

# ***CATEGORY 6***

## ***PROCESS MANAGEMENT***

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## 6. Process Management

### 6.1 Product and Service Processes

Our teaming structure (CBUs) is instrumental in allowing us to design, implement and control work processes which meet the needs and exceeds the expectations of our customers as we ensure timely quality goods and services at the best possible price.

We seek out methodologies to procuring, stocking, distributing, measuring and controlling goods and services to provide support and availability of these goods and services at customer sites. With the cooperation of our business partners, we develop and implement key business processes that provide logistical solutions for addressing the individual needs of our customers.

#### 6.1.a. Design Processes

**6.1.a. (1)** We design our business processes to meet the needs of our customers. Our key business processes support our drivers – readiness, human resources, quality, affordability and responsiveness. They are instrumental in designing our business processes through customer policies, initiatives and priorities.

**6.1.a.(2)** Our business processes change as we receive feedback from our customers. With the feedback they provide, we redefine our customer requirements and redesign our products and services to meet our customer needs. We redevelop our measurements to provide our customers with their modified requirements. (See Chart 6.1.a.)

**6.1.a. (3)** We incorporate new technology by conducting market research to ensure we can continue to meet existing and changing customer requirements. Each of our unique commodity areas – Subsistence, Clothing and Textiles, Medical and General and Industrial, researches

the needs and usage trends of their respective customers (and potential customers). Market research helps us identify customers as well as potential suppliers. The Internet, marketing and business journals, interviews in the marketplace and government reports all assist us in gauging marketplace changes, pricing trends, competition, industry capabilities and potential business partners. DSCP representatives conduct on-site visits to our customers (both current and potential) to gather data for customer profiles. During this time, customers become proactive in designing solutions to meet their own needs. Their input is incorporated into resulting contractual and logistical arrangements.

**6.1.a. (4)** In the design step, we incorporate the customers' specifications we gather from our face-to-face meetings. We also evaluate and use data retrieved from customer satisfaction surveys. These surveys help us to identify potential areas of product/service or process improvement by identifying the type of quality our customers want in their products and services.

**6.1.a. (5) (6)** During our testing and evaluation step, a test case with the customers is performed. Data is gathered and reviewed by management for process effectiveness. Feedback is also requested from the contractors regarding the effectiveness of meeting customer needs. If shown to be effective, the process is then implemented.

#### 6.1.b.(1) Production/Delivery Processes

Our key processes are acquiring, managing supplies and supply chain integrating. Acquiring includes varied contracting methods used to purchase goods and services that meet the needs of our customers. Managing supplies and supply chain integrating ensures that goods and services are where our customers want and need them to be, when needed

Chart 6.1.a The Design Process

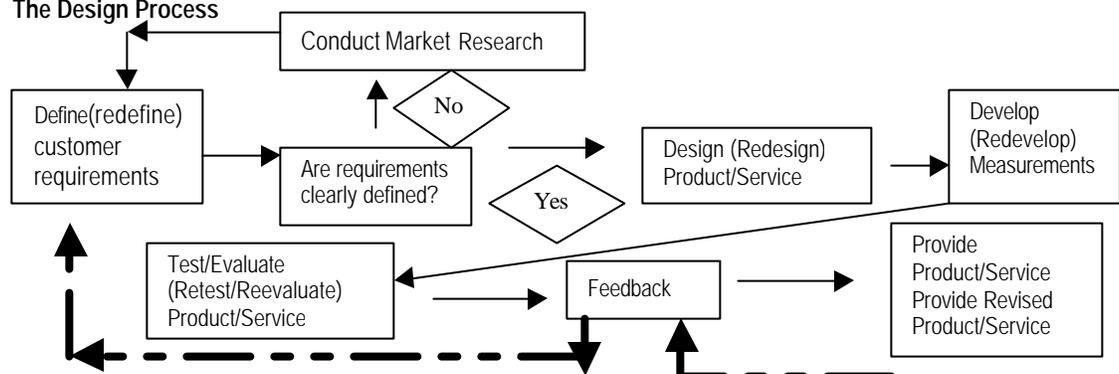


Chart 6.1.b.(1) exhibits our key production/delivery processes. It includes what our customers require of the processes, our measured attributes, Key process owners, our standards (goals) and the controls used to meet the performance requirements and goals.

**6.1.b.(2)** Our day-to-day operation of key production/delivery processes ensure meeting our key performance requirements by routinely relating and positioning our business drivers to our key production processes. This is indicated at Chart 4.2-3.

**6.1.b.(3)** Our key measures are tracked and monitored monthly. Commodity performance progress is tracked, as well as customer satisfaction. We use in-process measures consistent with attributes listed in Chart 6.1.b.(2) that are based on customer needs. Each attribute is supported by a series of measures that are linked to our strategic goals. Our customers validate our performance through phone interface, Internet, electronic messages, video teleconferencing, and face-to-face meetings with management and customer service representatives. Customer and vendor surveys and in-

process feedback from our vendors and customers (internal and external) are vital to the control and improvement of our processes. Customers provide input (suggestions and complaints) and obtain information through our on-line 24 hour Customer Call Center and the Customer Support Network.

