friendly format.

Data and information are especially important in business networks, alliances, and supply chains. Your responses to this Item should take into account this use of data and information and should recognize the need for rapid data validation and reliability assurance, given the increasing use of electronic data transfer.

Example 4.2 (10th Area Support Group, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

4.2 Information Management/Analysis of Organizational Performance. The realization that we must rely on a balanced variety of data to fully address the overall health of our organization is a key component and a critical success factor of our review, planning and continuous improvement processes.

4.2a(1) Data Availability/Use of Performance Analysis. Key staff members are responsible for ensuring that performance data collected for their key process measures is meaningful to the success of our organization. One example is customer satisfaction and customer needs assessment, such as: how well we are meeting customers' expectations; whether we are meeting our operational performance objectives; and how efficiently and cost effectively we operate. During monthly R&A meetings, the ESC, key staff, customers, and partners/ suppliers meet to review performance data, including our current list of top priorities. The data is presented graphically using the chart function of a standard presentation software package. A trend is easily calculated and displayed for each measure, based on set comparative targets.

Another type of information that is meaningful to the success of our organization is our financial data. Despite a drastically reduced budget over the last year, we have continued to meet and exceed operational performance standards. We have achieved this level of performance by thorough strategic planning, increased economies and efficiencies, process improvement and ownership pride in our key processes.

Budget restrictions are an integral element of our strategic planning process. Since FY 94, our annual budget has decreased from $19 million to only $11 million for FY 99. We in the 10th ASG must therefore ensure that we execute our Strategic Plan as efficiently as possible and maximize cost avoidance opportunities.

Our exceptional work force morale, which is also key to our overall health, allows us to avoid costs normally required to defend against employee complaints, appeals, and grievances. This has a direct correlation to our operating costs. Because no formal disciplinary actions and no formal Equal Employment Opportunity (EEO) complaints were filed against the Command in FY 99, budgeted funding for this area has been transferred to procure new systems and implement projects that will improve efficiency in key processes. For example, at the end of the last fiscal year, the Commander was able to transfer funding to such projects as: information management technical training, ergonomics and equipment upgrade, and recreation facilities improvement projects.

Employee availability is a key factor in work force productivity. We consistently fall below the Army average for hours lost due to injury, both for military and civilian personnel (Figure 7.3.10). Sick leave usage is indicative of work force morale and productivity. We regularly fall below the Army and world-class averages for employee sick leave usage. Over the past four fiscal years, our average sick leave usage has been under 30 hours per employee annually (Figure 7.3.7).

Continual process review has enabled us to improve our success rate in obtaining outside funding for projects. A DPW action team identified that our requests for outside funding lacked certain justification data. DPW implemented an application review process to ensure funding requests included all necessary variables. We have since seen a dramatic rise in the approval rate of funding requests submitted to the DLA and the Government of Japan's Facilities Improvement Program.

During monthly R&A and staff meetings, we analyze current data to identify short-term needs and assess our progress in realizing stretch goals. The Commander uses this opportunity to realign priorities and emphasize current and future operational needs. During support operations for Reserve units deployed on Okinawa, for example, personnel and resources must be reallocated from various directorates.

4.2a(2) Linking Results of Analysis. The same "top down / bottom up information flow" process (Figure 4.1.2) which enables a continuous review of requirements, goals and approach is the process which ensures analysis results are communicated and understood at all levels of the organization. As reviews and staff calls are held at various levels throughout the organization, analysis results are communicated. In fact, it is at the reviews conducted at the mid to lower levels of the organization that the need for a particular analysis or correlation is most likely identified. It is then raised to higher levels of the organization. As key staff within directorates assesses progress and well being of key processes in their respective areas, measurement data is readily available to assist with any "cause/effect" or correlation analysis.

To ensure that new employees of the organization understand the goals of the organization and the reasoning behind current initiatives, our continuous improvement process is a vital element of our Headstart training program. This combined with in-processing briefings conducted within directorates and work sections ensures every team member understands their role and impact to the organization (Figure 7.3.19). Also, there is on-line training available to employees, within the HPMS, to give a thorough understanding of our quality initiatives, strategic plan, and customer service.

An example of the effective use of the results of our comprehensive analysis was a need to upgrade the organizations Local Area Network (LAN)/Wide Area Network (WAN) used to support all of our Information Management initiatives. Our analysis indicated that users were rapidly approaching the maximum capability of our existing LAN/WAN. In addition, surveys revealed that users desired a more robust network with a greater bandwidth capacity. As a result, we established a modernization plan that addressed the priorities of network upgrades that were identified by our user community. Since implementing our plan, all WAN circuits are now operating at a minimum of 384 Kilobits per second (Kbps) as compared to 56 Kbps a year ago. Additionally, we set in to motion a Departmental LAN (DLAN) infrastructure upgrade that has provided a 100 Mega bits per second (Mbps) or higher data transmission medium to the user level at Torii Station, Fort Buckner and our Chibana compound. We anticipate the completion of our DLAN project by the end of FY 00. To safeguard digitally stored data against corruption resulting from power disruptions and electronic viruses, we implemented an innovative, enterprise-wide, tape backup system. Our next major Improved Technology (IT) milestone is the deployment of Asynchronous Transfer Mode (ATM) switches that will use our backbone WAN to provide inter-base connectivity at 50-620 Mbps. This initiative, planned for FY01, will provide our organization with an exceptional data transmission capability. This capability will allow software applications that require large data, voice, or video bandwidth requirements to operate smoothly. During the same period, we also anticipate the "hardening" of our current file servers by installing Continuity of Operations (COOP) file servers and consolidating existing network servers into one location for improved management and support. These improvement actions will further enhance our on-line servers. The above improvements provide our service base stakeholders with, essentially, zero downtime (lost work hours) due to unforeseen equipment failures. To provide a standardized platform for messaging services, we have fielded the Defense Messaging System (DMS). We anticipate full transition to DMS by Headquarters, Department of the Army (HQDA) and the Department of Defense (DoD) during FY01. DMS has provided our service base stakeholders with unsurpassed electronic mail services that are in complete compliance with DA and DoD directives. All requirements and initiatives mentioned above have came to life through effective analysis and planning at all levels.

4.2a(3) Use of Analysis to Support Daily Operations. Continuing within the "top down/bottom up information flow", key staff members discuss results and recommendations with the appropriate members of their work sections. This flow of analysis and results ensures a coordinated effort and a joint understanding of actions to be implemented. The result of this process is that action plans developed at the directorate and work section level are selected, evaluated and implemented based on overall organization goals and priorities.

Participation in monthly R&A, weekly Command and Staff Meetings, and daily contact provides our key customers and suppliers and partners invaluable insights into our organization's structure, priorities, and capabilities. The suppliers and partners who do not attend the R&A or staff meetings regularly meet with senior leadership and staff sections. We also maintain written agreements and or contracts with each of our suppliers and partners that identify all services and products to be provided, and standards that are to be met. As we consider analysis results and review our objectives, we address the impact of factors affecting establishing priorities for existing and new objectives. One such example was DPW's analysis and conclusion that long delivery time of materials was impacting the time to complete work orders. As a result, the Supply Division of DPW partnered with sister services on Okinawa to initiate a Prime Vendor contract. The resulting benefits are; more expedient delivery of Continental United States(CONUS) materials, a larger selection of product suppliers, and less expensive goods ordered and received within 45 days. In addition, supply estimators spend less time researching material quotes and which directly impact efficiency.

Another example of our use of analysis to support daily operations was the Maintenance Division's correlation of excessive corrosion to decreased life cycle of military vehicles. As a result, we adopted a new corrosion control program to decrease adverse effects of corrosion on vehicles and equipment. The new method is an application of a unique blend of rust inhibitors to control corrosion on all metals. This eliminates moisture containing salt, dirt and air pollutants from the surface of metal. It also lubricates moving parts and penetrates through existing rust. Theater Army Area Command and the U.S. Army Pacific Science Advisor have endorsed the product. It survived three years of laboratory, and controlled exposure tests at Cape Canaveral and field evaluation in Hawaii and showed well above a thirty percent improvement in corrosion life over that of existing materials and processes. The result is an increase in readiness by introduction of new technology to reduce downtime and maintenance.

By maintaining close ties with our community and continuously analyzing our performance, we can confidently assert that we live up to our pledge of "Service Through Support."

5.0 Human Resource Focus (85 pts.)

The **Human Resource Focus** Category examines how your organization motivates and enables employees to develop and utilize their full potential in alignment with your organization's overall objectives and action plans. Also examined are your organization's efforts to build and maintain a work environment and an employee support climate conducive to performance excellence and to personal and organizational growth.

5.1 Work Systems (35 pts.) [Approach-Deployment]

Describe how your organization's work and jobs, compensation, career progression, and related workforce practices motivate and enable employees to achieve high performance.

Within your response, include answers to the following questions:

a. Work Systems

(1) How do you organize, and manage work and jobs to promote cooperation, initiative/innovation, your organizational culture, and the flexibility to keep current with business needs? How do you achieve effective communication and knowledge/skill sharing across work units, jobs, and locations, as appropriate?

(2) How do you motivate employees to develop and utilize their full potential? Include formal and/or informal mechanisms you use to help employees attain job- and career-related development/learning objectives and the role of managers and supervisors in helping employees attain these objectives.

(3) How does your employee performance management system, including feedback to employees, support high performance and a customer and business focus? How do your compensation, recognition, and related reward/incentive practices reinforce these objectives?

(4) How do you accomplish effective succession planning for senior leadership and throughout the organization?

(5) How do you identify characteristics and skills needed by potential employees? How do you recruit, hire, and retain new employees? How do your work systems capitalize on the diverse ideas, cultures, and thinking of the communities with which you interact (your employee hiring and customer communities)?

Notes:

N1. "Employees" refer to your organization's permanent, temporary, and part-time personnel, as well as any contract employees supervised by your organization. Employees include team leaders, supervisors, and managers at all levels. Contract employees supervised by a contractor should be addressed in business or support processes in Category 6.

N2. "Your organization's work" refers to how your employees are organized and/or organize themselves in formal and informal, temporary, or longer-term units. This might include work teams, process teams, customer action teams, problem-solving teams, centers of excellence, functional units, cross-functional teams, and departments--self-managed or managed by supervisors.

"Jobs" refers to responsibilities, authorities, and tasks of individuals. In some work systems jobs might be shared by a team.

N3. *Compensation and recognition (5.1a(3)) include promotions and bonuses that might be based upon performance, skills acquired, and other factors. Recognition includes monetary and non-monetary, formal and informal, and individual and group mechanisms.*

For definitions of the following key terms, see glossary, pages 100-106; high-performance work, performance excellence, and work systems.

Human Resource Focus addresses key human resource practices – those directed toward creating and maintaining a high performance workplace and toward developing employees to enable them and your organization to adapt to change. The Category covers human resource development and management requirements in an integrated way, i.e., aligned with the organization's strategic objectives. Your human resource focus includes your work environment and your employee support climate.

To reinforce the basic alignment of human resource management with overall strategy, the Criteria also cover human resource planning as part of overall planning in the Strategic Planning Category.

5.1 Work Systems

Purpose

This Item examines your organization's systems for work and jobs, compensation, employee performance management, motivation, recognition, communication, and hiring, with the aim of enabling and encouraging all employees to contribute effectively and to the best of their ability. These systems are intended to foster high performance, to result in individual and organizational learning, and to enable adaptation to change.

Requirements

You are asked how:

??you organize and manage work and jobs to promote cooperation, initiative/innovation, and flexibility;

??you achieve effective communication and knowledge/skill sharing;

??your managers and supervisors motivate employees to develop and utilize their full potential, including the mechanisms you use to attain job- and career-related learning objectives;

??your employee performance management system, including feedback to employees, supports high performance and a customer/ business/mission focus. This should include how compensation, recognition, and related practices reinforce these objectives;

??you accomplish effective succession planning for senior leadership and others; and

??you identify the capabilities needed by potential employees and how you recruit, hire, and retain new employees. Your considerations should include the ability of your work system to benefit from the diverse ideas and cultures of your communities.

Comments

High performance work is characterized by flexibility, innovation, knowledge and skill sharing, alignment with organizational objectives, customer focus, and rapid response to changing business needs and requirements of the marketplace. The focus of this Item is on a work force capable of achieving high performance. In addition to the enabled employees and proper work system design, high performance work requires ongoing education and training, as well as information systems that ensure proper information flow. To help employees realize their full potential, many organizations use individual development plans prepared with each employee and addressing his/her career and learning objectives.

Work and job factors for your consideration include simplification of job classifications, cross-training, job rotation, use of teams (including self-directed teams), and changes in work layout and location. Also important is effective communication across functions and work units to ensure a focus on customer requirements and to ensure an environment with trust, knowledge sharing and mutual respect.

Compensation and recognition systems should be matched to your work systems. To be effective, compensation and recognition might be tied to demonstrated skills and/or to peer evaluations. Compensation and recognition approaches also might include profit sharing, rewarding exemplary team or unit performance, and linkage to customer satisfaction and loyalty measures or other business objectives.

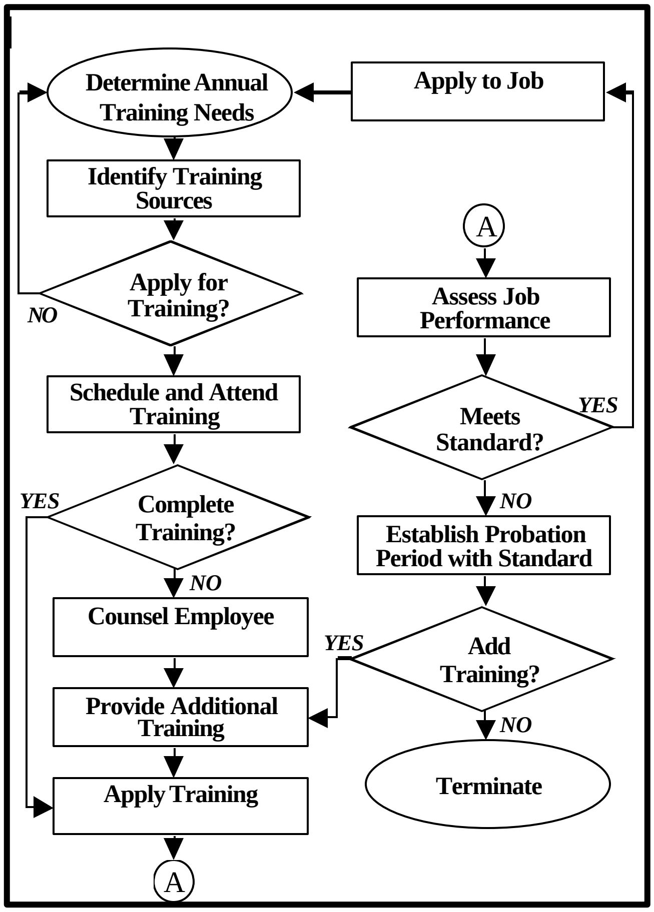
The requirements of high-performance work, coupled with the challenges of tight labor markets, necessitate more attention to succession planning and hiring profiles. This should include and capitalize on diversity factors.

Example 5.1 (10th Area Support Group/Headquarters, XVIII Airborne Corps and Fort Bragg self-assessment for 2001/2002 PQA Applications

Shows only techniques for assessment. These examples do not represent 100% Scores:

5. 0 Human Resource Focus

5.1/5.1a(1) Work Systems and Job and Work Designs (10th ASG). Two of our Key Business Drivers (KBD), see in Figure 0.6, call for us to "increase productivity through job satisfaction and a motivated work force" and "optimize use of resources to meet or exceed customer requirements". Both of these KBDs reflect our organization's human resource focus. We have developed a Human Resource Plan, which integrates our work force into the command's organizational goals and objectives.



We have a diverse work force that consists of soldiers, Department of the Army Civilians (DACs), and Japanese National work force (JN work force). With the recent implementation of the new Human Resource Plan (HRP), managers and employees were encouraged to examine current work and job designs to ensure they were meeting current organizational and customer needs as well as employee career plans.

Figure 5.1.1 depicts our Human Resource Development Process.

We structure our job and work designs to support our key processes and services. Continual personnel reductions in our command and throughout U.S. Army Pacific (USARPAC) have made effective and efficient job designs and work processes a critical factor. Managers at the directorate level are empowered to develop and implement job and work designs for their personnel. We encourage employee involvement in this process to ensure that changes to job and work designs are tailored to customer requirements. Total Army Quality (TAQ) training provides employees with the theory and impetus for improving work design and enhancing collaboration and cooperation among employees (Figure 7.1.2). For example, our Soldier Readiness Processing Team is a work group, which consists of members from several different staff elements. This team provides support to units to prepare them for deployment. The team is a self-directed work group responsible for ensuring that customer service is provided based on changing customer needs.

Our flexible work schedules allow employees to adjust hours of operation to meet customer needs, job designs and work requirements. The Commander's TAQ philosophy addresses employee empowerment and continuous process improvement, which provides one of the tools needed to implement, identified improvements within work systems.

Additionally, we use Customer Feedback to examine the need for change to work processes and to provide customer convenience. Our command customer comment cards and satisfaction surveys provide feedback and assess changing customer, operational, and organizational requirements. Managers discuss the results of customer surveys with Subject Matter Experts (SMEs), and when applicable, adjust work processes to accommodate customer needs.

5.1a(2) Encouraging Employees to Use Their Full Potential (10th ASG). Employees are encouraged during mandatory counseling sessions to establish job, career, and learning objectives.

We support attendance in formal functional training, workshops, and off-duty education. Individuals can be granted flexible work schedules as necessary to attend continuing education classes. Unit training funds are authorized for the payment of tuition in college courses related to the employees' duty requirements. Undergraduate and graduate-level college courses; flexible course schedules and a diverse array of programs of instruction are available to our community members during lunch hours, evenings and weekends. (Figures 7.2.16, 7.3.20).

Our "Management by Walking Around" approach to leadership enables employees to communicate directly with our senior leaders on a daily basis.

5.1a(3) Supporting High Performance through Our Employee Management System (10th ASG). . Our employee performance management system within our HRP is linked directly to our organizational mission, vision, goals, and objectives. Linking performance to objectives reinforces high performance among employees and maximizes our resources. Supervisors use our KBDs and strategic goals during counseling sessions to ensure new and established employees understand the organization's management principles. Employees are evaluated on how well they performed during the rating period as related to organizational goals, objectives, and customer service. When submitting performance award recommendations, supervisors are required to submit the award narrative in a manner that links the individual's contributions to the organization's goals and objectives.

Compensation and Recognition Reinforces High Performance. Our goal of "providing a command climate where improvement and innovation are recognized and rewarded" reflects our commitment to a work environment conducive to excellence and employee creativity. Our awards programs serve to reinforce exceptional employee performance and initiative in meeting organizational goals and objectives. Our HRP ensures our awards recognition program is tied to our organizational goals and objectives (Figure 2.2.1). In the recognition process, managers must identify how employee effort contributes to the accomplishment of our mission, providing consistent reinforcement of our organizational goals and objectives to all levels of our work force.

Our Commander presents all awards to employees and teams during monthly awards ceremonies. We regularly present Commander's Certificates of Achievement for exceptional efforts to individuals and teams. Our public recognition and presentations of certificates, cash awards, time-off awards, service longevity awards, and other awards and distinctions reinforce positive achievements and contributions to the organizational goals. The Commander and Command Sergeant Major make on-the-spot presentations of "10th Area Support Group Coins" to deserving employees, in the presence of their peers, for extraordinary service and performance. We ensure deserving soldiers receive end of tour awards prior to departing our command (Figure 7.3.17).

We have two competitive boards to further recognize distinguished employees: a Soldier of the Quarter and Year program and DAC and JN work force of the Quarter and Year program. During the board proceedings, we recognize employees who have excelled above their peers during the previous quarter/year. Incentives for these competitions include time-off, certificates of achievement, and publicity. Photographs of the winners are posted prominently in our headquarters building.

We consistently recognize DAC employees who perform exceptionally. Our goal is to recognize at least 50% of our DACs with cash awards annually. We have consistently exceeded that goal by awarding over 67% of our DACs with cash awards since FY 94 (Figure 7.3.5).

The Government of Japan (GOJ) provides funding that allows for 10-15% of our JN work force to receive monetary awards (15-35% of their salary for a Superior Performance award and up to $250 for a Special Act or Service award). For the past two years, we have consistently expended all award money allocated by the GOJ to our very deserving JN work force (Figure 7.3.6). Over 15% of our JN work force received cash awards from FY 96 – FY 99. Tools to provide performance recognition are described in Figure 5.1.2.

Figure 5.1.2: Performance Recognition Tools

	Military	DAC	JN	Teams / Units
Time-Off Awards	x	x	x	x
Service/Achv Medals	x	x	x	x
Certificates	x	x	x	x
10th ASG Coins	x	x	x	x
External programs	x	x	x	x
Suggestion Awards	x	x	x	
Performance Evaluations	x	x		
Grade Step Increases		x		
Monetary Awards	x	x	x	

We rely on our volunteer staff to handle some of our personnel short falls. We have over 700 registered volunteers, who saved us over $50,000 in labor costs last year. Annually, we host a Volunteer Recognition Dinner to show our appreciation of their hard work and dedication. Without our loyal volunteers, many of our Army Family Programs would be nonexistent.

5.1a(4) How We Accomplish Effective Succession Planning (Headquarters, XVIII Airborne Corps and Fort Bragg). The Army provides a comprehensive means to effectively plan succession of our military leaders. Requirements for education, job assignments, and performance expectations are specifically outlined, communicated, and managed through the Army Enlisted and Officer Personnel Management Systems. The regulatory environment in which we are required to operate makes it more difficult to effectively plan the succession of our civilian leaders. Based on our strategic plan, we designed our Employee Development Training Plan (Item 5.2a(2-3) to provide all levels of our workforce with the skills, knowledge, and competencies needed to succeed in our organization. Potential leaders also use career program training and education to enhance their ability to successfully compete for positions of increased responsibilities. Identifying education, training, and experience requirements for career progression typically takes place between supervisors and employees through the Total Army Personnel Evaluation System. Individual Development Plans are put in place for each employee to enhance their ability to compete. Career Program Managers provide specific advice and information to members within their career field to assist in identifying specific requirements.

A recent Semi-Annual Performance Review identified the need to improve access to information on training and education opportunities specifically designed to help grow our future leaders, such as the Sustaining base Leadership and Management Course. Our Dragon University is beginning an initiative to broaden our training approach and increase information on training requirements, needs, and opportunities.

