

Office of the Comptroller

MANAGEMENT ENGINEERING PROGRAM (MEP)

BY ORDER OF THE DIRECTOR



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AUTHORITY: Defense Commissary Agency Directives Management Program is established in compliance with DoD Directive 5105.55, Defense Commissary Agency (DeCA), November 1990.

MANAGEMENT CONTROLS: This directive contains Management Control provisions that are subject to evaluation and testing as required by DeCAD 70-2 and as scheduled in DeCAD 70-3. The Management Control Review Checklist to be used by Assessable Unit Manager to conduct the evaluation and test management controls is at Appendix A..

APPLICABILITY AND SCOPE: The use of this directive is intended for DeCA Headquarters and provides information to DeCA regions.

HOW TO SUPPLEMENT: Do not supplement this directive.

HOW TO ORDER COPIES: Complete and updated set of directives/handbooks will be published quarterly on compact disk. Additional copies will not be available.

SUMMARY: This directive establishes the Management Engineering Program and prescribes policies, responsibilities and procedures for its conduct.

OFFICE OF PRIMARY RESPONSIBILITY (OPR): HQ DeCA/FPP

COORDINATORS: HQ DeCA/FP, PL, DO, GC

DISTRIBUTION: C

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CHAPTER 1

INTRODUCTION

1-1. PURPOSE. This directive establishes the Defense Commissary Agency (DeCA) Management Engineering Program (MEP) and prescribes policies, responsibilities and procedures for its accomplishment. This directive implements Department of Defense Instruction (DoDI) 5010.37 and establishes a structured approach and system for manpower requirements determination which directs the use (where feasible) of workload based standards using established management engineering techniques.

1-2. REFERENCE. DoDI 5010.37, Efficiency Reviews and Resource Requirements Determination.

1-3. POLICY. The MEP encompasses Operational Improvement (OI), Efficiency Review (ER), and other management engineering techniques while performing studies on all functional work centers to determine manpower resource requirements and identify operational efficiencies.

1-4. RESPONSIBILITIES.

a. The Office of the Comptroller (FM) will provide overall program management, goals and objectives, and develop and issue policy guidance.

(1) The Directorate of Manpower and Programs (FP) manages the overall program, and develops and issues policy guidance.

(2) FP conducts OI/ER studies and manpower studies.

b. The functional OPR will provide operational knowledge, expertise and experience to the study team during management engineering efforts.

1-5. PROCEDURES. Procedures for conducting DeCA OI/ERs are outlined in DeCA Handbook (DECAH) 50-2, Operational Improvement/Efficiency Review Process. The major phases of a study are:

a. Preliminary. Provides the initial step by developing the study announcement for distribution to appropriate levels of management to engage their support. Establishes the framework to obtain background knowledge and preliminary information needed to plan and conduct operational improvement manpower standards development studies. Familiarization is the fundamental process to prepare for planning.

b. Planning. Establishes the basic requirements to do an in-depth analysis of the function and prepare a detailed study plan.

c. Standards Development. Determines the measurement requirements, sets a work center's man-hour-to-workload relationship, and quantifies manpower requirements. This phase includes:

(1) Measurement design

(2) Work measurement and reporting

(3) Data analysis and computation

(4) Final report preparation

d. Implementation. Prepares and publishes manpower standard and guide.

1-6. MANAGEMENT CONTROLS. The OPR is responsible for completing the Management Control Review Checklist (MCRC), **Appendix A**, for the Manpower Staffing Standards Development Process.

CHAPTER 2

OPERATIONAL IMPROVEMENT MANPOWER STANDARDS DEVELOPMENT

SECTION A. OVERVIEW.

2-1. BACKGROUND. DoDI 5010.37 mandates the establishment of the most efficient and effective organization for all DoD activities structured to achieve economy, efficiency of operations, effective employee utilization, optimum mix of staffing, and proper classification of civilian positions. Therefore, a structured approach is required to establish and implement the most efficient and effective organization. Defense Commissary Agency titles this process the Operational Improvement (OI) Process.

2-2. GENERAL REQUIREMENTS. To execute DeCA's Management Engineering Program (MEP) Operational Improvement:

- a. Research, examine, evaluate, and analyze work and performance requirements to streamline operations, establish performance indicators, and identify and document initiatives to establish and maintain a most efficient and effective organization.
- b. Ensure and evaluate standard work requirements based on the most efficient and effective organization but allow for flexible integration of non-standard work requirements.
- c. Document results and report implementation of the most efficient and effective organization.
- d. Stress simplicity in the development and implementation of these general requirements.

