DCMC [Insert CAO Name]
FY01 CAO Planning & Budgeting

"One Plan Across The Command"
Agenda

- Opening Remarks

I. Objectives & Expectations of Today’s Workshop

II. How This Fits into IMS Cycle

III. IMS Module 2 - How to Develop a CAO Plan

IV. FY01 Business Plan Overview

V. Develop [Insert CAO Name] FY01 Performance Plan
I. Objectives & Expectations of Today’s Workshop
Why we are here!

➢ To become familiar with the FY01 Business Plan, goals & strategies

➢ To understand the Command’s resourcing process and the steps required to resource our plan

➢ To make the decisions necessary to develop a Performance Contract and Performance Plan for [insert CAO Name here]

➢ Ownership -- Goal/Commitment

You are our strongest advocate!
The “Performance Contract”
Concept

- DCMC must commit to financial and performance goals in a long term contract with OSD

- We use the same process internal to DCMC

- CAO contracts are no less important and form the basis for DCMC’s contract with OSD

- The “Performance Contract” is one of the tools we will use to negotiate and agree upon financial and operating performance

- Represents a commitment or “contract” to achieve a target level of performance for a given resource level received
Input We Provide

- Review Business Plan and Supplement as required
- Analyze mission performance and costs
- Use the Performance Contract Format to:
  - Identify internal trade-offs
  - Articulate our plan
  - Negotiate performance and budget targets

? Develop a Business Case Fact Sheet to quantify impacts on performance due to unfunded requirements
What happens to our input?

- Performance Contract, Budget Plans and Business Case Fact Sheets reviewed by District
  - Unresolved issues resolved by BPT and RUC and approved by the DCMC Commander
- BPT/RUC process reviews the Performance Contract, Budget Plans, and Business Case Fact Sheets and negotiates final sets for the Command
- Aggregate targets for Command incorporated into POM and OSD Performance Contract
- Primary tool for updating our Budget Estimate Submission (BES)
  * Becomes the gauge by which our activity’s performance is measured at MMRs and FMRs

Our input is the basis for how the Command is resourced. It’s important and it will be used!
Expectations

- Your work on the plan is vital

- Performance Plans/Contracts, Budget Plans and Business Cases drive:
  - Program Objective Memorandum (POM)
  - Performance Contract with OSD
  - DCMC/District Budget
  - Our Management Review Process

- Take a hard look at your team’s performance, workload, and financial outlook and translate your analysis into your team strategies/plan

- Be a proponent and advocate of the plan and the IMS process
II. DCMC Integrated Management System (IMS) Overview
Getting the Word Out

- IMS Focal Points at all CAOs
- One Book Chapter: Integrated Management 0.6
- IMS Guidebook
- IMS CBT

FY01 Performance Goal to train all employees in our organization
DCMC Integrated Management System (IMS)

- Planning
- Programming
- Assessment and Feedback
- Resourcing and Budgeting

Execution
III. Development of a CAO Performance Plan

“IMS Module 2”
What Makes A Good Plan

- A solid business strategy
- Organizational commitment
- Accountability for results
- Measurable and achievable goals/strategies
- An understanding by everyone as to how they fit in and contribute
- Strong focus on meeting customer needs
So What’s A CAO To Do?

- Critical that we supplement with things that will help achieve Command goals/objectives
- Develop strategies that will help each member of organization understand how they fit in/contribute to our success
- Develop strategies for improving shortfalls using the Internal Risk Management approach (new One Book Chapter)
- Execute mission requirements
- Monitor progress toward goal achievement
- Take corrective/improvement action

AND THEN

- Include Special Agreements with customers
CAO Key Players

- Commander/Deputy
- Group/Team Leaders
- IMS Focal Point

- Customer Satisfaction Focal Point
- Budget Monitor
- Reimbursable Monitor
- CAO Planning Focal Point
- USA Focal Point
- MCAP/MCR (Internal Risk Management) Focal Point
- Metrics Focal Point
- Process Focal Points
- SFAs
- Process Champions
- Program Support Teams
- Union Representative
Inputs to the Planning Process

- DCMC Business Plan
- Reimbursable Projections
- Non-labor Estimates
  - Travel
  - Training
  - GOVs
  - Supplies
- Labor Estimates
  - Authorized and Actual FTEs
  - Overtime
- PST Program Requirements
- RUC Estimator Model Data
- Risk Assessment Results Mission Performance Results
- Assessment Tool Results; includes:
  - Internal Customer System Results
  - USA Results
  - IOA Results
  - MCR Results
  - Other External Reviews
- Other CAO Unique Requirements
The Importance of Data Integrity

Please don’t “muddy” my water!
Assessing CAO Needs

- Review mission, goals, and objectives
  - DCMC Business Plan requirements
  - CAO unique mission requirements
  - CAO unique performance indicators
  - Results of internal assessments
  - IOA results