5.1a(5) Identify Characteristics/Skills Needed by Potential Employees (Headquarters, XVIII Airborne Corps and Fort Bragg). Linked to our mission and strategic direction (Item 2.1), our supervisors develop multi-functional job descriptions for civilian positions based on the knowledge, skills, and abilities required by incumbents. As a result of Installation Redesign, supervisors are delegated the authority to classify their position descriptions, and all existing positions are reviewed for reclassification to "generalists" in lieu of "specialists" (Item 5.1a(1)). This also ensures the integration of technical skills with interpersonal skills in our team-based organization. Department of the Army (DA) based on our mission and identified in DA military manpower documents directs military personnel assignments. Our leaders are constantly mindful of their role in exercising fair workforce practices to attain a diverse workforce, as demonstrated in Figure 7.3.13.

The recruitment of our civilian positions is centralized at the regional Civilian Personnel Operations Center (CPOC). CPOC is responsible for the recruitment of our positions; our CPAC assists in developing creative and innovative methods to recruit qualified candidates.

Our volunteers are an integral part of our work force. To help fill the void created by civilian personnel reductions, we improved our volunteer recruitment and registration processes. As a result, over 5,900 volunteers provided 424, 000 hours of service last year, equating to approximately $6million in free labor.

5.2 Employee Education, Training, and Development (25 pts.) [Approach-Deployment]

Describe how your organization's education and training support the achievement of your overall objectives, including building employee knowledge, skills, and capabilities, and contributing to high performance.

Within your response, include answers to the following questions:

a. Employee Education, Training, and Development

(1) How do education and training contribute to the achievement of your action plans? How does your education and training approach balance short- and longer-term organizational objectives and employee needs, including development, learning, and career progression?

(2) How do you seek and use input from employees and their supervisors/managers on education and training needs and delivery options?

(3) How do you address in your employee education, training, and development your key organizational needs associated with technological change, management/leadership development, new employee orientation, safety, performance measurement/improvement, and diversity?

(4) How do you deliver education and training? Include formal and informal delivery, including mentoring and other approaches, as appropriate. How do you evaluate the effectiveness of education and training, taking into account individual and organizational performance?

(5) How do you reinforce the use of knowledge and skills on the job?

Notes:

N1. Technological change (5.2a[3]) might include computer and Internet literacy.

N2. Education and training delivery (5.2a[4]} might occur inside or outside your organization and involve on-the-job, classroom, computer-based, distance learning, and/or other types of delivery (formal or informal).

5.2 Employee Education, Training, and Development

Purpose

This Item examines the education, training, and on-the-job reinforcement of knowledge and skills of your organization's workforce, with the aim of meeting ongoing needs of employees and a high performance workplace.

Requirements

You are asked how:

??education and training tie to your action plans, including how education and training balance short- and longer-term individual and organizational objectives;

??you seek and use input on education and training needs and delivery from those most directly benefiting employees and their supervisors/managers;

??you address key organizational needs associated with technological change, management/leadership development, orientation of new employees, safety, performance improvement, and diversity;

??you deliver and evaluate education and training, taking into account individual and organizational performance; and

??you reinforce knowledge and skills on the job.

Comments

Depending on the nature of your organization's work, employees' responsibilities and the stage of organizational and personal development, education and training needs might vary greatly. These needs might include gaining skills for knowledge sharing, communications, teamwork, problem solving, interpreting and using data, meeting customer requirements, process analysis and simplification, waste and cycle time reduction, and setting priorities based on strategic alignment or cost/benefit analysis. Education needs also might include basic skills, such as reading, writing, language, arithmetic, and, increasingly, basic computer skills.

Education and training delivery might occur inside or outside your organization and could involve on-the-job, classroom, computer-based, or distance learning, as well as other types of delivery. Training also might occur through developmental assignments within or outside your organization.

When you evaluate education and training, you should seek effectiveness measures as a critical component of evaluation. Such measures might address the impact on individual, unit, and organizational performance; the impact on customer-related performance; and a cost/benefit analysis of the training.

Although this Item does not specifically ask you about training for customer contact employees, such training is important and common. It frequently includes learning critical knowledge and skills in the following areas: your products, services, and customers; skills on how to listen to customers; recovery from problems or failures; and how to effectively manage customer expectations.

Example 5.2 (United States Army Garrison, Fort McPherson, Georgia), self-assessment for 2001 PQA Application

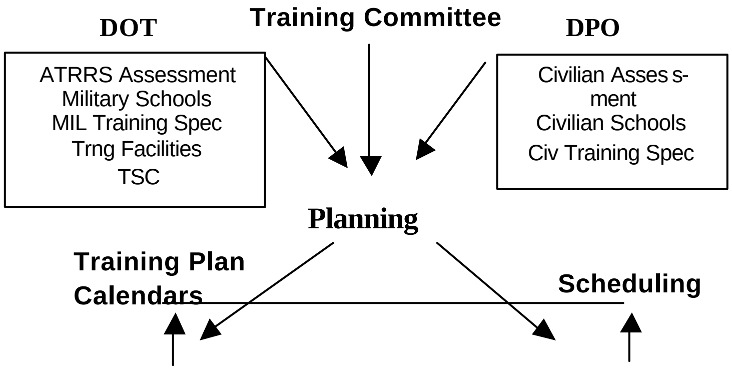
Shows only technique for assessment. This example does not represent a 100% Score:

5.2a Employee Education, Training and Development

5.2 a(1,2,3,4) Educating and training the workforce is a strategic performance objective in support of key business process number three **(Figure O.2)** (not shown). Key requirements are periodic career counseling and professional growth opportunities.

The Operations and Training Service Center is our primary proponent for education and training of the work force with support from the Community Activities Service Center which manages the Education Center and the Personnel Operations Service Center which administers both our Military and civilian personnel systems. A training committee, composed of cross-functional members representing all activities, is the key element for administering work force training **(Figure 5.2.1**).

INSTALLATION TRAINING MANAGEMENT



It is this training committee that conducts our annual training needs survey to identify organizational and work force training needs for the next fiscal year. Working under the general supervision of the co-chairs, the Director of Operations and Training and the Director of Personnel Operations, the committee analyzes training needs for validity, cost, feasibility and sources of training.

Supervisors and employees discuss individual training needs for self-development, new missions and current job enhancements during performance counseling sessions. Directors and their managers prioritize these needs based on their criticality. Funds are allocated within each organization based on these priorities and funds are projected annually in the Command Budget Estimate (CBE).

Fort McPherson is in the process of a developing a draft Human Resource Plan. The Resource Management Service Center sponsors the effort using a Garrison employee on a developmental assignment to FORSCOM DCSRM who will write and coordinate the plan, linked to the Garrison mission, vision and goals. Directors of Personnel Operations, Resource Management and Operations Training and a union representative act as decision-makers with the Commander as final approval. We measure our results through our Garrison Morale Survey.

Long term training requirements are captured by our higher headquarters and supporting federal agencies. Referred to as the TACITS, the Office of Personnel Management (OPM) conducts a two year training needs survey to identify long range training needs of soldiers and civilian employees.

Reacting to heightened emphasis on the need to train our workforce to meet future employee and organizational requirements. The proponents (OTSC/POSC/CASC) developed and deployed our Training Operations Plan 25-99. This plan focuses on key business process three and supports the Garrison Commander's concept of operations found in our Strategic Business Plan**.**

For our military work force, leaders conduct and arrange for occupational specialty training. Specific training is identified in OERs and NCOERs and during counseling sessions. Our civilian employee system uses a similar approach with their supervisor by identifying long-term and short-term training goals to reach goals, using counseling sessions and an annual training needs survey. Results are documented as Individual Development Plans (IDP) in their TAPES documentation.

We evaluate training upon completion using course evaluations of the employee satisfaction, lessons learned and improvements are discussed for future training opportunities and continuous improvements.

Before the training committee was established, installation training was fragmented and uncoordinated. 18 different Garrison managers procured training through different vendors on a one on one basis. Under our new process, a uniform approach is in place to identify collective needs. Now we can often take advantage of group training at considerable savings, sometimes offering excess training quotas on a reimbursable basis to our tenant activities and/or other Army installations, further reducing the cost to the Garrison**.**

5.3 Employee Well being and Satisfaction (25 pts.) [Approach-Deployment]

Describe how your organization maintains a work environment and an employee support climate that contribute to the well-being, satisfaction, and motivation of all employees.

Within your response, include answers to the following questions:

a. Work Environment

How do you improve workplace health, safety, and ergonomics? How do employees take part in improving them? Include performance measures and/or targets for each key environmental factor. Also include significant differences, if any, based on varying work environments for employee groups and/or work units.

b. Employee Support Climate

(1) How do you determine the key factors that affect employee well-being, satisfaction, and motivation? How are these factors segmented for a diverse workforce and for varying categories and types of employees, as appropriate?

(2) How do you support your employees via services, benefits, and policies? How are these tailored to the needs of a diverse workforce and different categories and types of employees, as appropriate?

(3) What formal and/or informal assessment methods and measures do you use to determine employee well-being, satisfaction, and motivation? How do you tailor these methods and measures to a diverse workforce and to different categories and types of employees, as appropriate? How do you use other indicators, such as employee retention, absenteeism, grievances, safety, and productivity, to assess and improve employee well-being, satisfaction, and motivation?

(4) How do you relate assessment findings to key business results to identify priorities for improving the work environment and employee support climate?

Notes:

N1. Specific factors that might affect your employees' well-being, satisfaction, and motivation (5.3b[1]) include effective employee problem or grievance resolution; safety factors; employees' views of management; employee training, development, and career opportunities; employee preparation for changes in technology or the work organization; the work environment and other work conditions; management's empowerment of employees; information sharing by management; workload; cooperation and teamwork; recognition; services and benefits; communications; job security; compensation; and equal opportunity.

N2. Approaches for employee support (5.3b[2]) might include providing counseling, career development and employability services, recreational or cultural activities, nonwork-related education, day care, job rotation or sharing, special leave for family responsibilities or community service, home safety training, flexible work hours and location, outplacement, and retirement benefits (including extended health care).

N3. Measures/indicators of well-being, satisfaction, and motivation (5.3b[3]) might include data on safety and absenteeism, the overall turnover rate, the turnover rate for customer contact employees, employees' charitable contributions, grievances, strikes, other job actions, insurance costs, worker's compensation claims, and results of surveys. Survey indicators of satisfaction might include employee knowledge of job roles, employee knowledge of organizational direction, and employee perception of empowerment and information sharing. Your results relative to such measures/indicators should be reported in Item 7.3.

N4. Setting priorities (5.3b[4]) might draw upon your human resource results presented in Item 7.3 and might involve addressing employee problems based on their impact to your organizational performance.

5.3 Employee Well being and Satisfaction

Purpose

This Item examines your organization's work environment, your employee support climate, and how you determine employee satisfaction, with the aim of fostering the well being, satisfaction, and motivation of all employees, recognizing their diverse needs.

Requirements

You are asked:

- ??how you ensure a safe and healthful work environment for all employees, taking into account their differing work environments and associated requirements. Special emphasis is placed on how employees contribute to identifying important factors and to improving workplace safety;
- ??to identify appropriate measures and targets for key environmental factors so that status and progress can be tracked;
- ??how you determine the key factors that affect employee well being, satisfaction, and motivation. Included is how these factors are segmented for a diverse workforce and different categories/types of employees.
- ??how your services, benefits, and policies support employee well-being, satisfaction, and motivation based upon a holistic view of this key stakeholder group. Special emphasis is placed on the variety of approaches you use to satisfy a diverse work force with differing needs and expectations;
- ??to describe formal and/or informal assessments methods and measures you use to determine employee well-being, satisfaction, and motivation. This description should include how you tailor these methods and measures to a diverse workforce and how you use other indicators (e.g., employee turnover) to support your assessment; and
- ??how you relate assessment findings to key business results to identify key priorities.

Comments

Most organizations, regardless of size, have many opportunities to contribute to employee well being, satisfaction, and motivation. Some examples of services, facilities, activities, and other opportunities are personal and career counseling; career development and employability services; recreational or cultural activities; formal and informal recognition; non-work-related education; day care; special leave for family responsibilities and/or community service; flexible work hours and benefits packages; outplacement services; and retiree benefits, including extended health care and access to employee services.

Although satisfaction with pay and satisfaction with promotion are important, these two factors generally are not sufficient to ensure overall employee satisfaction, motivation, and high performance. Some examples of other factors to consider are effective employee problem and grievance resolution; employee development and career opportunities; work environment and management support; workload; communication, cooperation, and teamwork; job security; appreciation of the differing needs of diverse employee groups; and organizational support for serving customers.

In addition to direct measures of employee satisfaction and well-being through formal or informal surveys, some other indicators include absenteeism, turnover, grievances, strikes, Occupational Safety and Health Administration (OSHA) reportables and worker's compensation claims.

Example 5.3 Headquarters, XVIII Airborne Corps and Fort Bragg, self-assessment for 2002 PQA Application

Shows only a technique for assessment. This example does not represent a 100% Score:

5.3 Employee Well Being and Satisfaction

5.3a Work Environment. Our Goal 8 is to provide a safe and secure living, working, and training environment for the installation and community. The mission to achieve this goal resides with our Public Safety Business Center (PSBC). Our Civilian Resource Conservation Program Committee is a cross functional team that collects, compiles, and reports injury data, advises command on issues, and inspects each work area at least annually to ensure proactive measures are taken to avoid injury. Activities identified as high-risk injury areas are inspected more often. This committee meets monthly with Business Center Deputy Directors and quarterly with our SMB to report their findings and provide proactive approaches to improve the conditions of work areas. The data they collect and report consists of nine different categories that encompass health, safety, and ergonomic factors. Our priorities are prevention, training in a viable risk management system and proper equipment for the job.

Our PSBC also interacts with tactical commanders in deploying various programs to ensure our combat-ready soldiers are operating in as safe an environment as possible. Risk Management is taught to both civilian and military members and incorporated daily throughout the workplace. The United States Army Safety Center provides a variety of publications to promote safety awareness, and the PSBC publishes countermeasures to reduce accidents. The Preventive Medicine Activity developed a Health Hazard Information Management System that includes a baseline inventory of all work areas on Fort Bragg. It identifies and quantifies all hazardous conditions that may cause injury or illness. This system supports the Job-Related Medical Surveillance Program, whereby personnel placed in potentially hazardous working conditions receive an initial pre-employment physical and specific screening tailored to the work place hazard. Employees are evaluated on a recurring basis, as determined by the type of work-site health hazard/risk, and receive treatment of occupational illness and injury, as required. The Preventive Medicine Activity also uses an automated system to identify potential ergonomics-related hazards associated with workstation and office furnishing design or equipment. Computer-generated results are used to analyze workstation configurations and make appropriate adaptations.

Our Risk Reduction Program uses a comprehensive list of indicators to identify high-risk behavior among soldiers to maintain unit combat readiness. A cross-functional team collects and consolidates risk behavior data from several sources and soldier self-assessments to assess and identify high-risk behaviors and intervention target areas. Successful intervention is accomplished through Command emphasis, two-way communication, a strong disciplinary posture, leader commitment to early identification, and a focus on prevention.

The PSBC conducts numerous crime prevention programs in partnership with the community. For example, Fort Bragg is the only installation with a full-time military School Resource Officer in the on-post schools. This Military Policeman serves as a mentor to the students and provides classroom instruction on drug prevention, peer pressure, and gang awareness. Our PSBC also spearheaded a cross functional team to develop a systematic process to monitor our overall safety posture. Execution of action plans began early this year: we expect substantial improvements in our safety measures as a result.

5.3b(1) Employee Support Climate Determining Key Factors that Affect Employee Well-Being, Satisfaction, and Motivation. Our key employee groups are supervisors/managers and non-supervisors, further segmented by military and civilian, based on the needs of the varied groups (discussed throughout this category and in Item 2.1a). We use feedback from the Employee Satisfaction Survey, Bargaining Unions, Semi-Annual Performance Review, Inspector General (IG), Equal Opportunity (EO) and Equal Employment Opportunity (EEO) Offices, and direct interface with our workforce to determine those factors that affect well-being and satisfaction. Since our employees are critical to our success, both as a service provider and financially, we constantly assess and monitor our feedback mechanisms to identify important factors that impact their level of satisfaction.

5.3b(2) How We Support Employees Via Services, Benefits, and Policies. Fort Bragg strives to be a desirable place to work. To support this goal, many facilities have opened their doors to civilian employees. Examples include: learning centers, libraries, fitness centers, golf courses, tennis courts, bowling alleys, auto craft shops, horseback riding stables, and clubs. Events such as fairs, festivals, and concerts are open to employees as well as the general public. Other available services include personal, education, career counseling, college programs, and seminars. The CPAC sponsors an annual health fair for our employees offering personal wellness information as well as minor diagnostics. Medical services on Fort Bragg range from complete inpatient medical care for soldiers to occupational services and flu shots for civilian employees.

Federal employees enjoy a host of benefits including locality pay, incentive honorary and cash awards, travel allowances, an employee assistance program, annual and sick leave, family and emergency leaves of absence, military leave, leave sharing, alternative work schedules, training programs, overseas work assignments, health and life insurance, thrift savings (401K) plans, a bonus plan for hard-to-fill professional positions, and retirement benefits. Employees can explore career opportunities both within and outside Government service at our annual Job Fair/. The Army Career and Alumni Program provides counseling and referral services for transitioning soldiers.

In order to provide more quality and affordable housing to those financially at risk, we reallocated 899 units of on-post housing to lower enlisted grades. Another initiative to ensure safe, secure housing for soldiers is the Mobile Home Inspection Program. Local mobile home parks must comply with Fort Bragg standards or they are placed off limits. To further lessen the financial burden of our soldiers, we negotiated with local utility providers to waive deposits they would otherwise have to pay out of pocket.

Through Installation Redesign and now in privatization studies, we constantly assess and monitor the diversity of the workforce in conjunction with the Equal Opportunity and Equal Employment Opportunity offices. The Special Emphasis Program, designed to not only celebrate diversity but also to share our cultural experiences. Is supported by every member of the installation. Recognizing that our workforce is in constant change, we develop additional supporting programs as necessary.

5.3b(3) Formal and Informal Assessment Methods and Measures. Fort Bragg administers a locally developed survey to civilian and military personnel to measure employee satisfaction and identify initiatives to improve the work place. We partner with the North Carolina Employment Security commission to provide survey services at no cost to the installation. We have achieved a minimum survey return rate of 53% with a 95% confidence rating. Survey results are segmented by our two primary employee groups (supervisors/ managers and non-supervisors) at the macro level and further segmented by gender, age, grade, race, education level, years in position, and years in federal service/active duty for lower level analysis. Survey questions cover three major areas: Leadership; Job Structure and Systems; and Performance and Development. Centered on continuous learning, these major areas further break down into 12 subsystems that link directly to the objectives of our Strategic Human Resource Plan. Category results are weighted based on potential impact to our business results to determine the areas for improvement that will provide us the highest return. Specific survey results are in Item 7.3.

The installation-wide customer satisfaction survey also assesses employee satisfaction with the services provided them as the “internal” customer (Figure 7.3.8. Fort Bragg “takes the pulse” of the military and civilian workforce in other ways. The IG conducts sensing sessions on a variety of topics as necessary. Tailored to the needs of our diverse workforce, the EO and EEO office conduct installation-wide sensing sessions on extremist activities and sexual harassment and monitor the ethnic composition of our workforce. As further indicators of employee well-being and satisfaction, trends in grievances, complaint resolution, and workplace safety are also analyzed.

5.3b(4) Relating Assessment Findings to Key Business Results to Identify Improvement Priorities. Based on the rate of dissatisfaction among both employees and managers from the surveys and other feedback sources balanced against our strategic direction, specific areas for improvement are prioritized. The three current areas for improvement projects are: rewards and recognition, education and training, and information flow (Figure 7.3.4). Action plans for each of these items were developed and deployed, and progress is monitored through our QMS and semi-Annual Performance Reviews.

6.0 Process Management (85 pts.)

The **Process Management** Category examines the key aspects of your organization's process management, including customer-focused design, product and service delivery, key business, and support processes. This Category encompasses all key processes and all work units.

6.1 Product and Service Processes (45 pts.) [Approach-Deployment]

Describe how your organization manages key processes for product and service design and delivery.

Within your response, include answers to the following questions:

a. Design Processes

(1) What are your design processes for products/services and their related production/delivery systems and processes?

(2) How do you incorporate changing customer/market requirements into product/service designs and production/delivery systems and processes?

(3) How do you incorporate new technology, including e-technology, into products/services and into production/delivery systems and processes, as appropriate?

(4) How do your design processes address design quality and cycle time, transfer of learning from past projects and other parts of the organization, cost control, new design technology, productivity, and other efficiency/effectiveness factors?

(5) How do you design your production/delivery systems and processes to meet all key operational performance requirements?

(6) How do you coordinate and test your design and production/delivery systems and processes? Include how you prevent defects/rework and facilitate trouble-free and timely introduction of products/services?

b. Production/Delivery Processes

(1) What are your key production/delivery processes and their key performance requirements?

(2) How does your day-to-day operation of key production/delivery processes ensure meeting key performance requirements?

(3) What are your key performance measures/indicators used for the control and improvement of these processes? Include how in-process measures and real-time customer and supplier/partner input are used in managing your product and service processes, as appropriate.

(4) How do you perform inspections, tests, and process/performance audits to minimize warranty and/or rework costs, as appropriate? Include your prevention-based processes for controlling inspection and test costs, as appropriate.

(5) How do you improve your production/delivery systems and processes to achieve better process performance and improvements to products/services, as appropriate? How are improvements shared with other organizational units and processes and your suppliers/partners, as appropriate?

Notes:

N1. Product and service design, production, and delivery processes differ greatly among organizations, depending on many factors. These factors include the nature of your products and services, technology requirements, issues of modularity and parts commonality, customer and supplier relationships and involvement, and product and service customization. Responses to Item 6.1 should be based upon the most critical requirements for your business.

N2. Responses to Item 6.1 should include how your customers and key suppliers and partners are involved in design processes, as appropriate.

N3. The results of operational improvements in your product and service design and delivery processes should be reported in Item 7.4. Results of improvements in product and service performance should be reported in Item 7.1.

N4. Some organizations are required to rely on processes mandated by their parent organization. Responses to this Item should reflect your efforts to manage and improve your own processes within the parameters and guidelines established by your parent organization, as well as any contributions you may have made to improve your parent organization's mandated processes.

For definitions of the following key terms see glossary starting at page 100: cycle time and productivity.