**6.1.b (4)** We evaluate and improve our processes by comparing our performance to the goals we set, benchmarking with various industries on customer value, service, and the expressed needs of our customers. Our marketing personnel are continually conducting market research where they study market data and trends that may affect availability or interruption of goods or services we provide to our customers. Our Business Analysis Division in our Operations Directorate tracks our performance based on monthly reports submitted by the commodities. They include metrics of our sales, inventories, supply availability, discrepancies, EDI activity, employee development, etc. This information is used to re-evaluate our processes and revamp strategies to support our customers efficiently.

**Chart 6.1.b.(1) Key Production/Delivery Processes**

Key Prod./Del. Processes	Customer Requirements	Measures	Key Process Owner	Standards	Control Strategies	Ref. Cat.
Acquiring	-cost savings -affordability	-reduced inventory -reduced costs	CBU	-best price and quality -customized support	-surcharge rate -customer. service training	7.2
	-quality goods and services	-product quality deficiency reports -customer feedback -benchmark with industry		-total customer satisfaction	-return & credit policies -vendor surveys	7.1 7.2 7.4 7.5
	-surge capability	-reduced cycle time -logistics response time -customer feedback		-24 hour customer service/support/feedback -100% availability	-contractual compliance -DAWIA training -multifunction training.	7.1 7.5
Managing Supplies	-24 hour availability and accessibility	-availability of supplies -availability of customer service - # of EDI transactions	CBU	-24 hour customer service availability	-customer service training	7.5 7.1 3.2
Integrating Supply Chain	-paperless ordering/payment	- response time		-100% electronic ordering/invoicing -state of the art EDI hard- and software -24 hour delivery	-EC/EDI training	7.4
	-Just-in-time delivery				-contract compliance	7.1

Improvements to our key business processes can be initiated as a result of customer feedback, customer and vendor surveys, opinion surveys, customer complaints,

employee suggestions and performance review meetings between vendors, DSCP and customers. Information that

is collected and received is reviewed by management and evaluated for potential process revisions.

Benchmarking various industries has proven to be an effective tool in our process improvements. It was used with EDI to develop state of the art systems in electronic business communication. DSCP recently simplified its EDI system by eliminating its antiquated mainframe and transferring its function to an NT server (which is a mid-tier system). This state of the art change has allowed direct access to a wider range of data and information from our desktop personal computers. Its impact has eliminated the cost of maintaining a mainframe system, increased internal customer support, allowed a higher level of responsiveness to our external customers' needs and afforded us a business process that mirrors trading partners in private industry.

Improvements to our processes are also encouraged and reviewed through Process Action Teams (PAT). These teams, consisting of DSCP employees at any level (and sometimes industry), study our processes and make suggestions for improvements. Management monitors team progress and provides necessary resources to reach their goal. One recent PAT, attended by Subsistence, industry, USDA, the military services and other agencies, discussed nutritional analysis to find an

efficient and cost effective way to standardize, test and verify the nutritional content of operational rations.

The Commander's Acquisition Assistance program (CAAP) is another mechanism in place to assist process improvement. Administered through the Office of Procurement Management's Contract Integrity Office, Procurement Management reviews are performed on Center-wide acquisition offices to promote efficiency, economy, and the consistent application of Federal, DoD, DLA and DSCP acquisition policy. During a review, an overall assessment is made of the internal customers' acquisition practices. Once needed improvements are determined, the CAAP team provides written recommendations for correction of deficiencies and improvement of contracting operations. Reviews are planned in two to four year cycles for on-site and overseas DSCP offices.

Readiness warstopper funding has also allowed improvements through the purchase of equipment such as Multi-Unit Leak Detectors (which has improved the quality of Meals Ready to Eat (MRE) pouches); and the purchase and domestic storage and rotation of a German made chemical protective suit liner fabric. This has ensured availability and reduced production lead-time.

## 6.2 Support Processes

6.2.a.(1) Chart 6.2.a.(1) reflects our key support processes.

Key Support Processes	Organizational Requirements	Key Process Owner	Measures
<b>Training &amp; Development</b>	Multifunctional abilities Training budget Reduced cycle time Quality training programs	Human Resources	Spent funds Quality of work Program availability Program feedback
<b>Maintaining Facilities and Equipment</b>	Budgeting & staffing Reduced cycle time Information flow	Facilities Maintenance	Feedback Spent funds # Jobs completed
<b>Budgeting</b>	Commodity budget plans Information flow Reduced cycle time	Comptroller	Feedback Operating results
<b>Recognizing Employees</b>	Recognition programs Information flow	Human Resources	Employee Performance Performance goals # Employees recognized Dollars spent
<b>Operations Resourcing</b>	Operations budget Needs assessments Information flow Reduced cycle time	Operations	Internal/external customer satisfaction

Chart 6.2.a.(1) Key Support Processes

**6.2.a.(2)** We determine key support process requirements based on discussions with our internal customers. The key operational requirements include reduced cycle time, productivity, flow of information, and multifunctional abilities among and between internal customers.

is needed; developing metrics; testing and evaluating the product; soliciting feedback from our internal customers; then providing our customers with their desired product or service.