2-3. DEFINITION OF OPERATIONAL IMPROVEMENT PROCESS. The OI Process is DeCA's response to DoDI 5010.37. Three primary objectives of the OI process are to develop:

- a. The most efficient and effective organization without degrading readiness;
- b. A manpower standard; and
- c. A management decision package that provides a structure for senior leadership to ensure making critical decisions at the appropriate level.

2-4. PROCESS. The embodiment of DoD requirements into the MEP results in the Operational Improvement Manpower Standards Development Process. **Figure 2-1** shows the OI phases and **Figure 2-2** shows key requirements for each phase of the Operational Improvement Process.

SECTION B. POLICIES.

2-5. PROGRAM PROMOTION POLICY. Continuous program promotion creates mutually trusting relationships and enhances the execution of the OI process. Program promotion occurs during the preliminary phase. Study team engages functional support at all levels through senior leadership. The functional involvement letter introduces the DeCA Suggestion Program as a vehicle to engage support for identifying initiatives at the lowest organizational levels. The study team distributes the functional

involvement letter to the OPR for signature and further distribution. Participants must submit their ideas to the Suggestion Office before the start of the Operational Improvement Forum.

2-6. OPERATIONAL IMPROVEMENT QUALIFICATION AND PROCESS POLICIES.

a. OI Qualification Policy. An OI consists of the following elements:

(1) A forum that involves the functional office of primary responsibility and management engineering personnel analyzing the function and identifying and documenting initiatives to achieve the most efficient and effective organization. A management decision package is developed to summarize all significant initiatives developed during the workshop.

(2) A determination of the function's manpower requirements using measurement or non-measurement techniques. Measurement may be total or partial, or may only address the initiatives approved for implementation.

(3) A final report--written and staffed. This report documents findings, includes a manpower standard or guide, and description of the most efficient and effective organization.

b. Overall Study Policies.

(1) The prevailing policy of the OI process is to keep it simple. The study team should convey complex activities in the simplest possible form. The overriding concept should be to use the simplest approach when planning the study and analyzing the function; using methods and techniques to measure the function; developing the most credible equation; and setting the manpower standard to apply and maintain.

(2) Ideally, the level of effort (MEP) resources expended should be appropriate for the size and importance of the function being studied. However, the level and importance of some small work centers may still dictate that an OI take place.

c. Process Policies.

(1) OI process policy. Study team initiates OI and identifies preliminary requirements.

(2) Forum requirements policy. The forum involves the functional office of primary responsibility and reviews the organizational structure, current methods, procedures, and equipment. Recommendations are made to streamline methods and procedures for increased productivity. The forum must also develop the following products:

(a) Study plan

(b) Management Decision Package

(3) Approval policy. HQ DeCA/FP coordinates and recommends approval/disapproval on all significant jointly with the HQ DeCA OPR. HQ DeCA/FP obtains command approval.

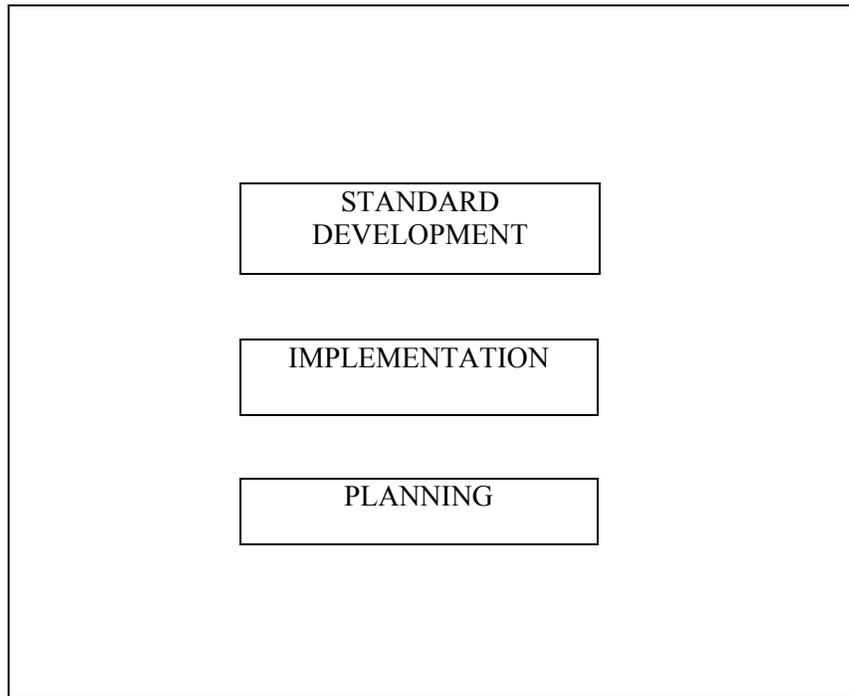


Figure 2-1. Operational Improvement Phases

PRELIMINARY PHASE:

- Notify HQ DeCA OPR (Letter of Intent)
- Brief OPR and provide draft of:
 - Joint Announcement Letter
 - Study Charter
 - Functional Involvement Letter
- Announce Study
 - HQ DeCA/FP and HQ DeCA OPR sign Joint Announcement Letter and Study Charter
 - Arrange forum date
- Research function
 - Collect studies and reports
 - Review available suggestion files for applicability
- Plan workshop
- Continue to research function
 - Perform on-site evaluation
 - Review directives for workload factors and work units
 - Update major milestones for completing operational improvements
 - Provide familiarization package to forum participants

Figure 2-2. Operational Improvement Process

PLANNING PHASE:

- Analyze the function
 - Analyze data collected in preliminary phase
 - Evaluate potential workload factors and work units
 - Review forum requirements
 - Identify potential initiatives for forum
 - Setup audit trail
- Plan Study Approach
 - Prepare initial study plan
 - Draft work center description (WCD)
 - Select data collection method
 - Select potential input locations
 - Draft general measurement instructions
- Conduct Forum
 - Identify and document initiatives
 - Develop management decision package
 - Update measurement instructions
 - Finalize study
- Send study plan to HQ DeCA OPR for review/comment
- Distribute final study plan
- Prepare end-of-phase executive summary

STANDARDS DEVELOPMENT PHASE:

- Begin measurement design
 - Conduct test measurement
 - Review and coordinate study plan inputs and test measurement base recommendations
 - Develop measurement plan
- Conduct work measurement
- Prepare measurement report

Figure 2-2. Operational Improvement Phases - continued

- Perform data analysis and computations
 - Evaluate all initiatives and assemble updated management decision package
 - Send updated management decision package to HQ DeCA OPR for final determination on initiatives to incorporate into the manpower standard
 - Perform required corrections to input data
 - Ensure complete audit trail of all data received and any corrections or adjustments made
 - Incorporate initiatives approved for implementation into the database
 - Complete equation development
- Prepare final report and separate application results
 - Study Team briefs HQ DeCA/FP and HQ DeCA OPR who recommends approval or disapproval of final report
 - HQ DeCA CEO is briefed and approves final recommendations and impact
 - Director approves or disapproves final report
- Prepare end-of-study executive summary

IMPLEMENTATION PHASE:

- Publish standard
- Document requirements

Figure 2-2 Operational Improvement Phases - continued

APPENDIX A

MANAGEMENT CONTROL REVIEW CHECKLIST

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TASK: Comptroller/Resource Manager

SUBTASK: Requirements Determination

THIS CHECKLIST: Manpower Staffing Standards Development Process

ORGANIZATION:

ACTION OFFICER:

REVIEWER:

DATE COMPLETED:

ASSESSABLE UNIT: The assessable unit manager responsible for completing this checklist is shown in the DeCA MCP.

EVENT CYCLE 1: Preliminary Development

Step: Identify work center or function locations within DeCA that are applicable to the standard being developed.

Risk:

1. An incomplete/inaccurate sample will be used for standards development.
2. Study results will be inconclusive and non-representative of the universe.

Control Objective: Identification of all work centers or functions applicable to a given standard.

Control Technique: Report universe identification in the Study Plan for DeCA review and approval.

Test Questions:

1. Is the total universe identified in the Study Plan?

Response: YES _____ NO _____ NA _____

Remarks:

2. Are proposed sample sites representative of the universe?

Response: YES _____ NO _____ NA _____

Remarks:

EVENT CYCLE 2: Measurement

Step 1: Collect accurate workload factor (WLF) data.

Risk: Inadequate or inaccurate WLF data will result in erroneous manpower requirements.

Control Objective: Accurate work measurement.

Control Technique: On-site workload verification.