6.0 Process Management

Item Descriptions

Process Management is the focal point within the Criteria for all key work processes. Built into the Category are the central requirements for efficient and effective process management: effective design; a prevention orientation; linkage to suppliers and partners and a focus on supply chain integration; operational performance; cycle time; and evaluation, continuous improvement, and organizational learning.

Agility, cost reduction, and cycle time reduction are increasingly important in all aspects of process management and organizational design. In simplest terms, "agility" refers to your ability to adapt quickly, flexibly, and effectively to changing requirements. Depending on the nature of your organization's strategy and markets, agility might mean rapid changeover from one product/service to another, rapid response to changing demands, or the ability to produce a wide range of customized services. Agility also increasingly involves decisions to outsource, agreements with key suppliers, and novel partnering arrangements. Flexibility might demand special strategies such as implementing modular designs, sharing components, sharing manufacturing lines, and providing specialized training. Cost and cycle time reduction often involve agile process management strategies. It is crucial to utilize key measures for these requirements in your overall process management.

6.1 Product and Service Processes

Purpose

This Item examines your organization's key product and service design and delivery processes, with the aim of improving your marketplace and operational performance.

Requirements

You are asked:

??to identify your key design processes for products and services and their related production and delivery processes;

??how you address key requirements such as customer/market requirements and new technology, including e-technology;

??how you address key factors in design effectiveness, including cost control, cycle time, and learning from past design projects;

??how you ensure that design processes cover all key operational performance requirements and appropriate coordination and testing to ensure effective product/service launch without need for rework;

??to identify your key production/delivery processes, their key performance requirements, and key performance measures. These requirements and measures are the basis for maintaining and improving your products. services, and production/delivery processes;

??how you perform inspections, tests, and audits to minimize rework and warranty costs;

??about your prevention-based processes for minimizing the need for inspections, tests, and audits; and

??how you improve your production/delivery systems and processes to achieve better processes and products/services.

Comments

Your design approaches could differ appreciably depending upon the nature of your products/services – whether the products/services are entirely new, variants, or involve major or minor process changes. You should consider the key requirements for your products and services. Factors that might need to be considered in design include safety, long-term performance, environmental impact, "green" manufacturing, measurement capability, process capability, manufacturability, maintainability, variability in customer expectations requiring product/service options, supplier capability, and documentation. Effective design also must consider cycle time and productivity of production and delivery processes. These might involve detailed mapping of manufacturing or service processes and redesigning ("re-engineering") those processes to achieve efficiency, as well as to meet changing customer requirements.

This item calls for information on the incorporation of new technology, including e-technology. E-technology might include sharing information with suppliers/partners, communicating with customers and giving them continuous (24/7) access, and automated information transfer from in-service products requiring maintenance in the field.

Many organizations need to consider requirements for suppliers/partners at the design stage. Overall, effective design must take into account all stakeholders in the value chain. If many design projects are carried out in parallel, or if your organization's products utilize parts, equipment, and facilities that are used for other products, coordination of resources might be a major concern, but it also might offer a means to significantly reduce unit costs and time to market.

Coordination of design and production/delivery processes involves all work units and/or individuals who will take part in production/ delivery and whose performance materially affects overall process outcome. This might include groups such as research and development (R&D), marketing, design, product/process engineering, and key suppliers.

This item calls for information on the management and improvement of key production/delivery processes. The information required includes a description of the key processes, their specific requirements, and how performance relative to these requirements is determined and maintained. Increasingly, these requirements might include the need for agility-speed and flexibility—to adapt for change.

Specific reference is made to in-process measurements and customer/supplier interactions. These measurements and interactions require the identification of critical points in processes for measurement, observation, or interaction. These activities should occur at the earliest points possible in processes to minimize problems and costs that may result from deviations from expected performance. Achieving expected performance frequently requires setting performance levels or standards to guide decision-making. When deviations occur, corrective action is required to restore the performance of the process to its design specifications. Depending on the nature of the process, the corrective action could involve technical and/or human considerations. Proper corrective action involves changes at the source (root cause) of the deviation. Such corrective action should minimize the likelihood of this type of variation occurring again or elsewhere in your organization. When customer interactions are involved, differences among customers must be considered in evaluating how well the process is performing. This might entail allowing for specific or general contingencies, depending on the customer information gathered. This is especially true of professional and personal services.

This Item also calls for information on how processes are improved to achieve better performance. Better performance means not only better quality from your customers' perspective but also better financial and operational performance—such as productivity—from your organization's perspective. A variety of process improvement approaches are commonly used. These approaches include (1) sharing successful strategies across your organization, (2) process analysis and research (e.g., process mapping, optimization experiments, error proofing), (3) research and development results, (4) benchmarking, (5) using alternative technology, and (6) using information from customers of the processes—within and outside your organization. Process improvement approaches might utilize financial data to evaluate alternatives and set priorities. Together, these approaches offer a wide range of possibilities, including complete redesign ("re-engineering") of processes.

Example 6.1 (U.S. Army Engineering and Support Center, Huntsville, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score.):

6.1 Management of Product and Service Processes

6.1a Design process

6.1a(1) Product/delivery processes and design. Fig. 6.1-1 shows our work design process. First we define customer requirements in MOA's or PMP's. MOA's are used to define roles and responsibilities of each agency (HNC, customers, partners, suppliers, etc.) for projects. PMP's are formal plans required for all projects over $100K. Based on the customer requirements outlined in these plans, project managers (PM's) define in their business action plans (2.2) the resources required to support new or expanded work. The MCG reviews the needed resources; then an integrated process team (IPT) (5.1a(1)) of cross-functional personnel from our key processes and support processes is formed to take work from design to execution. IPT's define the following aspects of our products and services and their delivery through the PMP: resource plan, outline of needed key and support processes, acquisition plan, baseline schedule, SOW based on customer requirements, process specifications, technology requirements, performance measures, configuration (change) management plan, program/data quality control plans (PQCP's/DQCP's).

If no design changes are required, IPT's manage the processes to produce and deliver the product or service.

6.1a(2) Incorporating changing requirements. We identify new or changing requirements through the approaches in item 3.1 and tables 3.1-2 and -4. We include requirements in formal design and production reviews as shown in figs. 3.1-1 and 6.1-1. We also use cross-functional subject matter expert reviews to identify changing specifications and/or regulatory requirements.

When formal configuration management is not appropriate, PMP's, QC plans, and SOW's provide the means to actively modify the design/delivery process to incorporate changes during project design execution. Frequent IPT meetings and regular communication with the customer provide the rapid response and flexibility required by smaller and short-term projects.

6.1a(3) Incorporation of new technology. Many products and services are unique engineering systems requiring a first-time approach or technology intro-

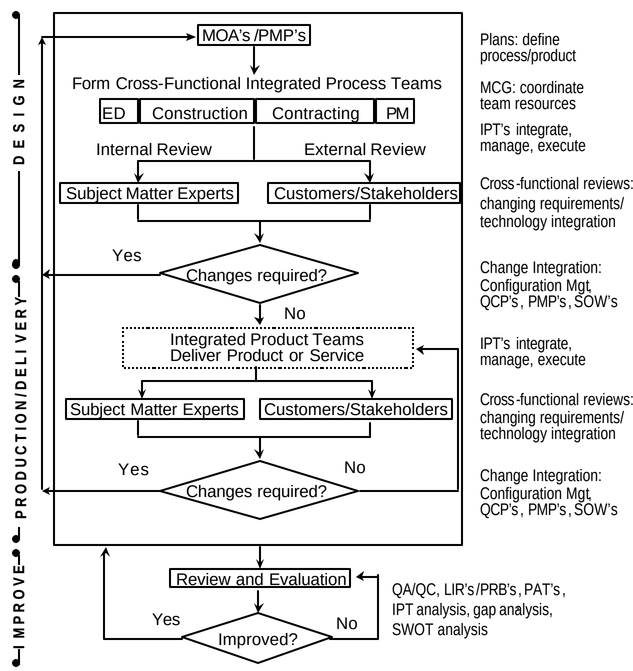


Figure 6.1-1. Product/Service Process Model

duced in evolving regulatory environments. To stay innovative and keep up with changes, we use four main approaches:

??Market knowledge. We remain current with ever-changing and new technologies by participating in DOD and industry forums, working groups, and regulatory committees as explained in 3.1a(2).

??Project startup. When possible, we introduce new technologies at the front end of the project. The most efficient way to do this is by evaluating new technologies and/or approaches during acquisition planning to minimize changes during execution. Suppliers, then, propose and/or demonstrate new technologies and/or approaches as part of their evaluation. Recent acquisition plans from OE and OMEE Programs were recognized by Corps HQ for their innovative approaches and submitted to Corps districts as models for other acquisitions.

??Technology team. For continual technology advancement, we use an innovative technology team that continually reviews and evaluates new technologies and their applicability to our work. One such team established a demonstration test site to evaluate applicable technologies for simulating OE contamination. Vendors may use that test site to improve and demonstrate their innovations.

??During execution. New or changing technologies are also integrated into our products/processes at later stages through formal configuration management control procedures and modifications to the design/ delivery process through PQCP's, DQCP's, and SOW's.

6.1a(4), (5) Addressing process efficiency/effectiveness factors and performance requirements. As explained in 5.1a(1), we integrate all elements of product/service design through cross-functional IPT's as shown in fig. 6.1-3. To ensure compliance with technical and regulatory requirements and consistency between similar products/services, subject matter experts review the design, e.g., an HNC board reviews all OE engineering evaluation recommendations from various IPT's for consistency from team to team before external review. To further assist IPT's, we perform in-process reviews (IPR's) of all QC plans, which document initial customer requirements defined by MOA's/ PMP's and revised criteria and rationale for change. We also use internal quality assurance (QA) audits to evaluate and improve our design processes. We develop QC plans for all projects. As those documents are audited, results are fed back into the QA process to promote transfer of learning and reduce cycle time. To enhance learning and technology transfer, audit team members are selected from other product teams. Audit information is shared through IPT meetings, LIR's/PRB's, and websites.

6.1a(6) Coordination and testing. We coordinate and test our design and production/delivery processes through internal reviews by subject matter experts and external reviews by customers and stakeholders as shown in fig. 6.1-1. When appropriate, we use small-scale pilot tests before full product application. On our Chemical Demilitarization Program, a pilot plant was built at program start. On our BMD Program, we will also design and construct test facilities prior to full-scale production.

6.1b Production/delivery processes

6.1b(1), (2), (3) Key processes, requirements, management, and operations. We deliver a diverse family of technical products and services through the Project Management Business Process (PMBP). Methodology. Our four key processes are:

??Engineering and technical services provide product line design, technical support, and QA.

??Construction management provides construction management, field QA, and change management.

??Contract management provides pre- and post-award acquisition services.

??Program and project management (P&PM) integrates key and support processes, ensuring that the final product meets the customer's needs.

Our PMBP in fig. 6.1-3 identifies product lines, key process requirements, controls for ensuring that requirements are met, and measures for controlling our processes. At 1.0, corporate process controls are the highest-level controls, ensuring that process systems are effective and efficient. At 2.0, product lines are developed to align customer requirements with specific processes. At 3.0, project controls are used by IPT's to ensure that processes meet specific customer requirements. At 4.0 and 5.0, processes are integrated to support product lines.

6.1b(2) Key process operations performance. Process management begins at strategic planning where KSF strategies are developed. Teams then develop business plans, including operational strategies and measures supporting corporate strategies in table 2.2-1. Daily operations are monitored through the measures in fig. 6.1-3 at team meetings and LIR's. Leaders review aggregated measures of process performance during Business Meetings and PRB's (1.1b(1)).

6.1b(3) Process performance measures. Our key performance measures and the controls used to manage and improve our processes are identified in fig. 6.1-3. Real-time customer input is sought as described in table 3.1-2 and fig. 3.1-1 and reported in fig. 7.1-11.

6.2 Business Processes (25 pts.) [Approach-Deployment]

Describe how your organization manages its key processes that lead to business growth and success.

Within your response, include answers to the following questions:

a. Business Processes

(1) What are your key business processes for business growth and success?

(2) How do you determine key business process requirements, incorporating input from customers and suppliers/partners, as appropriate? What are the key requirements for these processes?

(3) How do you design and perform these processes to meet all the key requirements?

(4) What are your key performance measures/indicators used for the control and improvement of these processes? Include how in-process measures and customer and supplier feedback are used in managing your business processes, as appropriate.

(5) How do you minimize overall costs associated with inspections, tests, and process/performance audits?

(6) How do you improve your business processes to achieve better performance and to keep them current with business needs and directions? How are improvements shared with other organizational units and processes, as appropriate?

Notes:

N1. Your key business processes are those nonproduct/nonservice processes that are considered most important to business growth and success by your organization's senior leaders. These might include processes for innovation, research and development, technology acquisition, information and knowledge management, supply chain management, supplier partnering, outsourcing and privatization, process re-engineering, benchmarking, mergers and acquisitions, global expansion, project management, and sales/marketing. The Key business processes to be included in Item 6.2a are distinctive to your organization and how you operate.

N2. To provide as complete and concise a response as possible for your key business, you might want to use a tabular format identifying the key processes and the attributes of each as called for in questions in Items 6.2a(1)-6.2a(4).

N3. The results of improvements in your key business and key business process performance results should be reported in Item 7.4.

6.2 Business Processes

Purpose

This Item examines your organization's key non-product/non-service business processes, with the aim of improving business success.

Requirements

You are asked:

??to identify your key business and their design requirements;

??how your organization's key business processes are designed and performed to meet all your requirements and how you incorporate input from customers and suppliers/partners, as appropriate;

??to identify your key performance measures for the control and improvement of your business processes, including how in-process measures and customer and supplier feedback are used;

??how you minimize costs associated with inspections, tests, and audits through use of prevention-based processes; and

??how you improve your business processes to achieve better performance and to keep them current with your changing business needs and directions;

Comments

Your key business processes are those non-product/non-service processes that are considered most important to business growth and success by your senior leaders. These processes frequently relate to an organization's strategic objectives and critical success factors. Key business processes might include processes for innovation, research and development, technology acquisition, information and knowledge management, supply chain management, supplier partnering, outsourcing, mergers and acquisitions, global expansion, project management, and sales/marketing. Given the diverse nature of these processes, the requirements and performance characteristics might vary significantly for different processes.

For many organizations, supply chain management is a growing factor in achieving productivity and profitability goals and overall business success. Suppliers and partners are receiving increasing strategic attention as organizations re-evaluate their core functions. Supplier processes should fulfill two purposes: to help improve the performance of suppliers and partners and also on specific actions to help them contribute to your organization's improved performance. Supply chain management might include processes for supplier selection; with the aim of reducing the total number of suppliers and increasing preferred supplier and partnering agreements.

6.2 (Headquarters, XVIII Airborne Corps and Fort Bragg, self-assessment for 2002 PQA Application)

Shows only a technique for assessment. This does not represent a 100% Score:

6.2a Business Processes

6.2a(1-3) Key Business Processes, Requirements, and Measures. Our business processes are critical to our success both in the short- and long-term. They are so critical that they have assigned champions and are carefully managed and routinely reviewed. Our key business processes, key requirements, measures, and champions are listed in Figure 6.2.1.

6.2a(4) Design and Perform Key Business Processes to Meet Key Requirements. We use the PIC to design, deploy, test, and improve our key business processes. Process champions are responsible to end=sure the Process is comprehensively designed, tested, improved, deployed, and monitored. Key stakeholders from all levels of or QMS provide feedback through our review process (Figures 2.1.1 and 2.2.1).

6.2a(5-6) How We Minimize Overall Costs Associated with Inspections, Tests, and Audits. The nature and intent of our key business processes make it difficult to test and/or inspect. However, they are meticulously monitored to ensure they are achieving the desired results. For example, our Commercial Activities process integrates the use of tiger teams to review associated documentation with ongoing studies to add a more objective dimension to the final documentation. For our Strategic Planning and Partnerships processes, feedback from the Centurion, Army Communities of Excellence, and Presidential Quality Programs serve as excellent evaluation vehicles. Such information is routinely used to improve our key business processes through our strategic planning processes and PIC. This information is provided to the senior levels of our QMS and our PIC is used to improve the process. Our fully deployed strategic planning process is a prime example of continuous improvement of our business processes based on such feedback.

6.3 Support Processes (15 pts.) [Approach-Deployment]

Describe how your organization manages its key processes that support your daily operations and your employees in delivering products and services.

Within your response, include answers to the following questions:

a. Support Processes

(1) What are your key processes for supporting your daily operations and your employees in delivering products and services?

(2) How do you determine key support process requirements, incorporating input from internal customers, as appropriate? What are the key operational requirements (such as productivity and cycle time) for these processes?

(3) How do you design these processes to meet all the key requirements?

(4) How does your day-to-day operation of key support processes ensure meeting key performance requirements?

(5) What are your key performance measures/indicators used for the control and improvement of these processes? Include how in-process measures and internal customer feedback are used in managing your support processes, as appropriate.

(6) How do you minimize overall costs associated with inspections, tests, and process/ performance audits?

(7) How do you improve your support processes to achieve better performance and to keep them current with business needs and directions? How are improvements shared with other organizational units and processes, as appropriate?

Notes:

N1. Your key support processes are those that are considered most important for support of your organization's product/service design and delivery processes and daily operations. These might include finance and accounting, facilities management, legal, human resource, and administration processes.

N2. The results of improvements in your key support processes and key support process performance results should be reported in Item 7.4.

6.3 Support Processes

Purpose

This Item examines your organization's key support processes with the aim of improving your overall operational performance.

Requirements

You are asked:

- ??to identify your key support processes and their design requirements;
- ??how your organization's key support processes are designed to meet all your requirements and how you incorporate input from internal customers, as appropriate;
- ??how day-to-day operation of your key support processes ensures meeting the key requirements, including how in-process measures and internal customer feedback are used;
- ??how you minimize costs associated with inspections, tests, and audits through use of prevention-based processes; and
- ??how you improve your key support processes to achieve better performance and to keep them current with your changing business needs and directions.

Comments

Your support processes are those that support your daily operations and your product and/or service delivery but are not usually designed in detail with the products and services. The support process requirements usually do not depend significantly on product and service characteristics. Support process design requirements usually depend significantly on your internal requirements, and they must be coordinated and integrated to ensure efficient, effective linkage and performance. Support processes might include finance and accounting, facilities management, legal services, human resource services, public relations, and other administrative services.

This Item calls for information on how your organization evaluates and improves the performance of your key support processes. Four approaches frequently used are:

- process analysis and research,
- benchmarking,
- use of alternative technology, and
- use of information from customers of the processes.

Together, these approaches offer a wide range of possibilities, including complete redesign ("reengineering") of processes.

Example 6.3 (U.S. Army Engineering and Support Center, Huntsville, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score.:

6.3 Support Processes. Key support processes, their principal performance and operational requirements, associated performance measures and major improvement goals are identified in figure 6.2-1. Support elements identify internal and external customers requirements by means of focus-group meetings, CMR analysis, feedback from cross-functional teams and steering committees, PRB participation, partnering interactions, and other face-to-face discussions to ensure that all requirements are communicated effectively. We analyze, evaluate, prioritize, and incorporate requirements as individual or overall process objectives. *[2.1a, 4.1]* Each support element develops tactical plans that identify customer requirements and define how these requirements will be met. This process ensures that each employee is aware of her or his role in carrying out larger, strategic commitment to satisfy customer requirements.

Consistent with our commitment to continuous improvement, our processes concerning supplier and partner relationships and performance are routinely subjected to our process to improve processes (6.1b, 6.1a, and figs 6.2-1, 6.3-1).

Owners of support processes attend the Commander's weekly staff meeting, the PRB, and other forums to ensure that all requirements are effectively communicated. After external-customer objectives are identified [*3.1a*], individual support elements reach agreement with internal customers concerning goals and then identify what resources are required and available to achieve these goals. Support elements designate teams to set up objectives for achieving results, together with employee training plans to meet these objectives and maximize shared learning. We also incorporate support activities in our project master schedules and 2101 fiscal-execution system, which are managed through monthly WPRB and PRB meetings.

Figure 6.2-1 *Our key support processes, principal performance and operational requirements, management and performance measures, and major improvements goals.*

Performance Requirements	Key Support Processes	Operational Requirements	Management & Performance Measures	Major Improvement Goals
Finance Support	Operating budget Finance and accounting	Accurate, timely, reliable, cost-effective, quality	CMR, PBAC, PRB, WPRB, [figs. 7.2-3, 7.3-9, -4, 7.5-1]	Establish customer feedback loop
Information Management	Information systems Communication	Reliable, cost-effective, responsive, flexible, quality	CMR, QC, IM Steering Committee	Improve customer satisfaction
Procurement	Supplier procurement Contract management	Accurate, reliable, responsive, flexible, cost-effective, quality	CMR, PRB, PALT, BCO [figs. 7.5-8, -9]	Increase small business utilization
Logistics Management	Transportation and supply management	Reliable, timely, responsive, flexible, cost-effective	CMR, Internal Review, surveys [fig. 7.5-11]	Improve customer satisfaction
Legal Services	Contract review District representation	Responsive, timely, accurate, quality, reliable	Case Management Information System	Adopt Law Manager Reporting System
Human Resources	Staff procurement Staff administration	Responsive, timely, reliable, quality	CMR, customer surveys [fig. 7.3-10]	Develop HR business plan
* BCO = Biddability, Constructibility, Operability; PALT = Procurement Action Lead Time.				

7.0 Business Results (450 pts.)

The **Business Results** Category examines your organization's performance and improvement in key business areas – customer satisfaction, product and service performance, financial and marketplace performance, human resource results, and operational performance. Also examined are performance levels relative to competitors.

7.1 Customer-Focused Results (125 pts.) [Results]

Summarize your organization's key customer-focused results, including customer satisfaction and product and service performance results. Segment your results by customer groups and market segments, as appropriate. Include appropriate comparative data.

Provide data and information to answer the following questions:

a. Customer Results

(1) What are your current levels and trends in key measures/indicators of customer satisfaction and dissatisfaction, including comparisons with competitors' or other like organizations' levels of customer satisfaction?

(2) What are your current levels and trends in key measures/indicators of customer-perceived value, customer retention, positive referral, and/or other aspects of building relationships with customers, as appropriate?

b. Product and Service Results

What are your current levels and trends in key measures/indicators of product and service performance that are important to your customers?

Notes:

N1. Customer satisfaction and dissatisfaction results reported in this Item should relate to determination methods and data described in Item 3.2.