**6.2.a.(1) (a)** Chart 6.2.a.(1) (a) reflects our sub-key support processes.

**6.2.a.(3)** We design our internal support processes by determining our requirements; designing/developing what

Sub-key Processes	Key Requirements	Measures
Providing legal services	Accurate and effective legal advice Quick response time	# of settlements # of protests
Marketing	Accurate market data Marketing DSCP's mission and image	# of new customers % satisfied customers
Contracting	Support in areas of pricing, policy, regulations, contract integrity	# and scope of field , contract and pricing audits and reviews
Researching and developing Ideas	Innovative ideas Product/process re-engineering	# and scope of new projects
Managing personnel	Workforce Training and Development Placement of personnel	% DAWIA certification % trained in customer service % Used available spaces
Information processing and transmitting	Availability of systems Hardware/software availability/support Timely processing of information	% System availability % Availability of assistance

Chart 6.2.a.(1)(a) Sub-Key Support Processes

**6.2.a.(4)** Our day-to-day operations of key support processes ensure meeting key performance requirements through continuous feedback from our internal customers. Feedback is efficiently given and received through the use of e-mail, memos or telephones.

**6.2.a. (5)** Our support processes are improved to achieve better performance by redefining our internal customer requirements and redesigning our products and services to meet our internal customers' needs. We redevelop our measurements to provide our internal customers with their modified requirements.

### 6.3 Supplier and Partnering Processes

**6.3.a.(1)** DSCP purchases medical supplies and equipment; food (fresh, canned and specially packaged); clothing (military uniforms, undergarments, boots, etc.); textiles (canteens, tents, insignia, etc.); plumbing supplies; lumber; hardware and lighting supplies. We also purchase services for storage, refrigeration, transportation, etc.

**6.3.a.(2)** Performance requirements for our suppliers are to provide quality goods and services in accordance with contractual agreements. These contracts contain clauses regarding quality commercial products, detailed delivery instructions, requirements for samples, production surveillance, facility surveys or audits. Surveillance and /or surveys are conducted by Quality Assurance Reps, the Defense Contract Administration Service, the Food and Drug Administration, the US Department of Agriculture, the Small Business Administration, the Defense Contract Audit Agency, etc. to ensure contractor capability, compliance and performance. Face to face and written reporting to our suppliers provide constant feedback on their requirement fulfillment.

To assure the success of the prime vendor program, multifunctional teams have several checks and balances, which are a routine practice. A post-award conference is held with the customer, vendor and DSCP to determine responsibilities prior to any deliveries. Quarterly reviews are held between DSCP, the customer and the prime vendor. Prior to the quarterly review conference, Contractor Performance Surveys are sent to the customers and the data is then

presented in the quarterly review. The prime vendor submits monthly data reflecting the percentage of fill rate, number of lines ordered and the number of lines received. Technical and quality team members receive and evaluate this data to identify and resolve problems.

**6.3.a.(3)** We ensure that our performance requirements are met through best value, long term procurement. We ensure that vendors are evaluated based on past performance, technical capability and price to determine capability of providing quality goods and services at the time and place our customers need them. Customers are invited to in-plant inspections at our vendors' facilities. Customers see first hand the technology in practice and the completed product prior to its acceptance. Use of samples prior to award and post award one-for-one warranty replacement have also enhanced customer satisfaction.

**6.3.a.(4)** We minimized overall costs associated with inspections, tests and audits by re-engineering a system that required military specs and standards to a system based on commercial goods and practices. Special testing and inspection requirements called for in military specs are no longer needed, therefore saving costs. Savings can also be realized as a result of customer service training. This training has equipped our personnel to better identify customer needs and requirements.

**6.3.a.(5)** The DSCP Small Business Office has been very instrumental in providing business assistance to many of our suppliers. They have provided advice to our small business partners on marketing themselves to our customers and working with larger companies through the Mentoring Business Agreement Program. Our ABVS (Automated Best Value System) has been an effective tool in providing timely and actionable feedback to suppliers. This system reports a contractor's quality and delivery history for evaluation purposes. Contractors' awareness of their performance indicators acts as an incentive for them to insure greater compliance and higher performance on contracts. Contractors have access to ABVS through the Electronic Bulletin Board (EBB) on the General and Industrial Web Page. Contractors are able to view the scores attributed to their overall rating. Areas scored include delinquencies, non-shipments, contractor caused cancellations and quality complaints.

**6.3.a.(6)** DSCP improves our supplier/partner processes by participating in customer/industry meetings and conferences. This allows for continued sharing and exchange of ideas and innovations. All of our employees are encouraged to attend these conferences to assist in developing customer service skills and knowledge of supplier processes. Other ways that have shown to improve supplier processes are DSCP EC/EDI support to improve communications between DSCP, the supplier and the customer. DILNET (an on-line system that matches customer needs with vendors' on hand assets) is one system that was established to improve current business needs through real-time communication.