Test Questions:

1. Does WLF data reflect the actual workload performed in the applicable work centers?

Response: YES _____ NO _____ NA _____

Remarks:

2. Does WLF data possess the attributes of relativity and predictability as described in the DeCA Directive?

Response: YES _____ NO _____ NA _____

Remarks:

Step 2: Conduct measurement per prescribed policies and procedures.

Risk: Incomplete or inaccurate measurement will result in invalid staffing standards.

Control Objective: Accurate work measurement.

Control Technique: Prepare thorough Measurement Plan.

Test Question: Is the Measurement Plan prepared in accordance with instructions?

Response: YES _____ NO _____ NA _____

Remarks:

EVENT CYCLE 3: Computation

Step 1: Follow appropriate mathematical procedures.

Risk: Incorrect data computations will result in improperly built standards.

Control Objective: Established procedure and mathematical accuracy are adhered to.

Control Technique: Review data computations for representativeness and accuracy.

Test Questions:

1. Is variation in work center data examined for use as an additive or work exclusion?

Response: YES _____ NO _____ NA _____

Remarks:

2. Is the mathematical relationship between category and task times and work unit count examined by comparative and regression analysis?

Response: YES _____ NO _____ NA _____

Remarks:

3. Are the regulatory analytical procedures followed for data computation?

Response: YES _____ NO _____ NA _____

Remarks:

4. Is the appropriate manpower model selected according to the criteria set forth in regulatory guidance?

Response: YES _____ NO _____ NA _____

Remarks:

Step 2: Obtain approval of manpower staffing standards studies.

Risk: Studies will not be based on correct policies and procedures, resulting in wasted study effort and inadequate/inaccurate staffing standards.

Control Objective: Manpower staffing standards studies must be approved.

Control Technique: Coordinate Final Report with functional Office of Primary Responsibility (OPR) and obtain Command approval.

Test Question: Has the final report been approved?

Response: YES _____ NO _____ NA _____

Remarks:

EVENT CYCLE 4: Application and Maintenance

Step 1: Apply a standard to all locations identified in the standard universe.

Risk: Incomplete standards application will occur.

Control Objective: Standards are applied to all locations for which the standard is designed.

Control Technique: Compare locations where standards are applied with the standards universe as identified in the Study Plan and as subsequently updated.

Test Question: Are standards applied to all appropriate work centers or functions?

Response: YES _____ NO _____ NA _____

Remarks:

Step 2: Use accurate historical and projected workload data in applying a standard.

Risk: Inadequate or inaccurate historical or projected workload factor data will result in planning for more or fewer than the actual manpower required and lead to potential misallocation of management resources.

Control Objectives: Standards application and manpower requirements prediction is accurate.

Control Technique: On-site workload verification.

Test Questions:

1. Is monthly WLF data reported by the responsible DeCA Region Office?

Response: YES _____ NO _____ NA _____

Remarks:

2. Is WLF data collected according to proved additives/exclusions?

Response: YES _____ NO _____ NA _____

Remarks:*

3. Do the application results accurately reflect the minimum manpower required to perform the workload?

Response: YES _____ NO _____ NA _____

Remarks:

Step 3: Update manpower staffing standards to ensure they are accurate and current.

Risk: Information used in developing a standard will become outdated, resulting in inaccurate standards and manpower requirements.

Control Objective: Standards and manpower requirements are accurate and current.

Control Technique: Review mission, organization, procedures, and equipment status.

Test Questions:

1. Does the standard include current mission, organization, procedures, equipment and other pertinent aspects of the work center?

Response: *YES _____ NO _____ NA _____

Remarks:

2. Are extrapolation limits of current standard adequate for all work center locations?

Response: YES _____ NO _____ NA _____

Remarks:

3. Where significant changes have occurred, has changed work been measured or scheduled for measurement and updating of the standard?

Response: YES _____ NO _____ NA _____

Remarks:

*Explain rationale for YES responses or provide cross-references where rationale can be found. For NO responses, cross-reference to where corrective action plans can be found. If response is NA, explain rationale.

I attest that the above-listed management controls provide reasonable assurance that DeCA resources are adequately safeguarded. I am satisfied that if the above controls are fully operational, the management controls for this subtask throughout DeCA are adequate.

Comptroller

FUNCTIONAL PROPONENT

I have reviewed this subtask within my organization and have supplemented the prescribed management control review checklist when warranted by unique environmental circumstances. The controls prescribed in this checklist, as amended, are in place and operational for my organization (except for the weaknesses described in the attached plan, which includes schedules for correcting the weaknesses).

ASSESSABLE UNIT MANAGER

(Signature)