N2. Measures and/or indicators of customer satisfaction with your products/services relative to customers' satisfaction with competitors might include objective information and data from your customers and from independent organizations.

N3. Service performance (7.1b) might include measures of success in providing nontraditional services to customers, such as Internet-based services.

For definitions of the following key terms, see glossary at pages 100-106: levels, results, and trends.

7.0 Business Results — Item Descriptions

The Business Results Category provides a results focus that encompasses your customers' evaluation of your organization's products and services, your overall financial and market performance, and results of all key processes and process improvement activities. Through this focus, the Criteria's purposes – superior value of offerings as viewed by your customers and the marketplace, superior organizational performance as reflected in your operational and financial indicators, and organizational and personal learning – are maintained. Category 7 thus provides "real-time" information (measures of progress) for evaluation and improvement of processes, products, and services, in alignment with your overall organizational strategy. Item 4.1 calls for analysis of business results data and information to determine your overall organizational performance.

7.1 Customer-Focused Results

Purpose

This Item examines your organization's customer-focused performance results, with the aim of demonstrating how well your organization has been satisfying your customers and delivering product and service quality that lead to satisfaction, loyalty, and positive referral.

Requirements

You are asked to provide:

??current levels, trends, and appropriate comparisons for key measures/indicators of customer satisfaction and dissatisfaction, including comparisons with your competitors' levels of customer satisfaction;

??data and information on customer loyalty (retention), positive referral, and customer-perceived value; and

??levels and trends in key measures/indicators of product and service performance. Such results should be for key drivers of your customers' satisfaction and retention.

Comments

This Item focuses on the creation and use of all relevant data to determine and help predict your organization's performance as viewed by your customers. Relevant data and information include customer satisfaction and dissatisfaction; retention, gains, and losses of customers and customer accounts; customer complaints and warranty claims; customer-perceived value based on quality and price; customer assessment of access and ease of use (include courtesy in service interactions); and awards, ratings, and recognition from customers and independent organizations.

This Item includes measures of product and service performance that serve as indicators of customers' views and decision making relative to future purchases and relationships. These measures of product and service performance are derived from customer-related information gathered in Items 3.1 and 3.2.

Product and service measures appropriate for inclusion might be based upon the following: internal quality measurements, field performance of products, data collected from your customers by other organizations on ease of use or other attributes, or customer surveys on product and service performance.

The correlation between product/service performance and customer indicators is a critical management tool with multiple uses: (1) defining and focusing on key quality and customer requirements; (2) identifying product/service differentiators in the marketplace; and (3) determining cause-effect relationships between your product/service attributes and evidence of customer satisfaction and loyalty, as well as positive referrals. The correlation might reveal emerging or changing market segments, the changing importance of requirements, or even the potential obsolescence of offerings.

Example 7.1 (HQ, XVII Airborne and Fort Bragg, self assessment for 2002PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score.

(NOT ALL CHARTS SHOWN)

7.0 Business Results. Our customers' perception of our products and services, product and service performance, key financial and marketplace performance, human resource, key supplier/partner, and overall operational performance results important to our strategic direction are provided in this category.

The figure below is provided to aid in reviewing our business results. It identifies the figure number of each of our charts, the linkage to our key and support processes, and the status of competitive/ comparative data. For the latter: "Yes" means that competitive or comparative data is provided; "N/A" means that the measurement is unique to our processes and cannot be compared; "No" means that a competitive comparison is possible, but has not yet been undertaken.

The linkage of each measure to our goals is also provided and relates to our strategic goals in Figure P.5 of the Profile.

7.1 Customer Focused Results. We determine customer satisfaction for our products and services through mechanisms described in Category 3. Our QMS provides the systematic process to collect, review, and analyze customer satisfaction levels and performance indicators throughout the organization. This information and the direct alignment with our key and support processes and major customer groups enable us to focus our efforts and resources where they are needed most.

Figure 7.0

		Performance Measures	Results (Figure #)	Competitive/ Comparative Data	Goal
Key Processes	Readiness	Unit Status Report Ratings (Input)	7.4.2-7.4.5	Yes	1
		Force Projection Capability	7.1.11, 7.4.7	Yes	1
		Dental Readiness	7.4.6	Yes	1
		Training Area Availability/Utilization	7.1.12-7.1.13	Yes	1
		Customer Satisfaction	7.1.2-7.1.5; 7.1.8	N/A	1
		ISR-Services	7.4.15	Yes	1
		Reserve Component Processing	7.1.9	No	1
		Funding	7.2.1	N/A	1
	Infrastructure	ISR-Infrastructure	7.4.12-7.4.13	Yes	9
		Infrastructure Reduction	7.4.14	N/A	9
		Warehouse Reduction Initiative	7.1.10	N/A	9
		Service Order Backlog	7.1.15	N/A	9
		Barracks Upgrade	7.1.17	Yes	9
		Energy Consumption Trends	7.4.24	Yes	9
		Customer Satisfaction	7.1.2-7.1.5, 7.1.14	N/A	9
		ISR-Services	7.4.15	Yes	9
		Funding	7.2.1	N/A	9
	Quality of Life	MWR Fund	7.2.10	Yes	2
		NIBD % to Revenue	7.2.11	Yes	2
		APF per Capita in MWR	7.2.12	Yes	2
		AAFES Dividends	7.2.13	N/A	2
		Customer Satisfaction	7.1.2-7.1.5; 7.1.19-7.1.20; 7.1.22	NA	2
		ISR-Services	7.4.15	Yes	2
		Employee Satisfaction Survey	7.3.1-7.3.9	Yes	2
		Family Housing Allocation	7.1.16	N/A	2
		Funding	7.2.1	N/A	2

		Performance Measures	Results (Figure #)	Competitive/ Comparative Data	Goal
Business Processes	SP	Centurion (APIC) Scores	7.4.1	Yes	3
		Installation Redesign	7.4.16	N/A	4
	CA	Commerical Activities Space Savings	7.4.25	No	9
	Partnerships	Pope Air Force Base	7.4.8	N/A	7
		Joint Agreements	7.4.17-7.4.18	N/A	7
		Unfair Labor Practices	7.3.15	N/A	7
		JCAHO Score Comparisons	7.4.19	Yes	7
		WAMC Customer Satisfication	7.1.20	N/A	7
Support Processes	Environment	Environmental Funding	7.2.6	N/A	6
		ISR-Environmental	7.4.22	Yes	6
		Notices of Violation	7.4.23	Yes	6
	Financial Management	Revenue (New Markets)	7.2.4	N/A	4
		Workers' Compensation Costs	7.2.14	No	4
		Army Family Housing Funding	7.2.9	No	4
		Customer Base	7.1.1	N/A	4
		Credit Card Savings	7.2.5	Yes	4
		Funding	7.2.1-7.2.3 7.2.7	N/A	4
		Vacant Quarters Maintenance	7.4.21	No	4
	Human Resource Mgmt	Civilian Training	7.3.10	N/A	5
		Training Satisfaction	7.3.11	Yes	5
		Awards	7.3.12	No	5
		Grievances	7.3.14	N/A	5
		Diversity in the Work Force	7.3.13	Yes	5
		CRCP	7.3.18	No	5
		Risk Reduction Profile	7.3.19	N/A	8
		EO & EEO Complaints	7.3.16-7.3.17	N/A	5
	IT	Service Based Information Technology	7.1.18, 7.2.8	N/A	4

Note: SP=Strategic Planning; IT=Information Technology; CA=Commerical Activities

Figures 7.1.1-7.1.4. We have maintained a stable customer base with a slight increase in retirees (Figure 7.1.1). Our customer satisfaction survey is aligned with the services monitored in the Installation Status Report and our key and support processes and provides us a snapshot of satisfaction and importance. This information is validated using other mechanisms identified in Figure 3.1.1 and other surveys conducted throughout the organization. We group the services surveyed by customer group within each of our key processes for better management, trend analysis, and prioritization of improvement initiatives. We are resurveying our customers this summer.

Figure 7.1.1 **Customer Base**

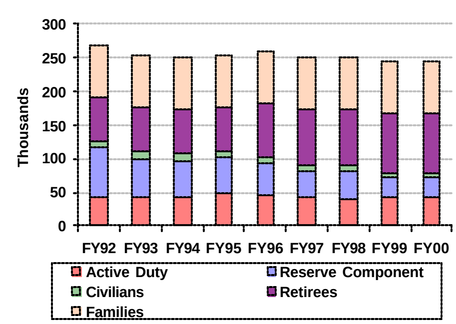


Figure 7.1.2 Overall Customer Satisfaction
By Customer Segment

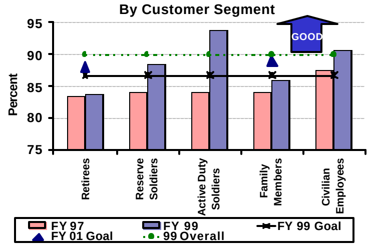


Figure 7.1.2: Our FY99 goal to increase satisfaction levels by 4% resulted in an actual 5.3% increase. Our two least satisfied customer groups (retirees and family members) are the targets for improvement, while sustaining current levels for the other three groups.

Figure 7.1.3 **Customer Satisfaction**
By Key Process

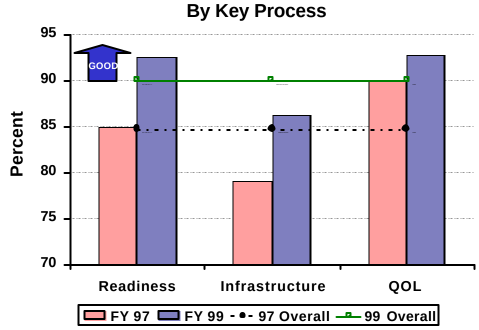


Figure 7.1.3: Improvement efforts over the last 2 years resulted in increased overall satisfaction in all key processes.

Figure 7.1.4 **Customer Satisfaction**
By Key Process and Customer Segment

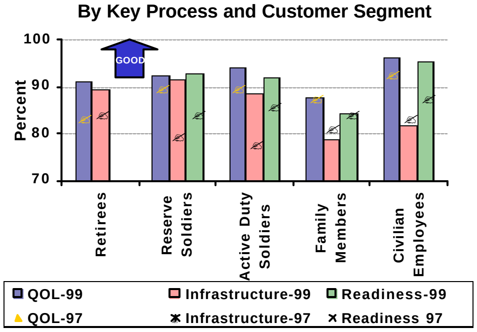


Figure 7.1.4: All satisfaction levels improved with only two exceptions in Infrastructure. This will be our biggest challenge as our facility maintenance dollars continues to decline.

Figure 7.1.5 **Importance vs Satisfaction**
Score Deviation By Key Service

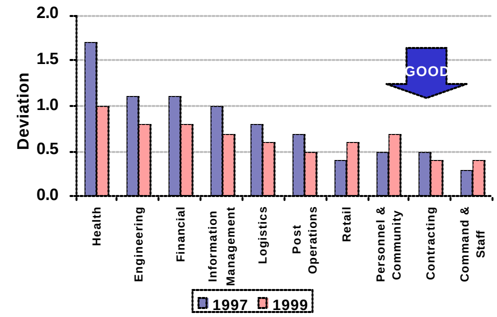


Figure 7.1.5: Another tool we use to prioritize our improvement efforts is to use the deviation in ratings received between importance (perceived value) and satisfaction on a scale of 1 (low) and 5 (high). Health services continue to have the greatest deviation, although improvement initiatives have closed the gap. Increased deviations in Retail, Personnel & Community, and Command & Staff are being analyzed by owning activities to identify improvement initiatives.

Figures 7.1.6-7.1.7: Other tools our Commanding General uses to monitor customer dissatisfaction are the Dial 6-BOSS program and Inspector General Action Requests.

Figure 7.1.6 **Dial 6-BOSS Inquiries**

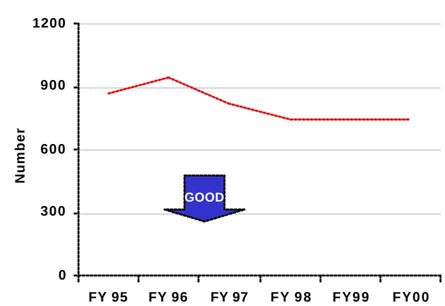


Figure 7.1.6: 96% of Dial 6-Boss inquiries were completed within the 8 working day standard.

Figure 7.1.7 **Inspector General**
Action Requests

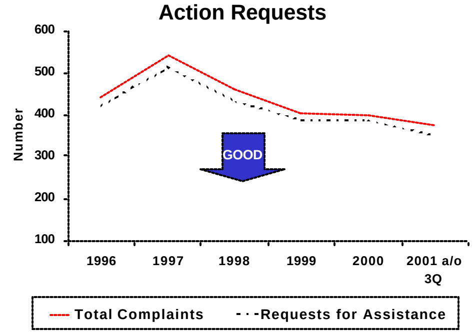


Figure 7.1.7: The decrease since 1997 is a result of the Inspector General's (IG) "teach and train" philosophy. The IG teaches and trains at all levels, equipping leaders and soldiers with tools to resolve issues of concern faster and at unit level. Resolution of 100% of requests and substantiated complaints met our standard.

Figures 7.1.8-7.1.13: Aggressive initiatives to improve the services in our most important key process (Readiness) resulted in significant improvements in customer satisfaction in all but one of our subservices (Figure 7.1.8).

Figure 7.1.8

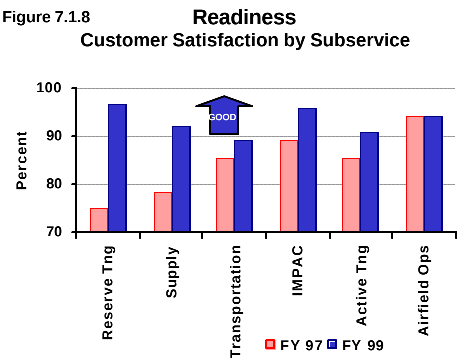


Figure 7.1.9

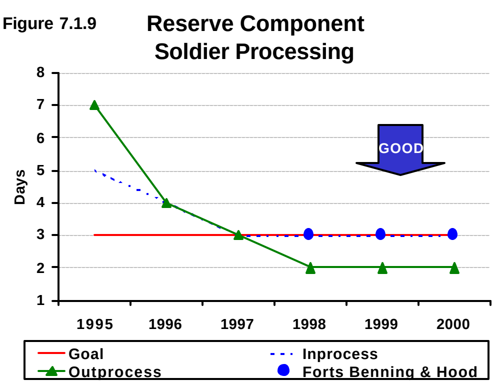


Figure 7.1.9: Reduction in the cycle time to conduct soldier in- and out-processing impacts our readiness status. Through a 4-year plan, we reduced the number of days from seven to two and exceeded our internal goal. (Reserve Training subservice)

Figure 7.1.10

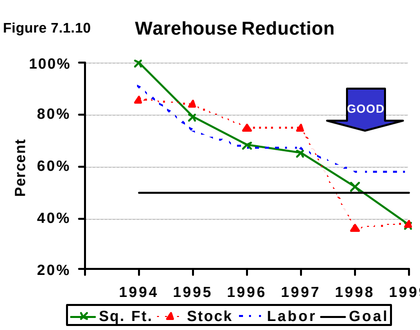


Figure 7.1.10: We changed our philosophy on warehouse storage and utilization to improve customer satisfaction. As a result, we maximize use of expeditors to obtain and track requisitions, local procurement to cut lead times, and the Army's Velocity Management program. This is a completed goal. (Supply subservice)

Figure 7.1.11

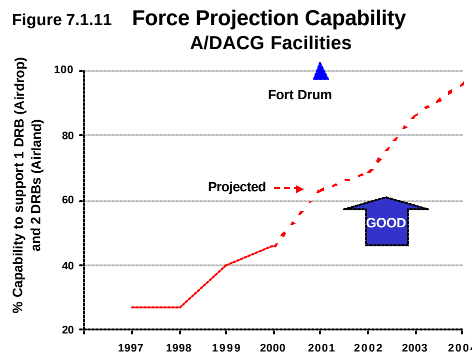


Figure 7.1.11: The requirement is for the Arrival/Departure Airfield Control Group Facility to support one Division Ready Brigade or a two Division Ready scenario. Our four-phased Outload Enhancement Plan, benchmarked with Fort Drum, will enable us to meet this requirement. (Active Training and Airfield Operations subservices)

Figure 7.1.12

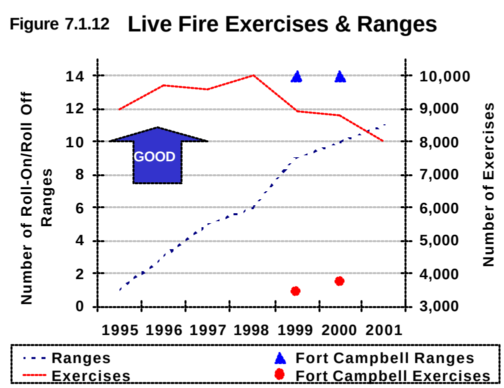


Figure 7.1.12: The upward trend in 1998 is a result of higher customer demand for realistic live fire training. Roll-On/Roll-Off ranges eliminate the need to spend valuable time setting up and removing targetry, thus increasing availability of ranges. The downward trend in usage in 1997 and 1999-2001 resulted from battalion level rotations overseas. (Active and Reserve Training subservices)

Figure 7.1.13 **Military Operations and Urban Terrain (MOUT) Site**

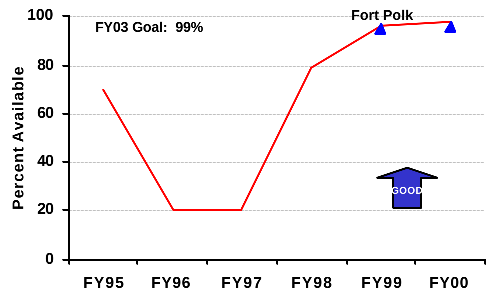


Figure 7.1.13: The MOUT provides training scenarios for a small, mobile force operating in an urban environment. Low FY96-97 usage was due to facility deterioration causing closure; funds were directed for improvement. (Active and Reserve Training subservices)

Figures 7.1.14-7.1.18: Aggressive initiatives to improve Facility Maintenance, Housing, and Phone Services (Figures 7.1.16-7.1.18) resulted in improved customer satisfaction. The decline in Emergency Service is being analyzed to determine improvements.

Figure 7.1.14 **Infrastructure Customer Satisfaction by Subservice**

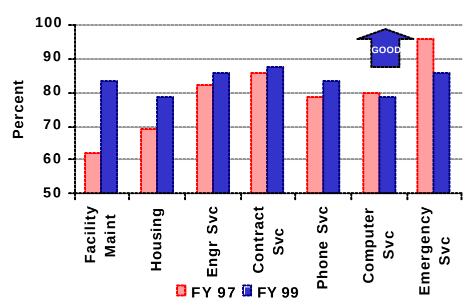


Figure 7.1.15 **Service Order Backlog**

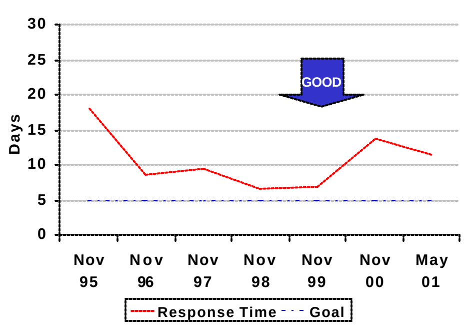


Figure 7.1.15: We established geographic work zones and just-in-time purchases and use credit card contractors for minor facility maintenance/repairs to reduce work order backlog, reduce service order response time from 26 to 5 days, and improve customer satisfaction (now rated at 92% on PWBC organizational survey). Other installations are benchmarking against Fort Bragg. Lack of funding in 4Q00 resulted in a credit card transaction freeze and increase in service order completions from 7 to 14 days by Nov 2000, which is anticipated again this year. (Facility Maintenance subservice)

Figure 7.1.16 **Family Housing Allocation (PVT - SGT)**

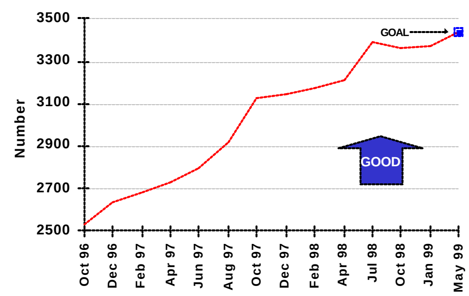


Figure 7.1.16: Fort Bragg's retention program is instrumental in minimizing the impact of personnel shortages in the Army. A major contributor to soldier retention and satisfaction is the availability of quality housing. Goals for reallocating 69% (3434) of Family Housing quarters to junior enlisted soldiers were set and achieved ahead of schedule. This goal is complete. (Housing subservice)

Figure 7.1.17 **Barracks Upgrade Spaces to Standard**

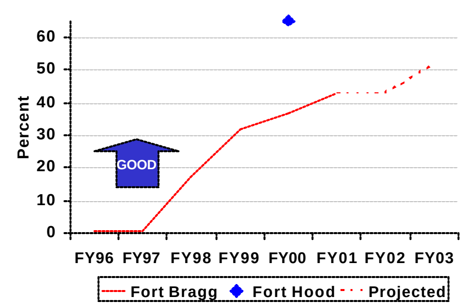


Figure 7.1.17: To improve the quality of life for single soldiers living in barracks, the facilities are being renovated or replaced to provide living space comparable with most apartment complexes. The goal is for all our barracks to meet this standard by FY2017. While Fort Hood is renovating existing barracks, we are taking a holistic approach by demolishing old barracks, company operations facilities, and parking to construct new complexes that will increase both the living and working environment. (Housing subservice)

Figure 7.1.18 **Service Based Information Technology**
Telephone Cost Comparisons

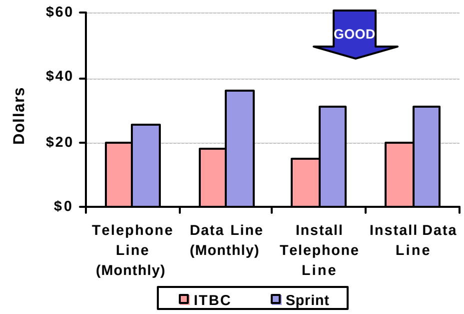


Figure 7.1.18: Comparing our ability to deliver service at a cost equal to or less than the local Telephone Company (Sprint), the Telephone Fee-for-Service initiative (renamed Service Information Based Technology (SBIT)) wins hands-down. By providing incentives for customers to reduce telephone service consumption, we reduced overall telephone costs (Figure 7.2.8) and the monthly average cost per line from $28.25 to $25.39 since FY98. (Phone Service subservice)

Figures 7.1.19-7.1.23: We use a variety of tools to monitor satisfaction levels and prioritize improvement initiatives for our Quality of Life services. Initiatives to improve services with the lowest satisfaction rates resulted in increased satisfaction.

Figure 7.1.19 **Quality Of Life**
Customer Satisfaction by Subservice

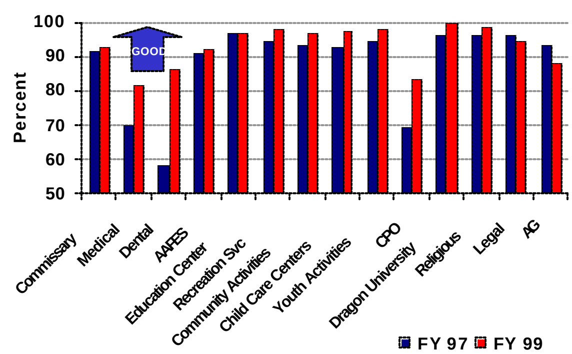


Figure 7.1.20 **Army Family Action Plan Survey**
Importance vs Performance Ratings Deviation

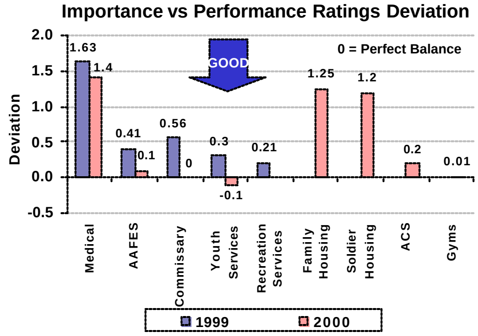


Figure 7.1.20: This survey, conducted in conjunction with our Annual Family Symposium, measures customer perceived value and performance satisfaction of our quality of life services. When compared to customer satisfaction in Figure 7.1.19, our focus on medical services, family housing, soldier housing, and gyms was validated. Some of the categories surveyed were different than previous years, making it difficult to compare against previous results.

Figure 7.1.21 **Womack Army Medical Center**
Average Monthly Customer Complaints

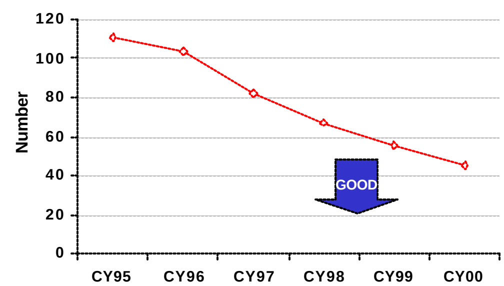


Figure 7.1.21: WAMC developed an aggressive plan with over 50 initiatives to improve customer satisfaction (example at Figure 7.4.20). Their success is reflected in the dramatic reduction in complaints since CY95. The average yearly percent of complaints to visit is .0001.

Figure 7.1.22 **Triennial Needs Survey**
Customer Quality Rating - Gyms

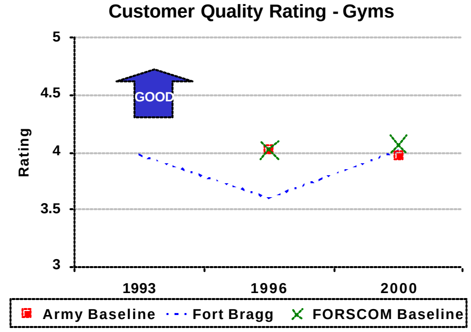


Figure 7.1.22: Trends of the Army -wide Morale, Welfare, and Recreation survey are monitored triennially. Our continued focus on upgrading gyms (Recreational Services) will increase our ability to compete with the local, state-of-the-art membership gyms.

7.2 Financial Performance Results (125 pts.) [Results]

Summarize your organization's key financial and marketplace performance results by market segments, as appropriate. Include appropriate comparative data.

Provide data and information to answer the following questions:

a. Financial and Market Results

(1) What are your current levels and trends in key measures/indicators of financial performance, including aggregate measures of financial return and/or economic value, as appropriate?

(2) What are your current levels and trends in key measures/indicators of marketplace performance, including market share/position, business growth, and new markets entered, as appropriate?

Notes:

N1. Responses to 7.2a(1) might include aggregate measures such as return on investment (ROI), asset utilization, operating margins, profitability, profitability by market/customer segment, liquidity, debt to equity ratio, value added per employee, and financial activity measures.

N2. New markets entered (7.2a[2]) might include offering Web-based services

7.2 Financial and Market Results

Purpose

This Item addresses your organization's financial and market results, with the aim of understanding your marketplace challenges and opportunities.

Requirements

You are asked to provide levels, trends, and appropriate comparisons for key financial, market, and business indicators. Overall, these results should provide a complete picture of your financial and marketplace success and challenges.

Comments

Measures reported in this Item are those usually tracked by senior leadership on an ongoing basis to assess your organization's performance.

Appropriate financial measures and indicators might include revenue, profits, market position, cash-to-cash cycle time, earnings per share, and returns. Marketplace performance measures might include market share, measures of business growth, new product and geographic markets entered (including exports), entry into e-commerce markets, and the percentage of sales derived from new products.

Example 7.2 (U.S. Army Engineering and Support Center, Huntsville, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

(NOT ALL CHARTS SHOWN)

7.2a Financial and Market Results

7.2a(1) Financial performance

Responding to our customers' concerns about costs (fig. 7.1-1), we changed the way we do business in order to improve our efficiency. Methods used for controlling costs include:

??Setting and reviewing performance, establishing goals, and taking corrective action in our Business Meetings and PRB's (1.1b(1) and table 1.1-1).

??Implementing a team structure (5.1a(1)).

??Educating the work force on cost of doing business.

??Eliminating and reclassifying overhead positions and supervisory levels (fig. 7.3-15).

??Emphasizing chargeability (figs. 7.2-13, -14).

??Ensuring adequate funding early (fig. 7.2-15).

??Establishing a Contracting Directorate (CT) overhead account (fig. 7.5-33).

??Monitoring workload and manpower use (figs. 7.2-6).

As a result, we have increased our efficiency significantly since 1995 as reported in table 7.2-1. This table is the highest level aggregate for corporate performance. These indicators track "efficiency at a glance." Figs. 7.2-1 through -16 are breakdowns of these indicators. Breakdowns are analyzed to the lowest levels and reviewed as explained in 1.1b and table 1.1-1. As explained in 4.1a(1), we use dollars as indicators for a present and future indicator of financial health, past and future indicator of productivity, present indicator of quality, leading indicator of competitiveness, and leading indicator of customer satisfaction.

Table 7.2-1. Aggregate of HNC Performance

Indicator	FY92-95	BALDRIGE	FY96-99	Change	FY 99 Only	Change
In-house % of total expenditures	11.3%		7.7%	32%	6.4%	43%
G&A	42%		28%	33%	24%	43%
Engineering TLM	2.8		2.40	14%	2.42%	14%
Workload/FTE *(current dollars)*	$735K		$1064 M	45%	$1356 M	84%
TOTAL SAVNGS = $80.3 Million						

Fig. 7.2-1 shows the savings since we adopted the Baldrige criteria. Those savings total $80.3M in in-house savings alone, which equals the training budget for a mechanized infantry or armor division. In private industry that amount would equate to profit.

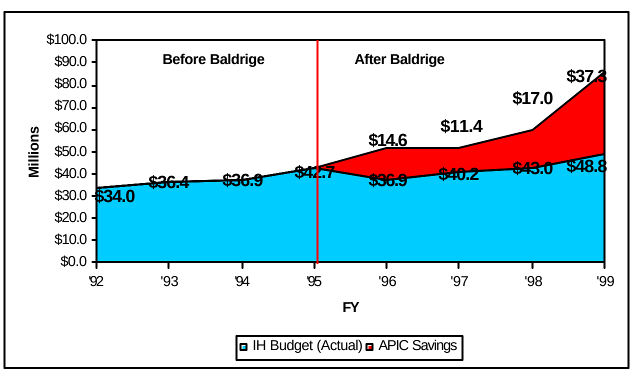
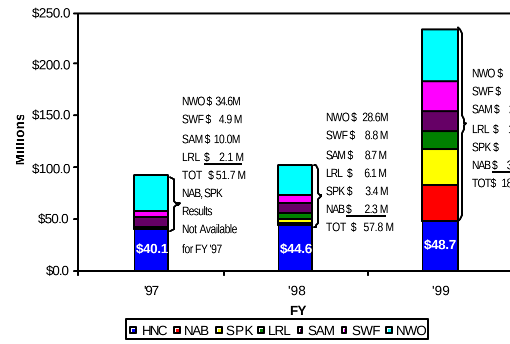


Fig. 7.2-1. Savings in In-House Operations

Fig. 7.2-2 shows the additional in-house cost to our customers if our work were done by similar providers.

Fig. 7.2-2. Cost Comparison to Other Corps Elements

Fig. 7.2-3 shows expenditures against full-time equivalent



(FTE) employees. While workload has grown our work force has remained fairly steady, indicating a rise in productivity.

Fig. 7.2-3. Stress Chart

(Remaining charts not shown)

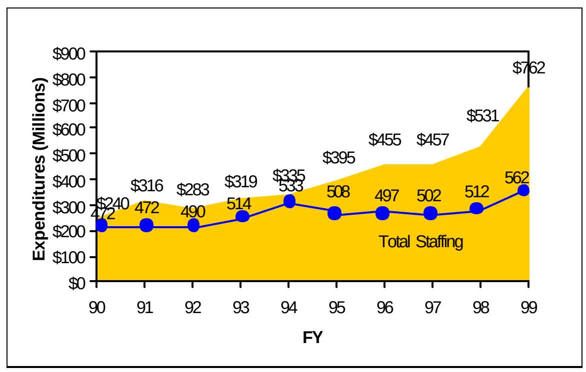


Fig. 7.2-4 shows that the initiatives we began in FY95 have enabled us to execute programs with a much smaller percentage of customers' money. We measure that efficiency as in-house percent of total expenditures. The slight increases in FY97 and FY98 are due to the costs of creating Chem Demil construction resident offices. Fig.7.2-5 compares our in-house percent of total expenditures to Corps military districts.

Fig. 7.2-6 shows our workload increasing since 1995. Workload per FTE between FY96-99 was 41% higher than between FY92-95, indicating significant gains in efficiency. Figs. 7.2-7a and b show that we have the highest workload compared to similar providers. We attribute our increased productivity, in part, to our teaming structure and our innovative O&M process.

Fig. 7.2-8 shows the downward trend in our general and administrative (G&A) overhead rates.

Total labor multiplier (TLM) is the indirect costs distributed to each direct labor dollar. Because TLM includes in-house labor, fringe benefits, G&A, departmental overhead, and base rate (fig. 7.2-11), it is one of our key efficiency indicators. The total hourly charge to a customer is calculated by multiplying the TLM by the basic hourly pay rate. Because TLM is an industry standard, we use it to compare our performance to similar providers. Figs. 7.2-9 and -10 show our design and P&PM TLM compared to major Corps military districts. Fig. 7.2-11 shows that since FY95 our engineering TLM dropped 17%, from 2.90 to 2.42, thus decreasing the hourly rate charged to our customers. Fig. 7.2-12 compares our design labor cost per hour compared to major design firms. Our low TLM helps us keep our hourly labor costs down.

Design chargeability, the rate at which we charge directly to project accounts, is linked to controlling overhead rates. Fig. 7.2-13 shows that since FY95, our rate has been consistently higher than the industry average. Fig. 7.2-13 shows that our chargeability improved from 58% in FY94 to 67% in FY99. Fig. 7.2-14 shows that we have the highest chargeability rate of key Corps military districts. We attribute our improved rates to our emphasis on obtaining project funds early in the fiscal year, thereby reducing charges to overhead and increasing direct charges by earlier work start dates as shown in fig. 7.2-15. By receiving our funds early, we can distribute work evenly across the fiscal year. That is one way we increase our efficiency.

Fig. 7.2-16 shows our month-by-month expenditures since FY94. The smoother the slope, the more even the work distribution, a factor that adds to our efficiency and high chargeability.

7.2a(2) Marketplace performance. Since we are a reimbursable organization, our funding source is a customer base that is free to look elsewhere for products and services. Fig. 7.2-17 shows the ebb and flow of that base over time. Fig. 3 in the Overview shows our growth in responsibility. Throughout our history, in those areas which we are permitted to market (3.1a(1)), we maintain market share through our ability to offer customers more for their money, quality technical expertise, and responsive cycle time through innovative contracting processes.

Fig. 7.2-18 shows the growth trend for Chem Demil, OE, and Installation Support product lines. The large projected increase for Chem Demil is due to construction starts at three new sites. Because of the FY01 Chem Demil downturn identified during strategic planning, we are preparing a proposal for the two follow-on plants. The increase in Installation Support is due to the transfer of the Center for Public Works (CPW) mission (table 3.1-3). OE workload is projected to remain steady as we substitute advanced technology for our current processes. We also plan to migrate the less sophisticated and less dangerous work to Corps districts. In table 7.1-1, question 18, our customers indicated that 72.7% of our services would increase or remain the same over the next five years.

Fig. 7.2-19 shows our Medical and BMD growth trends since 1992.

Results for our operations plan action plans developed during strategic planning are reported in table 2.2-1, column 4, S*tatus*, and are measured for success as reported in table 4.1-1, Key Success Factors.

7.3 Human Resource Results (80 pts.) [Results]

Summarize your organization's key human resource results, including employee well being, satisfaction, and development and work system performance. Segment your results to address the diversity of your workforce and the different types and categories of employees, as appropriate. Include appropriate comparative data.

Provide data and information to answer the following questions:

a. Human Resource Results

(1) What are your current levels and trends in key measures/indicators of employee well being, satisfaction and dissatisfaction, and development?

(2) What are your current levels and trends in key measures/indicators of work system performance and effectiveness?

Notes:

N1. The results reported in this Item should relate to activities described in Category 5. Your results should be responsive to key process needs described in Category 6, and to your organization's action plans and human resource plans described in Item 2.2.

N2. For appropriate measures of employee well-being and satisfaction (7.3a[1]), see Notes to Item 5.3. Appropriate measures/indicators of employee development might include innovation and suggestion rates, courses completed,

earning, on-the-job performance improvements, and cross-training rates.

N3. Appropriate measures/indicators of work system performance and effectiveness (7.3a(2)) might include job and job classification simplification, job rotation, work layout, and changing supervisory ratios.

7.3 Human Resource Results

Purpose

This Item addresses your organization's human resource results with the aim of demonstrating how well your organization has been creating and maintaining a positive, productive, learning, and caring work environment for all employees.

Requirements

You are asked to provide:

- ??current levels, trends, and appropriate comparisons for key measures/indicators of employee well-being, satisfaction, dissatisfaction, and development; and development; and.
- ??data and information on the performance and effectiveness of your organization's work system.

Comments

Results reported could include generic or organization-specific factors. Generic factors might include safety, absenteeism, turnover, satisfaction, and complaints (grievances). For some measures, such as absenteeism and turnover, local or regional comparisons are appropriate.

Organization-specific factors are those you assess for determining your employees' well-being and satisfaction. These factors might include the extent of training or cross-training, or extent and success of self-direction.

Results measures reported for work system performance might include improvement in job classification, job rotation, work layout, and local decision-making. Results reported might include input data, such as extent of training, but the main emphasis should be on data that show effectiveness of outcomes

<u>Example 7.3</u> (HQ, XVIII Airborne Corps and Fort Bragg, self-assessment for 2002 PQA Application)

<u>Shows only a technique for assessment. This example does not represent a 100% Score:</u>

(NOT ALL CHARTS SHOWN)

7.3 Human Resource Results. A key measure of our Quality of Life key process is overall employee satisfaction. Our Human Resource support process uses a variety of measures to determine satisfaction in areas important to our leaders and employees, and which impact customer satisfaction and operational performance.

Figures 7.3.1-7.3.7: Our Employee Satisfaction Survey (Category 5) measures the rate of satisfaction for our segmented key employee groups (supervisors/managers and employees). These survey areas link directly to our Human Resource Strategic Plan goals. Results are weighted and specific improvement goals established for the three subsystem categories with the highest rate of dissatisfaction (Figure 7.3.4). This survey, initially conducted annually, is now conducted triennially to allow sufficient time for implementation of improvement efforts. The Army average was calculated based on data extracted from the FY99 Army Personnel Attitude Survey.

Figures 7.3.1-7.3.3: With privatization studies in our Business Centers, the overall rate of satisfaction decreased from 66% to 60%. Our employee satisfaction rate is comparable to the Army average (61%).

Figure 7.3.1 **Employee Satisfaction Survey**
Major Category Satisfaction Rate

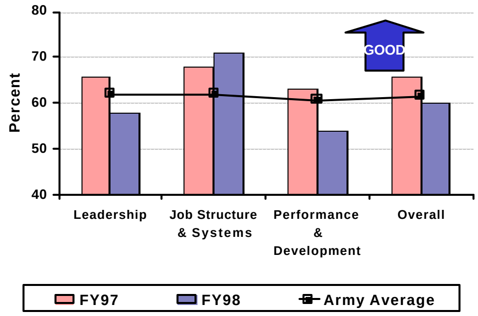


Figure 7.3.2 **Employee Satisfaction Survey**
All Subsystems

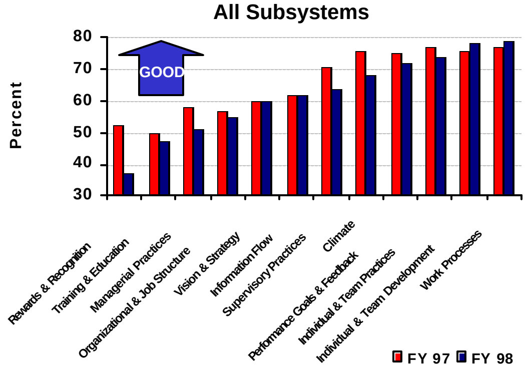


Figure 7.3.3 **Employee Satisfaction Survey**
Satisfaction Rate by Employee Group

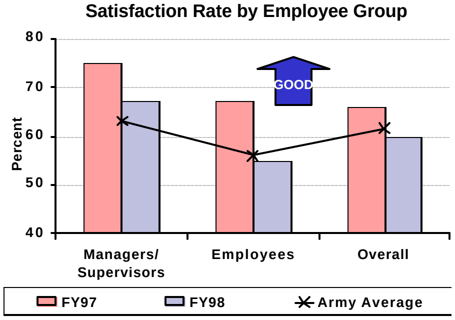


Figure 7.3.4 **Employee Satisfaction Survey**
Subsystem Categories

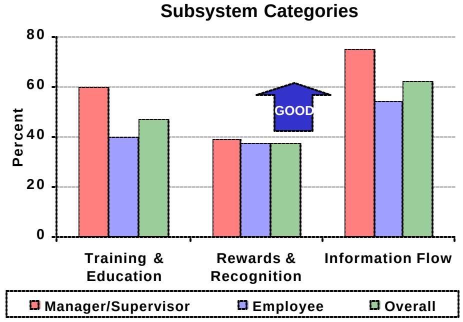


Figure 7.3.4: These three subsystems were selected for major short- and long-range specific improvement projects. The goal is to improve the satisfaction rate for each 3% (FY00) and 5% (FY03) over the FY97 baseline.

Figures 7.3.5-7.3.7: The goal is to maintain the satisfaction rate for these nine subsystems within the accepted range (58% to 66%).

Figure 7.3.5 **Employee Satisfaction Survey**
Subsystem Categories

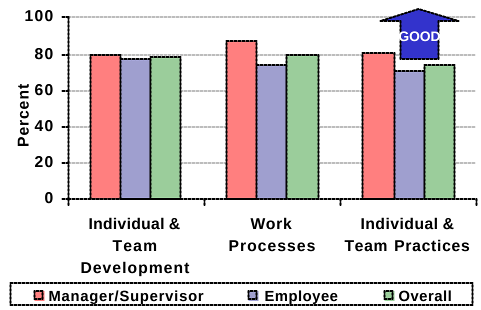


Figure 7.3.5: These items, rated highest, are direct indicators of employee satisfaction with work and job design in our team-based organization (Item 5.1a(1)).

Figure 7.3.6 **Employee Satisfaction Survey**
Subsystem Categories

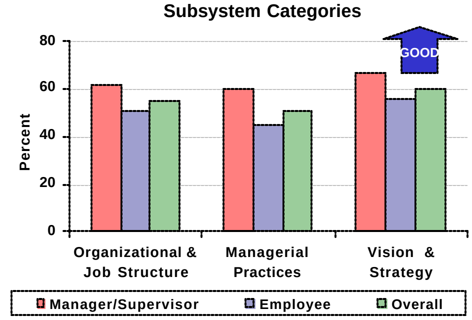


Figure 7.3.7 **Employee Satisfaction Survey**
Subsystem Categories

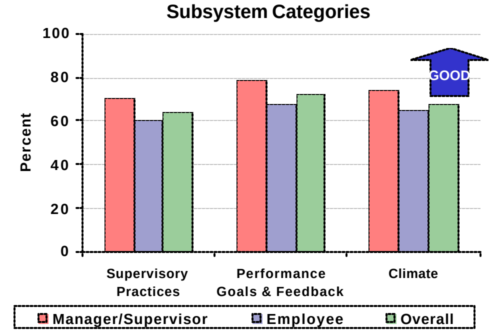


Figure 7.3.8

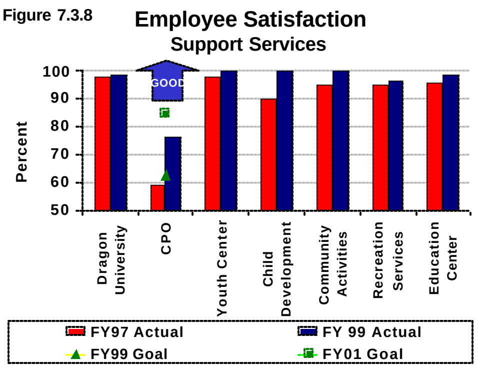


Figure 7.3.8: We measure satisfaction with support services through the Installation Customer Satisfaction Survey. We established specific initiatives to improve the satisfaction rate of our "Civilian Personnel Office" service, a segment in our Human Resource Strategic Plan, to 63% (FY99), which was exceeded by 13%; the FY01 goal is 85%.

Figure 7.3.9

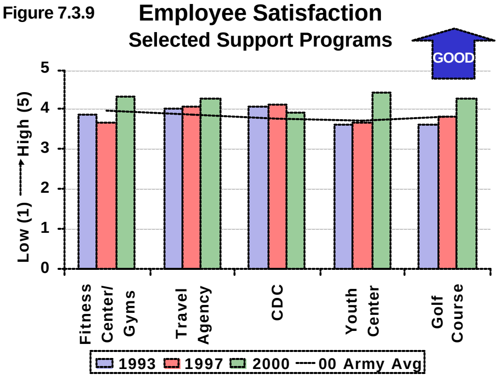


Figure 7.3.9: We also measure employee satisfaction with support programs using the Morale, Welfare, and Recreation Triennial Needs Survey. Satisfaction increased with renovation of fitness centers/gyms and the opening of the largest Youth Center in the Army in June 1999.

Figure 7.3.10

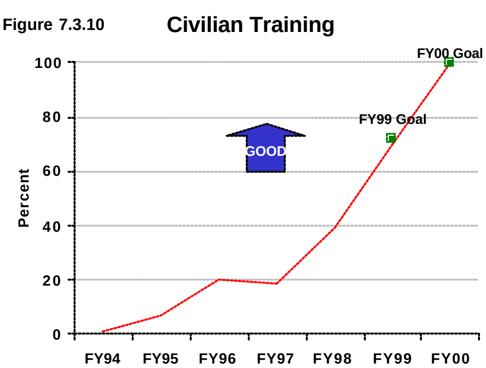


Figure 7.3.10: This increase resulted from deployment of our Employee Development Training Plan (EDTP). We attained our stretch target to complete 100% of the EDTP training by 4Q, FY00. Ongoing training exists to ensure new employees are also provided this valuable training.

Figure 7.3.11

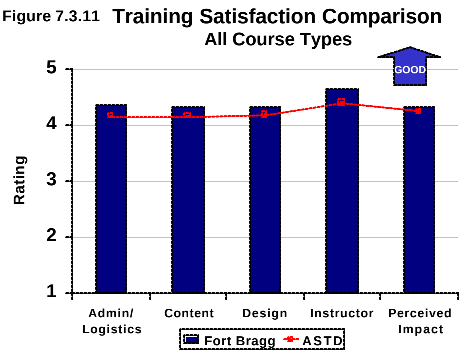


Figure 7.3.11: Student responses to critique questions for Bragg training is higher on average than the American Society for Training and Development (ASTD). The ASTD average is a composite of other organizations participating in this free benchmarking service (13 questions cover 5 basic training evaluation categories shown above).

Figure 7.3.12

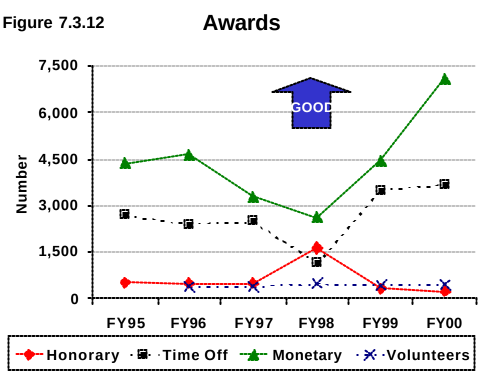


Figure 7.3.12: Our leadership "fenced" 20% of available FY99 award funds to recognize teams for Special Acts and published guidance to improve equitability of individual awards, resulting in increased distribution of monetary and time off awards.

Figure 7.3.13

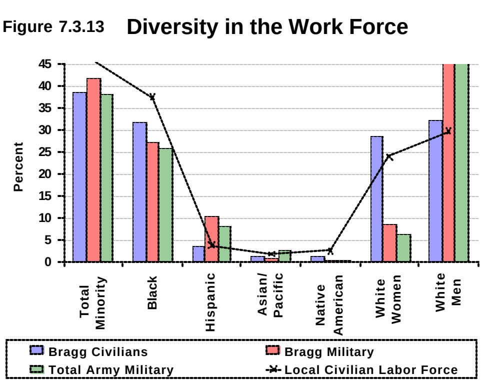


Figure 7.3.13: Fort Bragg's Affirmative Employment Program goals assist managers and supervisors in achieving a better work force balance by exercising equality in hiring practices. The total minority composition of our work force exceeds that of the Army overall. (Minority women are included in the appropriate ethnic group.)

Figure 7.3.14 **Grievances**

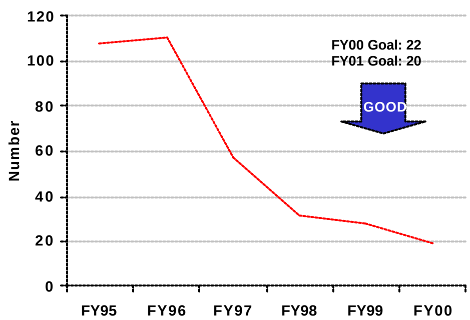


Figure 7.3.14: We attribute the reduction in civilian grievances to our continued open communications with labor organizations and employees. Despite ongoing privatization studies, the number has significantly decreased since FY95.

Figure 7.3.15 **Unfair Labor Practice Charges**

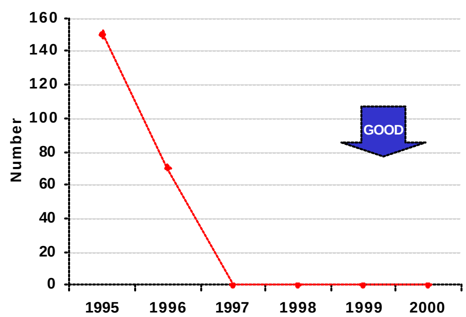


Figure 7.3.15: Unfair Labor Practices (ULPs) are charges filed by the Union against Management for allegedly not complying with the negotiated contract agreement. Drastic reductions in the number of ULPs filed reflect the success of the continued partnership between the local AFGE and our Commanding General.

Figure 7.3.16 **Equal Opportunity Complaints**
Rate Per Thousand

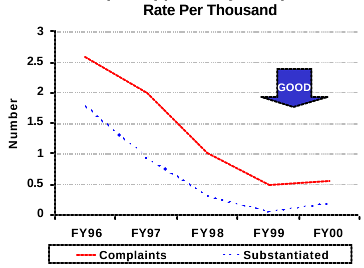


Figure 7.3.16: The substantial decrease in complaints is the result of command emphasis and open communication. The small increase in the rate of substantiated for FY00 is a result of improved investigation procedures. The statutory timelines for processing complaints was achieved 100% of the time.

Figure 7.3.17 **EEO Complaint Resolution**

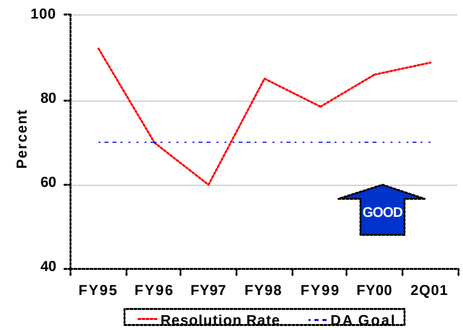


Figure 7.3.17: Through increased emphasis and the use of mediation/dispute resolution, we continue to meet or exceed the Army goal. Multiple complaints filed by the same employees attributed to the low resolution rate in FY97.

Figure 7.3.18 **Civilian Resources Conservation Program**
Injury Rate Per 1000 Employees

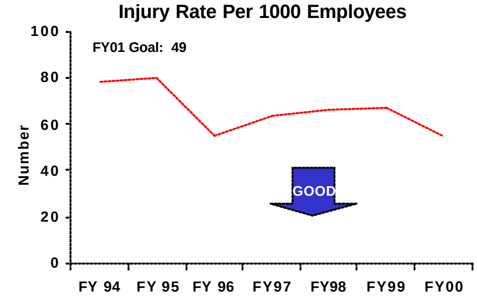


Figure 7.3.18: Under Fort Bragg's Civilian Resource Conservation Program Committee organized in FY96, aggressive initiatives were developed to reduce the injuries sustained by our civilian employees. As a result, we were below our goals from FY96-00.

Figure 7.3.19 **Fort Bragg Risk Reduction Profile**
Indicators Above Standard

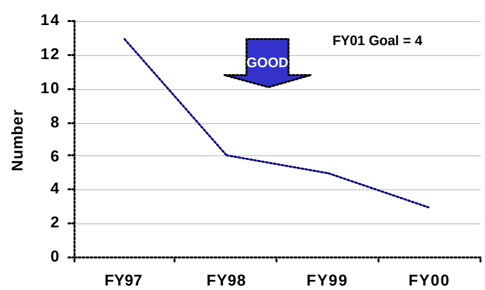


Figure 7.3.19: The goal to reduce the number of indicators above the Fort Bragg average rate per 1000 for 13 major risk indicators is being realized. This positive trend is indicative of proactive education and awareness initiatives, as well as timely corrective actions. Our Risk Reduction and Safety Readiness Steering Committee monitors trends in each of the 13 indicators (including DWI, Accidents, Drugs, Abuse, etc.) monthly and reports findings quarterly to the Command. Lack of reporting standards make it difficult to compare against other installations; therefore, our Command chose to compare progress against our own average over a period of 18 fiscal year quarters.

7.4 Organizational Effectiveness Results (120 pts.) [Results]

Summarize your organization's key performance results that contribute to the achievement of organizational effectiveness. Include appropriate comparative data.

Provide data and information to answer the following questions:

a. Operational Results

(1) What are your current levels and trends in key measures/indicators of the operational perfomance of key design, production, delivery, business, and support processes? Include productivity, cycle time, supplier/partner performance, and other appropriate measures of effectiveness and efficiency.

(2) What are your results for key measures/indicators of accomplishment of organizational strategy?

b. Public Responsibility and Citizenship Results

What are your results for key measures/indicators of regulatory/legal compliance and citizenship?

Notes:

N1. Results reported in 7.4a should address your key operational requirements and progress toward accomplishment of your key organizational performance goals as presented in the Organizational Profile and in Items 1.1, 2.2, 6.1, 6.2 and 6.3. Include results not reported in Items 7.1, 7.2, and 7.3.

N2. Regulatory and legal compliance results reported in 7.4b should address requirements described in Item 1.2.

N3. Results reported in Item 7.4 should provide key information for analysis (Item 4.1) and review (Item 1.1) of your organizational performance and should provide the operational basis for customer-focused results (Item 7.1) and financial and market results (Item 7.2).

7.4 Organizational Effectiveness Results

Purpose

This Item examines your organization's other key operational performance results, with the aim of achieving organizational effectiveness, attaining key organizational goals, and demonstrating good organizational citizenship.

Requirements

You are asked to provide:

??current levels, trends, and appropriate comparisons for key measures/indicators of operational and strategic performance that support the ongoing achievement of results reported in Items 7.1 through 7.3; and

??data and information on your organization's regulatory/legal compliance and citizenship.

Comments

This Item encourages your organization to develop and include unique and innovative measures to track business development and operational improvement. However, all key areas of business and operational performance should be evaluated by measures that are relevant and important to your organization.

Measures/indicators of operational effectiveness and efficiency might include reduced emission levels, waste stream reductions, by-product use, and recycling; internal responsiveness indicators such as cycle times, production flexibility, lead times, set-up times, and time to market; business-specific indicators such as innovation rates and increased use of e-technology, product/process yields, and delivery performance to request; supply chain indicators such as reductions in inventory and/or incoming inspections, increases in quality and productivity, improvements in electronic data exchange, and reductions in supply chain management costs; third-party assessment results such as ISO 9000 audits; and indicators of strategic goal achievement.

Measures should include environmental and regulatory compliance and noteworthy achievements in these areas, as appropriate. Results also should include indicators of support for key communities and other public purposes.

If your organization has received sanctions or adverse actions under law, regulation, or contract during the past three years, the incidents and their current status should be summarized.

Example 7.4 (HQ, XVIII Airborne Corps and Fort Bragg, self-assessment for 2001 PQA Application)

Shows only a technique for assessment. This example does not represent a 100% Score:

7.4 Organizational Effectiveness Results.
Organization-specific results that contribute to our strategic goals and overall organizational effectiveness are summarized in this section. These results are linked to our product and service quality, key and support process operational performance, supplier/partner performance, economies, efficiencies, and other items important to our business.

Figure 7.4.1 **Performance Improvement**
Overall APIC Ratings

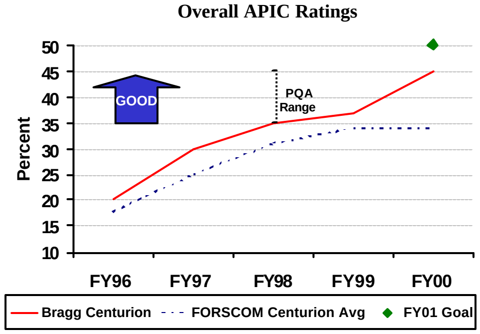


Figure 7.4.1: The Baldrige-based Army Performance Improvement Criteria (APIC) provides the framework that drives our quality performance and continuous improvement in conducting our daily business. "Centurion," the FORSCOM program for implementing APIC, provides numerical scores; the Presidential Quality Award program provides a score "range." The FY00 Centurion scores ranks Fort Bragg as highest in Categories 2 and 7, and in overall score.

Figures 7.4.2-7.4.5: As the power projection platform for America's Contingency Forces, we must maintain and sustain a high level of readiness to meet an 18-hour wheels up deployment requirement. These figures display the readiness performance measures that are critical to our combat ready force customers and that are a direct result of our management of our key and support processes.

Figure 7.4.2 **Overall Unit Readiness**

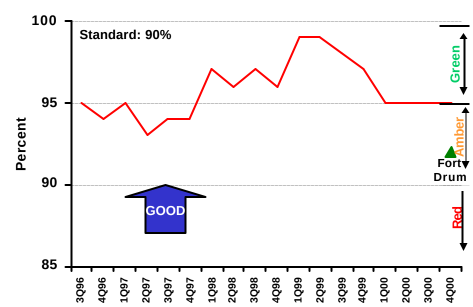


Figure 7.4.3 **Personnel Readiness**

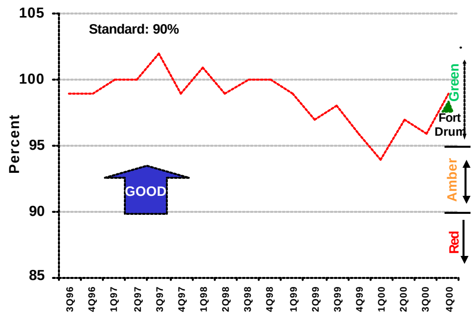


Figure 7.4.4 **Equipment Readiness**

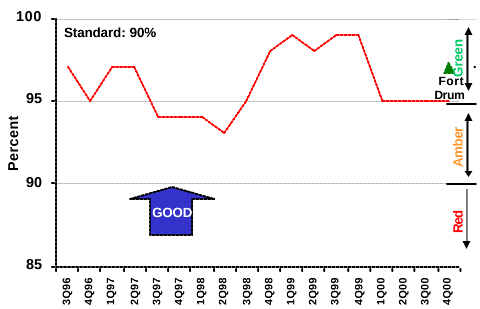


Figure 7.4.5 **Training Readiness**

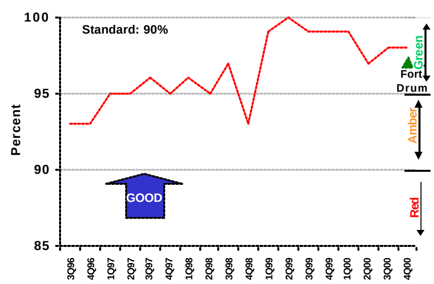


Figure 7.4.6 **Dental Readiness**

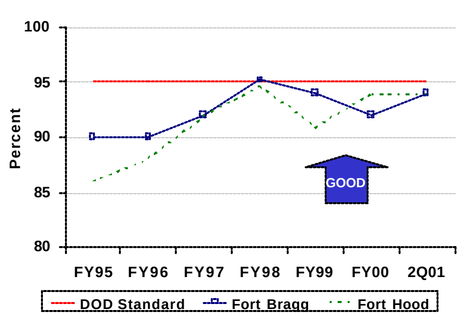


Figure 7.4.6: DENTAC, a key supplier, opened a new dental clinic to increase dental services and achieve higher readiness rates. They recently transitioned to a new data tracking system to increase data reliability. This measure directly impacts soldier deployability (Figure 7.4.3).

Figure 7.4.7 **Power Projection Platform Support**

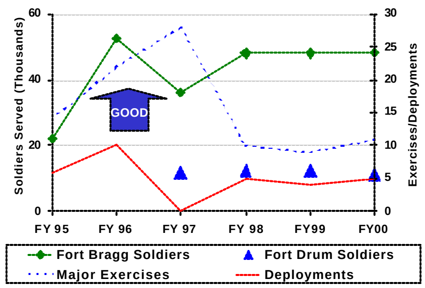


Figure 7.4.7: A key measure of our Readiness key processes is providing the facilities to successfully move large numbers of soldiers through our Power Projection Platform. This ensures our ability to continually be responsive to our world-wide deployment mission.

Figure 7.4.8 **Pope Air Force Base Air Support**

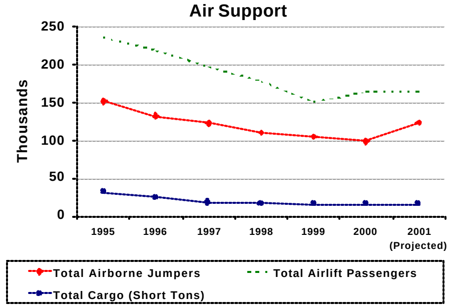


Figure 7.4.8: Our partnership with Pope provides the aircraft for movement of personnel and cargo to meet 100% of the airborne and special operations missions. Our facilities for holding personnel, issuing parachutes, and loading cargo are co-located at Pope. The downward trend through 2000 was due to fewer parachute positions, coupled with the deployment of more jumpers and the diversion of aircraft from training to real world missions. The increase in airlift passengers is due to increased missions and mission support.

Figures 7.4.9-7.4.11: We take a proactive approach to contract management and systematically measure performance quality and timeliness of all contracts over $100,000. Data from the hundreds of contracts are then "rolled over" by major contract category (supply, service, and construction). This is an excellent tool to identify and correct potential problems and measure our overall progress toward achieving our stretch target. Currently, Fort Bragg is the only installation known to use this measurement system;

others have benchmarked our process but do not yet have comparative data.

Figure 7.4.9 **Supplier Contracts**

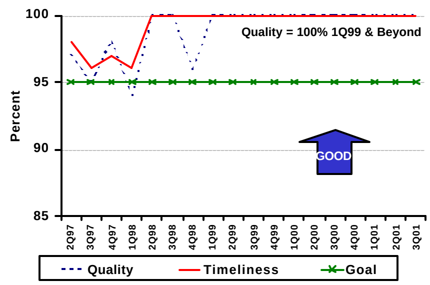


Figure 7.4.10 **Services Contracts**

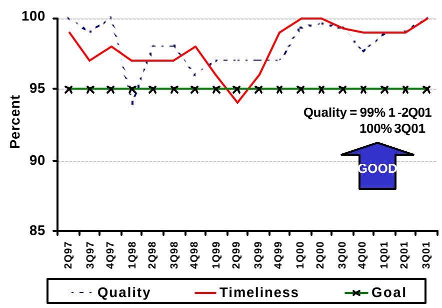


Figure 7.4.11 **Construction Contracts**

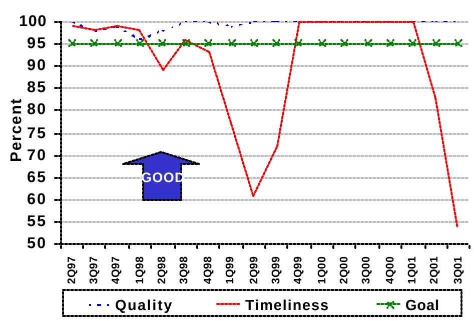


Figure 7.4.11: Due to several change orders against the Job Order Contract and a miscommunication, timeliness for 2Q99 saw a major decline. The decline in 2&3Q01 is due to contractor difficulties finding sufficient subcontractors to perform the work in a timely manner. Contributing factors were identified, we met with the customer and contractor, corrective actions are being taken to prevent a recurrence and improve timely work performance.

Figures 7.4.12 & 7.4.13: The Installation Status Report for Infrastructure provides an overall rating for quality and quantity of infrastructure and facilities based on Army condition standards. We use quantity component ratings to prioritize the need for additional facilities. Improved quantity rating for Community in FY99 is a result of the opening of our new hospital and youth center. Renovations to bring barracks up to standard improved the Housing quality rating (Figure 7.1.17). Initiatives are in place to improve the our Mission and Community ratings (i.e., upgrade training ranges and gyms).

Figure 7.4.12 **Installation Status Report**
Facility Quality

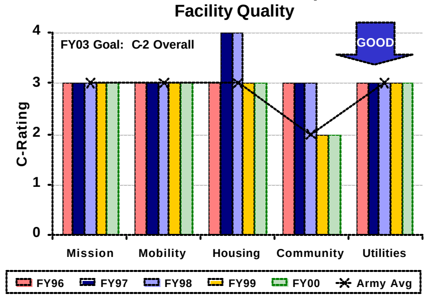


Figure 7.4.13 **Installation Status Report**
Facility Quantity

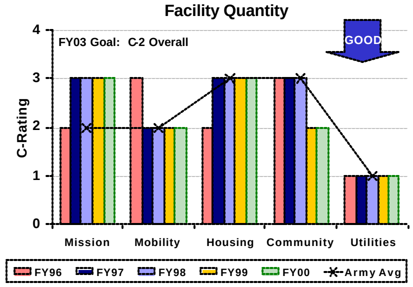


Figure 7.4.14 **Infrastructure Reduction Program**
World War II Wood Inventory

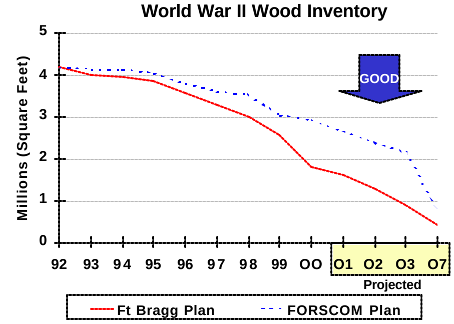


Figure 7.4.14: This is a DA directed program for disposal of substandard WWII facilities. We have exceeded the FORSCOM goal for the 8th consecutive year. Further reductions will ensure scarce maintenance resources are directed to facilities that better satisfy customers' needs and that are not in need of continual repair.

Figure 7.4.15 **Installation Status Report**
Services Quality

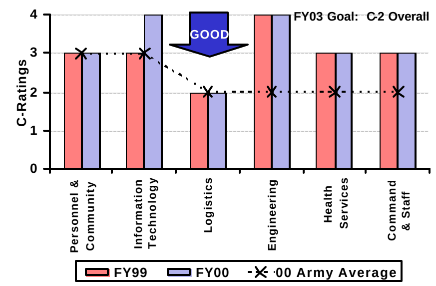


Figure 7.4.15: The Installation Status Report for Services provides an overall rating for quality of services based on current Army standards. Initiatives to improve Health Services and Information Technology ratings include the expansion of services with the opening of the new Womack Army Medical Center and the ITBC Service Based Information Technology Plan. Insufficient funding to provide services at standard levels remains our biggest challenge. Our second biggest challenge, particularly in Health Services, is insufficient personnel. This tool provides us and the Army information to improve resource alignment at all levels.

Figure 7.4.16 **Installation Redesign**

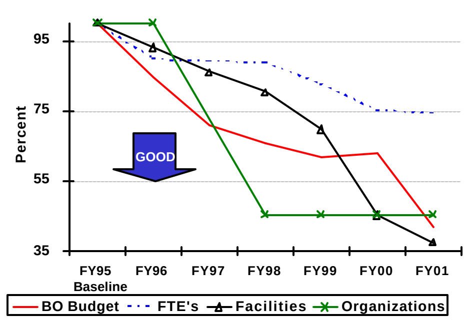


Figure 7.4.16: Reduced resources emphasizing the need for more efficient operations led to Installation Redesign. Our savings include reducing the organizational structure from 11 directorates to 5 Business Centers while maintaining manpower required for customer service and mission performance and increasing customer focus.

Figures 7.4.17 and 7.4.18: Partnerships provide a business management tool to gain efficiencies and share information and resources in a mutually beneficial environment. Fort Bragg and our medical service provider aggressively exercise this business tool. With increases in total agreements since 1998, the Fort Bragg Garrison now receives approximately $15.5 million annually in reimbursable services compared to $10.8 million in 1998.

Figure 7.4.17 **Joint Agreements**
Fort Bragg Garrison

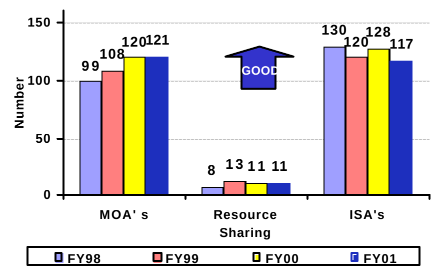


Figure 7.4.18 **Joint Agreements**
Womack Army Medical Center

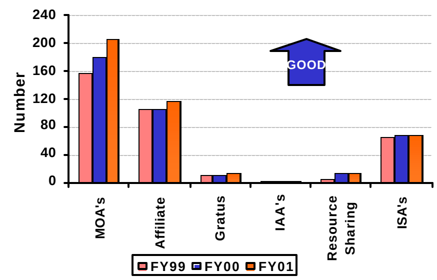


Figure 7.4.19 **JCAHO Score Comparisons**
Triannual Inspection Results

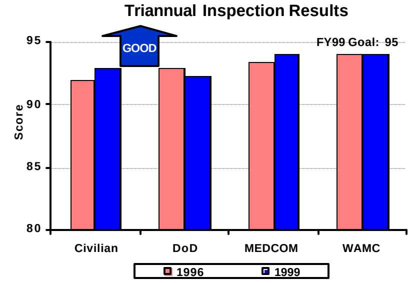


Figure 7.4.19: Womack Army Medical Center (WAMC) secured a leading score at or above other hospitals during the triannual inspections by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

Figure 7.4.20 **Womack Army Medical Center**
Customer Service Training

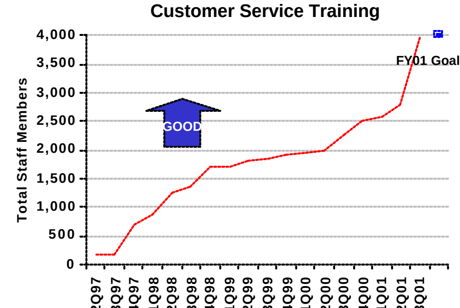


Figure 7.4.20: Customer Service Training is one of over 50 initiatives by WAMC to improve customer satisfaction. Mandatory for every Womack staff member, the training is directly attributed to the decrease in customer complaints since FY97 (Figure 7.1.21).

Figure 7.4.21 **Average Vacant Quarters**
Maintenance Downtime

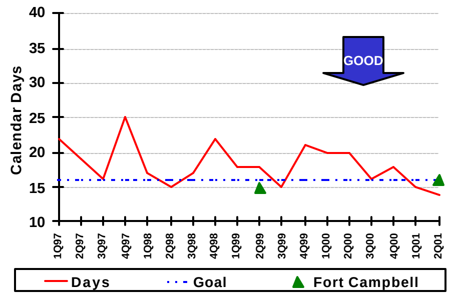


Figure 7.4.21: Army Family Housing operations funds, used for routine maintenance and minor repairs, are based on the number of days housing is occupied. The housing maintenance contractor internally reorganized and adjusted employee working hours to help us maximize funds received while increasing the availability of quarters. Surges during the 4th quarters are from increased vacancies with military summer rotations. We jointly explore process improvements with the contractor to consistently achieve our goal.

Figure 7.4.22 **Installation Status Report**
Environmental Quality

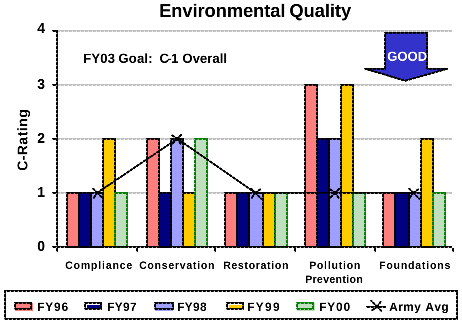


Figure 7.4.22: Rating degradation in Conservation primarily resulted from an incomplete Natural Resource Plan and a pesticide mixing facility that was out of compliance. Both are being corrected. Aggressive initiatives improved ratings in Compliance, Pollution Prevention, and Foundations.

Figure 7.4.23 **Notices Of Violation (NOV)**

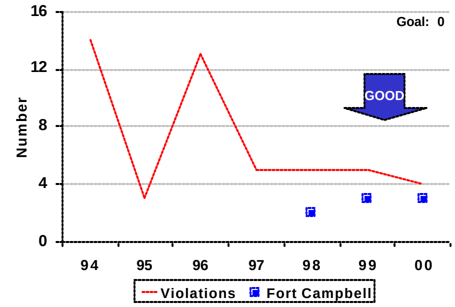


Figure 7.4.23: Monthly inspections show a significant reduction in major environmental hazards in the last three years; this also equates to reduced resolution costs. NOVs received in the last year have been for deficiencies in administrative programs rather than actual critical environmental hazards. This indicates tremendous progress in our environmental stewardship efforts.

Figure 7.4.24 **Energy Consumption Trends**

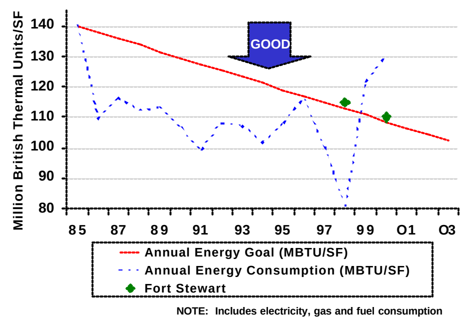


Figure 7.4.24: The construction of a new medical center, brigade sized complexes with barracks and administrative facilities, and the upgrade of existing barracks to quality of life standards, however energy efficient, resulted in increased energy consumption. The Energy Saving Performance Contractor, Honeywell Corporation, invested over $40 million in energy projects with projected savings of well over $5 million that tempered the installation's increase in energy consumption.

Preparing the Self Assessment

The guidelines given in this section are offered to assist Criteria users in responding most effectively to the requirements of the 18 Criteria Items. The guidelines are presented in three parts:

(1) General Guidelines regarding the APIC including how the Items are formatted.

(2) Guidelines for Responding to Approach-Deployment Items.

(3) Guidelines for Responding to Results Items.

General Guidelines

I. Read the entire APIC booklet:

The main sections of the APIC provide an overall orientation to the Criteria, including how responses are to be evaluated for self-assessment or award examiners. You should become thoroughly familiar with the following sections:

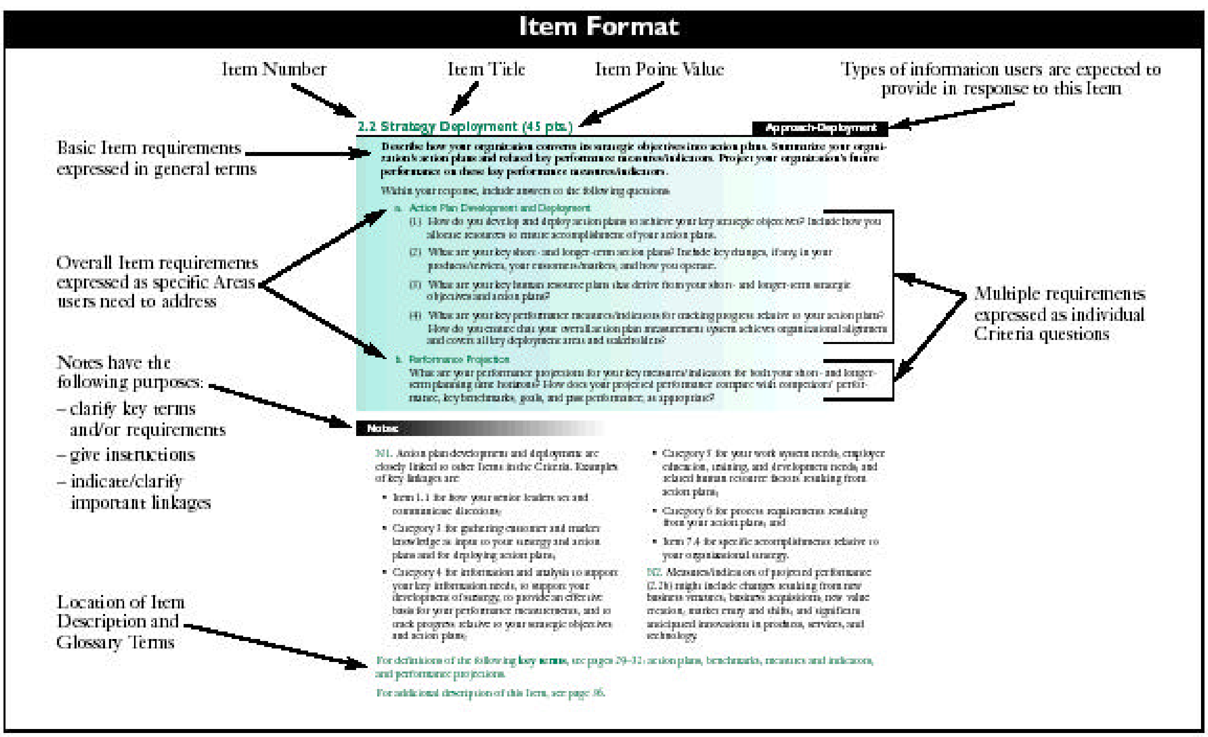
- Criteria for Performance Excellence/ Category and Item Descriptions (pages 12-87)
- Scoring information (pages 97-99).
- Glossary of Key Terms (pages 100-106)

2. Review the Item Format and understand how to respond to the Item requirements.

The Item format (see figure below) shows the different parts of Items, the role of each part, and where each part is placed. It is especially important to understand the Areas to Address and the Item Notes.

Each Item is classified either **Approach-Deployment** or **Results**, depending on the type of information required. Guidelines for responding to Approach-Deployment Items are given below. Guidelines for responding to Results Items follow.

Item requirements are presented in question format. Some questions include modifying statements. Responses should contain answers to all questions and modifying statements, however, each question need not be answered separately. Responses to multiple questions within a single Area to Address may be grouped, if appropriate to your organization.



3. Start by preparing the Organizational Profile.

The Organizational Profile is the most appropriate starting point for initiating a self-assessment or for writing an application. The Organizational Profile is intended to help everyone—including organizations using the Criteria for self-assessment, application writers, and reviewers—to understand what is most relevant and important to your organization's business and to its performance. The questions to address in responding to the Organizational Profile are on pages 12-13.

Guidelines for Responding to Approach/Deployment Items

Although the Criteria focus on key performance results, these results by themselves offer little *diagnostic* value. For example, if some results are poor in some areas or improving at rates slower than other similar programs, it is important to understand *why* this is so and *what* might be done to accelerate improvement.

The purpose of the Approach/Deployment Items is to permit diagnosis of your organization's most important processes—the ones that yield fast-paced organizational performance improvement and contribute to key business results. Diagnosis and feedback depend heavily upon the content and completeness of Approach-Deployment Item responses. For this reason, it is important to respond to these Items by providing your key process information. Guidelines for organizing such information follow.

1. Understand the meaning of "how."

Approach-Deployment Items include questions that begin with the word "how." *Responses should outline your key process information, such as methods, measures, deployment, and evaluation/improvement/learning factors*. Responses lacking such information, or merely providing an example, are referred to in the Scoring Guidelines as "anecdotal information

2. Understand the meaning of "what."

Two types of questions in Approach-Development Items begin with the word "what." The first type of question requests basic information on key processes and how they work. Although it is helpful to include *who* performs the work, merely stating *who* does not permit diagnosis or feedback. The second type of question requests information on *what* your key findings, plans, objectives, goals, or measures are. These questions set the context for showing alignment in your performance management system. For example, when you identify key strategic objectives, your action plans, human resource development plans, some of your results measures, and results reported in Category 7 should be expected to relate to the stated strategic objectives.

3. Write and review response(s) with the following guidelines and comments in mind.

- **Show that activities are systematic**. Approaches that are systematic are repeatable and use data and information so that improvement and learning are possible. In other words, approaches are systematic if they build in the opportunity for evaluation and learning and thereby permit a gain in maturity. Examples or anecdotal accounts are considered insufficient responses.
- **Show deployment**. Deployment information should summarize what is done in different parts of your organization. Deployment can be shown compactly by using tables.
- **Show focus and consistency**. There are four areas where focus and consistency are critical and should be evident: (1) the Organization Profile should make it clear what is important; (2) the Strategic Planning Category, including strategic objectives and action plans, should highlight the areas of greatest focus and describe how deployment is accomplished; (3) descriptions of organization-level analysis and review (Item 4.1 and 1.1) should show how the organization analyzes and reviews performance information to set priorities; and (4) the Process Management Category should highlight processes that are key to overall performance. *Showing focus and consistency in the Approach-Deployment Items and tracking corresponding measures in the Results Items should improve business performance.*
- **Respond fully to Item requirements.** Missing information will be interpreted as a gap in approach and/or deployment. All areas to Address should be addressed. Individual components of an Area may be addressed individually or together.

4. Cross-reference when appropriate.

As much as possible, each Item should be self-contained. However, responses to different Items might be mutually reinforcing. It is then appropriate to refer to the other responses rather than to repeat information. In such cases, key process information should be given in the Item requesting the information. For example, employee education and training should be described in detail in Item 5.2. Discussions about education and training elsewhere in your application would then reference but not repeat details given in your Item 5.2 response.

5. Use a compact format.

Applicants should make the best use of the 50 application pages permitted. Applicants are encouraged to use flow-charts, tables, and "bullets" to present information concisely.

6. Refer to the Scoring Guidelines.

Considerations in the evaluation of Item responses include the Criteria Item requirements and the maturity of the approaches; breadth of deployment; alignment with other elements of your performance management system; and strength of the improvement process relative to the Scoring Guidelines. Therefore, you need to consider both the Criteria and the Scoring Guidelines.

Guidelines for Responding to Results Items

The Criteria places the greatest emphasis on results. The following information and guidelines relate to effective and complete reporting of results.

1. Focus on the most critical business results.

Results reported should cover the most important requirements for your business success, highlighted in your Organizational Profile and in the Strategic Planning and Process Management Categories.

2. Note the meaning of the four key requirements from the Scoring Guidelines for effective reporting of results data:

- *Trends* to show directions of results and rates of change
- *Performance* levels on a meaningful measurement scale
- *Comparisons* to show how results compare with those of other, appropriately selected organizations
- *Breadth and importance of results* should show that all-important results are included.

3. Include trend data covering actual periods for tracking trends.

No minimum period of time is specified for trend data. Trends might span five years or more for some results. For important results, new data should be included even of trends and comparisons are not yet well established.

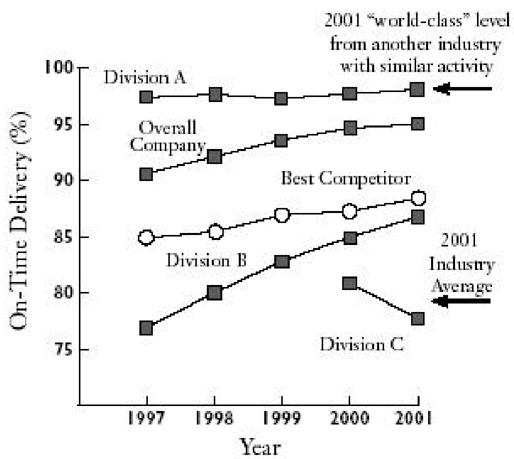
4. Use a compact format—graphs and tables.

Many results can be reported compactly by using graphs and tables. Graphs and tables should be labeled for easy interpretation. Results over time or compared with others should be "normalized," i.e., presented in such a way (such as the use of ratios) that takes into account various size factors. For example, reporting safety trends in terms of lost workdays per 100 employees would be more meaningful than total lost workdays if the number of employees has varied over the time period or if you are comparing your results to organizations differing in size.

5. Integrate results into the body of the text.

Discussion of results and the results themselves should be close together in an Award application. *Trends that show a significant positive or negative change should be explained.* Use figure numbers that correspond to Item numbers. For example, the third table providing information for Item 7.1 might be captioned Table 7.1.3.

Figure 7.1-3 On-Time Delivery Performance



Using the graph above, the following characteristics of clear and effective data reporting are illustrated:

- A figure number is provided for reference to the graph in the text.
- Both axes and units of measure are clearly labeled.
- Trend lines report data for a key customer requirement —on-time delivery.
- Results are presented for several years.
- Appropriate comparisons are clearly shown.
- The company shows, using a single graph, that its three divisions separately track on-time delivery.

To help interpret the Scoring Guidelines (page 48), the following comments on the graphed results would be appropriate:

- The current overall company performance level is excellent. This conclusion is supported by the comparison with industry competitors and with a "world-class" level.
- The company shows excellent improvement trends.
- Division A is the current performance leader—showing sustained high performance and a slightly positive trend. Division B shows rapid improvement. Its current performance is near that of the best industry competitor but trails the "world-class" level.
- Division C—a new division—is having early problems with on-time delivery. (The company briefly should explain these early problems.)

Page Limit

An APIC self-assessment has no page limit. If an organization is using the APIC to submit an application for Army-level awards such as the ACOE, please review the program's page limit and other format requirements.

Scoring System

The scoring of responses to Criteria Items and applicant feedback are based on three evaluation dimensions: (1) Approach, (2) Deployment, and (3) Results. Criteria users need to furnish information relating to these dimensions. Specific factors for these dimensions are described below. Scoring Guidelines are given on pages 97-99.

Approach

Approach refers to how you address the Item requirements – the ***method(s)*** used. The factors used to evaluate approaches include:

- The appropriateness of the methods to the requirements
- The effectiveness of use of the methods and the degree to which the approach
  - is repeatable, integrated, and consistently applied
  - embodies evaluation/improvement/learning cycles
  - is based on reliable information and data
- alignment with your organizational needs
- evidence of beneficial innovation and change

Deployment

Deployment refers to the ***extent*** to which your approach is applied. The factors used to evaluate deployment include:

- use of the approach in addressing Item requirements relevant and important to your organization
- use of the approach by all appropriate work units

Results

Results refer to ***outcomes*** in achieving the requirements given in Items 7.1-7.4. The factors used to evaluate results include:

- your current performance
- your performance relative to appropriate comparisons and/or benchmarks
- rate and breadth of your performance improvements
- linkage of your results measures to important customer, market, process, and action plan performance requirements identified in your Organizational Profile and in Approach/ Deployment Items

Item Classification and Scoring Dimensions

Items are classified according to the kinds of information and/or data you are expected to furnish relative to the three evaluation dimensions given above.

The two types of Items and their designations are: (1) Approach-Deployment and (2) Results

Approach and Deployment are linked to emphasize that descriptions of Approach should always indicate the Deployment – consistent with the *specific requirements* of the Item. Although Approach and Deployment dimensions are linked, feedback to applicants reflects strengths and/or opportunities for improvement in either or both dimensions.

Results Items call for data showing performance levels, relevant comparative data, and improvement trends for key measures/ indicators of organizational performance. Results Items also call for data on breadth of performance improvements, i.e., on how widespread your improvement results are. This is directly related to the Deployment dimension; if improvement processes are widely deployed, there should be corresponding results. A score for a Results Item is thus a composite based upon overall performance, taking into account the rate and breadth of improvements and their importance.

"Importance" as a Scoring Factor

The three evaluation dimensions described previously are critical to evaluation and feedback. However, another critical consideration in evaluation and feedback is the importance of your reported Approach, Deployment, and Results to your key business factors. The areas of greatest importance should be identified in the Organizational Profile and in Items such as 2.1, 2.2, 3.1, 6.1, 6.2, and 7.4. Your key customer requirements and key strategic objectives and action plans are particularly important.

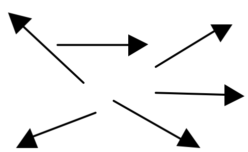
Assignment of Scores to Your Responses

The following guidelines should be observed in assigning scores to your Item responses:

- All Areas to Address should be included in the Item response. Also, responses should reflect what is important to the organization.
- In assigning a score to an item, first decide which scoring range (e.g., 50% to 60%) best fits the overall Item response. Overall "best fit" does not require total agreement with each of the statements for that scoring range. Assigning the actual score *within* the range requires evaluating whether the Item response is closer to the statements in the next higher or next lower scoring range.
- An Approach-Deployment Item score of 50% represents an approach that meets the overall objectives of the Item and that is deployed to the principal activities and work units covered in the Item. Higher scores reflect maturity (cycles of improvement), integration, and broader deployment.
- A Results Item score of 50% represents a clear indication of improvement trends and/or good levels of performance in the principal results areas covered in the Item. Higher scores reflect better improvement rates and/or levels of performance, better comparative performance, and broader coverage and integration with key business or mission requirements.

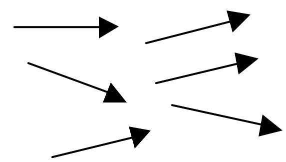
Steps toward a Mature Process Approach
An Aid for Scoring Approach-Deployment Items

(1) Reacting to Problems



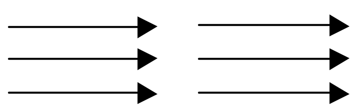
Operations are characterized by activities rather than by processes, and they are largely responsive in immediate needs or problems.

(2) Early Systematic Approach



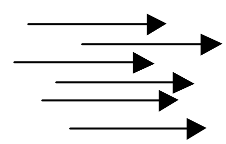
The organization is at the beginning stages of conducting operations by processes with repeatability, evaluation and improvement, and some coordination among organizational units.

(3) Aligned Approach



Operations are characterized by processes that are repeatable and regularly evaluated for improvement, with learning's shared and with coordination among organizational units.

(4) Integrated Approach



Operations are characterized by processes that are repeatable and regularly evaluated for change and improvement in collaboration with other affected units. Efficiencies across units are sought and achieved.

Scoring Guidelines

SCORE	Approach-Deployment
0%	✍ No systematic approach is evident; information is anecdotal.
10% to 20%	✍ The beginning of a systematic approach to the basic requirements of the Item is evident. ✍ Major gaps exist in deployment that w ould inhibit progress in achieving the basic requirements of the Item. ✍ Early stages of a transition from reacting to problems to a general improvement orientation are evident.
30% to 40%	✍ An effective, systematic approach, responsive to the basic requirements of the Item, is evident. ✍ The approach is deployed, although some areas or work units are in early stages of deployment. ✍ The beginning of a systematic approach to evaluation and improvement of basic Item processes is evident.
50% to 60%	✍ An effective, systematic approach, responsive to the overall requirements the Item and your key organizational requirements, is evident. ✍ The approach is well deployed, although deployment may vary in some areas or work units. ✍ A fact-based, systematic evaluation and improvement process is in place for improving the efficiency and effectiveness of key processes. ✍ The approach is aligned with basic organizational needs identified in the other Criteria Categories.
70% to 80%	✍ An effective, systematic approach, responsive to the multiple requirements of the Item and your current and changing organizational needs, is evident. ✍ The approach is well-deployed, with no significant gaps. ✍ A fact-based, systematic evaluation and improvement process and organizational learning/sharing are key management tools; there is clear evidence of refinement and improved integration as a result of organizational-level analysis and sharing. ✍ The approach is well integrated with your organizational needs identified in the other Criteria Categories.
90% to 100%	✍ An effective, systematic approach, fully responsive to all the requirements of the Item and all of your current and changing organizational needs, is evident. ✍ The approach is fully deployed without significant weaknesses or gaps in any areas or work units ✍ A very strong, fact-based, systematic evaluation and improvement process and extensive organizational learning/sharing are key management tools; strong refinement and integration, backed by excellent organizational-level analysis and sharing, are evident. ✍ The approach is fully integrated with your organizational needs identified in the other Criteria Categories.

SCORE	Results
0%	✍ There are no results or poor results in areas reported
10% to 20%	✍ There are some improvements *and/or* early good performance levels in a few areas. ✍ Results are not reported for many to most areas of importance to the key organizational requirements.
30% to 40%	✍ Improvements *and/or* good performance levels are reported in many areas of importance to your key organizational requirements. ✍ Early stages of developing trends and obtaining comparative information are evident. ✍ Results are reported for many to most areas of importance to your key organizational requirements.
50% to 60%	✍ Improvement trends *and/or* good performance levels are reported for most areas of importance to your key organizational requirements. ✍ No pattern of adverse trends and no poor performance levels are evident in areas of importance to your key organizational requirements. ✍ Some trends *and/or* current performance levels — evaluated against relevant comparisons *and/or* benchmarks — show areas of strength *and/or* good to very good relative performance levels. ✍ Organizational performance results address most key customer, market, and process requirements.
70% to 80%	✍ Current performance is good to excellent in areas of importance to your key organizational requirements. ✍ Most improvement trends *and/or* current performance levels are sustained. ✍ Many to most trends *and/or* current performance levels — evaluated against relevant comparisons *and/or* benchmarks — show areas of leadership and very good relative performance levels. ✍ Organizational performance results address most key customer, market, process, and action plan requirements.
90% to 100%	✍ Current performance is excellent in most areas of importance to your key organizational requirements. ✍ Excellent improvement trends *and/or* sustained excellent performance levels are reported in most areas. ✍ Evidence of industry and benchmark leadership demonstrated in many areas. ✍ Organizational performance results fully address key customer, market, process, and action plan requirements

Glossary of Key Terms

This Glossary of Key Terms defines and briefly describes terms used throughout the Criteria booklet that are important to performance management.

Action Plans

The term "action plans" refers to specific actions that respond to short- and longer-term strategic objectives. Action plans include details of resource commitments and time horizons for accomplishment. Action plan development represents the critical stage in planning when strategic objectives and goals are made specific so that effective, organization-wide understanding and deployment are possible. In the Criteria, deployment of action plans includes creation of aligned measures for work units. Deployment might also require specialized training for some employees or recruitment of personnel.

An example of a strategic objective for a supplier in a highly competitive industry might be to develop and maintain a price leadership position (e.g., a government organization supplying goods and services in competition with private-sector suppliers). Action plans likely would entail the design of efficient processes and creation of an accounting system that tracks activity-level costs, aligned for the organization as a whole. Performance requirements might include unit and/or team training in setting priorities based upon costs and benefits. Organization-level analysis and review likely would emphasize productivity growth, cost control, and quality.

See the definition of "strategic objectives" on page 101 for the description of this related term.

Alignment

The term "alignment" refers to the consistency of plans, processes, information, resource decisions, actions, results, analysis, and learning to support key organization-wide goals. Effective alignment requires a common understanding of purposes and goals and use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organization level, the key process level, and the work unit level.

See the definition of "integration" on page 101 for the description of this related term.

Analysis

The term "analysis" refers to an examination of facts and data to provide a basis for effective decisions. Analysis often involves the determination of cause-effect relationships. Overall organizational analysis guides process management toward achieving key business results and toward attaining strategic objectives.

Despite their importance, individual facts and data do not usually provide an effective basis for actions or setting priorities. Actions depend upon an understanding of relationships derived from analysis of facts and data.

Anecdotal

The term "anecdotal" refers to process information that lacks specific methods, measures, deployment mechanisms, and evaluation/ improvement/learning factors. Anecdotal information frequently uses examples and describes individual activities rather than systematic processes.

An anecdotal response to how senior leaders deploy performance expectations might describe a specific occasion when a senior leader visited all company facilities. On the other hand, a systematic approach might describe the communications methods used by all senior leaders to deliver performance expectations on a regular basis, the measures used to assess effectiveness of the methods, and the tools and techniques used to evaluate and improve the communication methods.

Approach

The term "approach" refers to how an organization addresses the APIC Item requirements, i.e., the methods and processes used by the organization. Approaches are evaluated on the basis of the appropriateness of the methods/ processes to the Item requirements, the effectiveness of their use, and their alignment with organizational needs. For further description, see the Scoring System on pages 97-99.

Basic Requirements

The term 'basic requirements" refers to the most central theme of an Item. Basic requirements are the fundamental or essential requirements of that Item.

In the Criteria, the basic requirements of each Item are presented as an introductory sentence printed in bold.

Benchmarks

The term "benchmarks" refers to processes and results that represent best practices and performance for similar activities, inside or outside and organization's industry. Organizations engage in benchmarking activities to understand the current dimensions of world-class performance and to achieve discontinuous (non-incremental) or breakthrough improvement.

Benchmarks are one form of comparative data. Other comparative data organizations might use include industry data collected by a third party (frequently industry averages), data on competitors' performance, and comparisons with similar organizations in the same geographic area.

Comparisons – Benchmarking and Competitive Comparisons

Benchmarking is the process of systematically comparing and measuring products, services, and processes against "best practices," "best-in class" achievements, and performance of similar activities, inside or outside the Army or government. At its essence, benchmarking involves systematically looking at proven ways to provide better customer service and adapting these ways to an organization's operations. It turns the "not-invented-here" philosophy on its head by focusing on the best practices of other organizations.

Competitive Comparisons refer to examining an organization's current processes against effective processes of other organizations that are competitors in the organization's markets, or with similar missions or functions in the Army or government. Competitive Comparisons often are less systematic and rigorous than Benchmarking, and without detailed exploration of the differences in underlying methods.

Customers

External customers are those who use or are directly affected by the organization's products or services – those for whom the organization is in business. They can be grouped into classifications according to their relationship to the government as a supplier: voluntary, entitled and compelled users of the organization's products and services. Voluntary users choose to use the product/service, such as visitors to national parks and users of government statistics. Entitled users have an automatic legal right to benefit from the program, such as recipients of social security benefits and users of veterans' hospitals. Compelled users fall under the jurisdiction of government programs that are prescriptive in nature, where punitive action can be taken if users do not comply (e.g., prison inmates and taxpayers).

Internal customers refer to employees within the organization who receive goods and services produced elsewhere in the organization and act upon them in the production chain, ultimately leading to the organization's final output of goods and services.

Cycle Time

The term "cycle time" refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the Criteria because of the great importance of time performance to improving competitiveness. "Cycle time" refers to all aspects of time performance. Cycle time improvement might include time to market, order fulfillment time, delivery time, changeover time, customer response times, and other key measures of time.

Deployment

The term "deployment" refers to the extent to which an organization's approach is applied to the requirements of an APIC Item. Deployment is evaluated on the basis of the breadth and depth of the application of the approach to relevant processes and work units throughout the organization. For further description, see the Scoring System on pages 97-99.

Effective

The term "effective" refers to how well an approach, a process, or a measure addresses its intended purpose. Determining effectiveness requires the evaluation of how well a need is met by the approach taken, its deployment, or the measure used.

Empowerment

The term "empowerment" refers to giving employees the authority and responsibility to make decisions and take actions. Empowerment results in decisions being made closest to the "front line," where work-related knowledge and understanding reside.

Empowerment is aimed at enabling employees to satisfy customers on first contact, to improve processes and increase productivity, and better the organization's business results. Empowered employees require information to make appropriate decisions; thus, an organizational requirement is to provide that information in a timely and useful way.

Goals

The term "goals" refers to a future condition or performance level that one intends to attain. Goals can be both short term and longer term. Goals are ends that guide actions. Quantitative goals frequently referred to as "targets" include a numerical point or range. Targets might be projections based on comparative and/or competitive data. The term "stretch goals" refers to desired major, discontinuous (non-incremental) or breakthrough improvements, usually in areas most critical to your organization's future success.

Goals can serve many purposes including:

- ??clarifying strategic objectives and action plans to indicate how success will be measured;
- ??fostering teamwork by focusing on a common end'
- ??encouraging "out-of-the-box" thinking to achieve a stretch goal; and
- ??providing a basis for measuring and accelerating progress.

High Performance Work

The term "high-performance work" refers to work approaches used to *systematically* pursue ever higher levels of overall organizational and individual performance, including quality, productivity, innovation rate, and cycle time performance. High performance work results in improved service for customers and other stakeholders.

Approaches to high performance work vary in form, function, and incentive systems. Effective approaches frequently include cooperation between management and the work force, which may involve work force bargaining units; cooperation among work units, often involving teams; self directed responsibility/employee empowerment; employee input to planning; individual and organizational skill building and learning; learning from other organizations; flexibility in job design and work assignments; a flattened organizational structure, where decision-making is decentralized and decisions are made closest to the "front line"; and effective use of performance measures, including comparisons. Many high performance work systems use monetary and non-monetary incentives based upon factors such as organizational performance, team and/or individual contributions, and skill building. Also, high-performance work approaches usually seek to align the organization's structure, work, jobs, employee development, and incentives.

How

The term "how" refers to the processes that an organization uses to accomplish its mission requirements. In responding to "how" questions in the Approach-Deployment Item requirements, process descriptions should include information such as methods, measures, deployment, and evaluation/improvement/learning factors.

Innovation

The term "innovation" refers to making meaningful change to improve products, services, and/or processes and create new value for stakeholders. Innovation involves the adoption of an idea, process, technology, or product that is either new or new to its proposed application.

Successful organizational innovation is a multistep process that involves development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with technological innovation, it is applicable to all key organizational processes that would benefit from change, whether through breakthrough improvement or change in approach or outputs.

Integration

The term "integration" refers to the harmonization of plans, processes, information, resource decisions, actions, results, analysis, and learning to support key organization-wide goals. Effective integration is achieved when the individual components of a performance management system operate as a fully interconnected unit.

See the definition of "alignment" on page 100 for the description of the related term.

Leadership System

The term "leadership system" refers to how leadership is exercised, formally and informally, throughout the organization – the basis for and the way that key decisions are made, communicated, and carried out. It includes structures and mechanisms for decision-making; selection and development of leaders, and managers; and reinforcement of values, directions, and performance expectations.

An effective leadership system respects the capabilities and requirements of employees and other stakeholders, and it sets high expectations for performance and performance improvement. It builds loyalties and teamwork based upon organization's values and the pursuit of shared goals. It encourages and supports initiative and appropriate risk taking, subordinates organization to purpose and function, and avoids chains of command that require long decision paths. An effective leadership system includes mechanisms for the leaders to conduct a self-examination, receive feedback, and improve.

Levels

The term "levels" refers to numerical information that places or positions an organization's results and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projections, goals, and appropriate comparisons.

Measures and Indicators

The term "measures and indicators" refers to numerical information that quantifies input, output, and performance dimensions of processes, products, services, and the overall organization (outcomes). Measures and indicators might be simple (derived from one measurement) or composite.

The Criteria do not make a rigid distinction between measures and indicators. However, some users of these terms prefer to use the term indicator (1) when the measurement relates to performance but is not a direct measure of such performance (e.g., the number of complaints is an indicator of dissatisfaction, but not a direct measure of it) and (2) when the measurement is a predictor ("leading indicator") of some more significant performance (e.g., increased customer satisfaction might be a leading indicator of market share gain).

Mission

The term "mission" refers to the overall function of an organization. The mission answers the question, "What is this organization attempting to accomplish." The mission might define customers or markets served, distinctive competencies, or technologies used.

Multiple Requirements

The term "multiple requirements" refers to the individual questions Criteria users need to answer within each Area to Address. These questions constitute the details of an Item's requirements. They are presented under each Item's Areas to Address. See the definition of "overall requirements" for more information on Areas to Address.

Overall Requirements

The term "overall requirements" refers to the specific Areas Criteria users need to address when responding to the central theme of an Item. Overall requirements address the most significant features of the Item requirements. In the Criteria, the overall requirements of each Item are assigned a letter designation for each Area to Address (e.g., 1.a, 7.2b).

Performance

The term "performance" refers to output results obtained from processes, products, and services that permit evaluation and comparison relative to goals, standards, past results, and other organizations. Performance might be expressed in non-financial and financial terms.

The Criteria address three types of performance: (1) customer-focused, including key product and service performance, (2) financial and marketplace/mission; and (3) operational, including product and service quality.

"Customer-focused performance" refers to performance relative to measures and indicators of customers' perceptions, reactions, and behaviors and to measures and indicators of product and service characteristics important to customers. Examples include customer retention, complaints, customer survey results, product reliability, on-time delivery, customer-experienced defect levels, and service response time.

"Financial and marketplace performance" refers to performance relative to measures of cost, revenue and market share, including asset utilization, asset growth, and market position. Examples include return on investment, value added per employee, cost savings, debt to equity ratio, returns on assets, and cost avoidances. Financial measures are generally tracked throughout the organization and are also aggregated to give organization-level, composite measures of performance.

"Operational performance" refers to organizational, human resource, and supplier performance relative to effectiveness and efficiency measures refers to performance relative to effectiveness and efficiency measures and indicators. Examples include cycle time, productivity, waste reduction, regulatory compliance, and community involvement. Operational performance might be measured at the work unit level, the key process level, and the organizational level.

Product and service quality performance refers to performance relative to measures and indicators of product and service requirements derived from customer preference information. Examples include reliability, on-time delivery, defect levels, and service response time. Product and service quality performance generally relates to the organization as a whole.

Mission/program performance refers to non-financial measures used to assess the organization's success in achieving its intended purposes, goals and objectives. As with financial performance measures, they generally are tracked throughout the organization and are also aggregated to give organization-level, composite measures of performance.

Performance Excellence

The term "performance excellence" refers to an integrated approach to organizational performance management that results in (1) delivery of ever-improving value to customers, contributing to marketplace/mission success; (2) improvement of overall organizational effectiveness and capabilities; and (3) organizational and personal learning. The Criteria, based on the Baldrige Criteria for Performance Excellence, provide a framework and an assessment tool for understanding organizational strengths and opportunities for improvement and thus for guiding planning efforts.

Performance Goal

Performance goal refers to a target level of performance expressed as a tangible, measurable objective against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

Performance Projections

The term "performance projections" refers to estimates of future performance or goals for future results. Projections may be inferred from past performance, may be based on competitors' performance, or may be predicted based on changes to a dynamic marketplace. Projections integrate estimates of your organization's rate of improvement and change, and they may be used to indicate where breakthrough improvement or change is needed. Thus, performance projections serve as a key planning management tool.

Process

The term "process" refers to linked activities with the purpose of producing a product or service for a customer (user) within or outside the organization. Generally, processes involve combinations of people, machines, tools, techniques, and materials in a systematic series of steps or actions. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps.

In many service situations, particularly when customers are directly involved in the service, process is used in a more general way, i.e., to spell out what must be done, possibly including a preferred or expected sequence. If a sequence is critical, the service needs to include information to help customers understand and follow the sequence. Service processes involving customers require guidance to the providers of those services on handling contingencies related to customers' likely or possible actions or behaviors.

In knowledge work such as strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, process implies general understandings regarding competent performance such as timing, options to be included, evaluation, and reporting. Sequences might arise as part of these understandings.

Productivity

Productivity refers to measures of efficiency of the use of resources.

Although the term is often applied to single factors such as staffing (labor productivity), machines, materials, energy, and capital, the productivity concept applies as well to the total resources used in producing outputs. The use of an aggregate measure of overall productivity allows a determination of whether the net effect of overall changes in a process—possibly involving resource tradeoffs—is beneficial.

Purpose

The term "purpose" refers to the fundamental reason that an organization exists. The primary role of purpose is to inspire an organization and guide its setting of values. Purpose is generally broad and enduring. Two organizations in different businesses could have similar purposes, and two organizations in the same business could have difference purposes.

Results

The term "results" refers to outcomes achieved by an organization in addressing the requirements of a Criteria Item. Results are evaluated on the basis of current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements. For further description, see the Scoring System on pages 97-99.

Senior Leaders

The term "senior leaders" refers to an organization's senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports.

Stakeholders

The term "stakeholders" refers to all groups that are or might be affected by an organization's products, services, and actions. Examples of key stakeholders include customers, employees, partners, stockholders, and local/professional communities.

Strategic Challenges

The term "strategic challenges" refers to those pressures that exert a decisive influence on an organization's likelihood of future success. These challenges frequently are driven by an organization's future competitive position relative to other providers of similar products or services. While not exclusively so, strategic challenges generally are externally driven. However, in responding to externally driven strategic challenges, an organization may face internal strategic challenges.

External strategic challenges may relate to customer or market needs/expectations; product/service or technological changes; or financial, societal, and other risks. Internal strategic challenges may relate to an organization's capabilities or its human and other resources.

See the definition of "strategic objectives" for the relationship between strategic challenges and the strategic objectives an organization articulates to address key challenges.

Strategic Objectives

The term "strategic objectives" refers to an organization's articulated aims or responses to address major change/improvement, competitiveness issues, and/or business advantages. Strategic objectives generally are focused externally and relate to significant customer, market, product/service, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what an organization must achieve to remain or become competitive. Strategic objectives set an organization's longer–term directions and guide resource allocations and redistributions.

See the definition of *action plans* on page 100 for the relationship between strategic objectives and action plans, and for an example of each.

Systematic

The term "systematic" refers to approaches that are repeatable and use data and information so that improvement and learning are possible. In other words, approaches are systematic if they building the opportunity for evaluation and learning, and thereby permit a gain in maturity. As organizational approaches mature, they become more systematic and reflect cycles of evaluation and learning. For use of the term, see the Scoring Guidelines on page 99.

Trends

The term "trends" refers to numerical information that shows the direction and rate of change for an origination's results. Trends provide a time sequence of organizational performance.

A minimum of three data points generally is needed to begin to ascertain a trend. The time period for a trend is determined by the cycle time of the process being measured. Shorter cycle times demand more frequent measurement, while longer cycle times might require longer periods before a meaningful trend can be determined.

Examples of trends called for by the Criteria include data related to customer and employee satisfaction and dissatisfaction results, product and service performance, financial performance, marketplace performance, and operational performance, such as cycle time and productivity.

Value

The term "value" refers to the perceived worth of a product, service, process, asset, or function relative to cost and relative to possible alternatives.

Organizations frequently use value considerations to determine the benefits of various options relative to their costs, such as the value of various product and service combinations to customers. Organizations need to understand what different stakeholder groups' value and then deliver value to each group. This frequently requires balancing value for customers and other stakeholders, such as employees and the community.

Values

The term "values" refers to the guiding principles and/or behaviors that embody how the organization and its people are expected to operate. Values reflect and reinforce the desired culture of an organization. Values support and guide the decision making of every employee, helping the organization to accomplish its mission and to attain its vision in an appropriate manner.

Vision

The term "vision" refers to the desired future state of an organization. The vision describes where an organization is headed, what it intends to be, or how it wishes to be perceived.

Work Systems

The term "work systems" refers to how your employees are organized into formal or informal units; how job responsibilities are managed; and your processes for compensation, employee performance management, recognition, communication, hiring, and succession planning. Organizations design work systems to align their components to enable and encourage all employees to contribute effectively and to the best of their ability.