- Review CAO actual performance to performance goal level
- Review and adjust Budget Plans
- Populate the contract
  - By PLAS process
  - By Performance Plan structure (Objectives-Service Sets)
Comparing Projections to Authorized Allocation

- **Budget or FTE allocation not adequate**
  - Utilize Performance Contract and Budget Plans
  - Determine if any FTE, budget, or performance trade-offs can be made
  - Prioritize and trade-off lower priorities
  - Determine funded VS unfunded requirements
  - Negotiate lower performance targets

- **CAO has unfunded requirements or skills imbalance?**
  - Identify impact and prepare a Business Case Fact Sheet to accompany the Performance Contract and Budget Plan submittal
Strategies/Tasks:

- Added under performance goals (no prescribed numbering system, but identify your CAO Name)
- Must contribute to achievement of Command level performance and investment goals
- Document activity that will lead to accomplishment / improvement of performance goal

- Unique Customer Requirements
- OFI improvement initiatives
  - selected from results of the various assessment tools (USA, IOA, ICS, etc)
CAO Performance Plan/Budget Submission

- All of the inputs from the previous steps are consolidated into the CAO Performance Plan and budget submission which includes:
  - Supplemented Performance Plan
  - Performance Contract
  - FTE Plan
  - Object Class Plan
  - Reimbursable Plan
  - Training Plan
  - GOV Plan
  - Business Case Fact Sheet (if required)
Negotiation Process

- Targets were adjusted based on our input - several goals changed
- Individual performance for each CAO
- Commitment to level of performance for a given level of resourcing
- All levels negotiate with next level up the Chain of Command
  - CAOs negotiate levels with Districts
  - Districts with DCMC HQ
  - DCMC HQ with OSD
IV. FY01 DCMC Business Plan Overview
Development of the Business Plan

- Long-range direction from Executive Council
  - Mission
  - Vision
  - Goals
  - Objectives
  - Topic areas for performance/investment goals
  - Plan now aligned with Service Sets as in One Book
  - Contents written by separate HQ staff elements
  - Input via field review prior to publication of plan

Collaborative effort between all of us
Input via Planning Team

- Representatives from HQ, Districts, CAOs
- CAO participants added in response to lessons learned from FY99
- Representatives from PLAS PMC

- Team’s role in the process:
  - Facilitating plan development process
  - Ensuring compliance with GPRA
  - Establishing standard planning/budgeting process
  - Communicating process across the Command
Business Plan Contents

- Table of Contents
- Commander’s Message
- Part A - Foreword
- Part B - DCMC Long-Range Plan
- Part C - FY01 DCMC Performance Plan
- Part D - FY01 Budget Formulation Guidance
Part A - Foreword

- About DCMC - Business Base, Services before & after award
- Core Values
  - People, Service, Excellence, Integrity, Innovation
- Operating Principles
  - Risk Management
  - Civil Military Integration
  - Process Oriented Contract Administration
  - Integrated Product Teams
  - Management Councils
  - Integrated Management System NEW!
Part B - Long-Range Plan

Sec 1: Mission/Vision

Sec 2: Goals/Objectives (linkage to DoD goals & priorities)

Sec 3: How goals/objectives will be achieved

Sec 4: How performance goals relate to goals/objectives

Sec 5: Key external factors beyond DCMC control

Sec 6: Program evaluations

Aligned with GPRA Requirements
Part C - FY01 Performance Plan

Hierarchy Structure

- 1 Goal (3)
- 1.1 Objective (12)
- 1.1.1 Performance Goals (32)

- Strategy/Task (HQ, Districts, CAOs)

- Aligned by objectives--Executive Council
- HQ activities in implementing plans
- Fewer items, better link to CAOs
- Investment Goals (18) in separate section
Part C - DCMC Performance Plan

3 Goals

- Deliver Great Customer Service
- Lead the Way to Efficient and Effective Business Processes
- Enable DCMC People to Excel

Represents our Command priorities and our commitments on what we intend to accomplish.

12 Objectives Aligned by Service Set
Goal 1: Deliver great customer service

Objective 1.1: Engage early in the acquisition cycle to improve business results.

Objective 1.2: Team with Service program managers to achieve customer desired results

Objective 1.3: Assure the quality of today’s products and services and improve the capability of tomorrow’s Defense industrial base

Objective 1.4: Ensure timely delivery of products and services

Objective 1.5: Team with and represent our customers in securing best value products and services.

Objective 1.6: Provide payment and financial management services that promote efficient and effective operations.

Objective 1.7: Complete all aspects of contract closeout in a timely manner
Goals and Objectives - Goal 2

Goal 2: Lead the way to efficient and effective business processes

Objective 2.1: Use risk management to improve efficiency in supplier and internal business management processes.

Objective 2.2: Promote increasingly efficient and effective contractor business and financial systems

Objective 2.3: Provide timely, quality flight operations services.

Objective 2.4: Increase the efficiency of DCMC services support
Goal 3: Enable DCMC people to excel

Objective 3.1: Build and maintain a work environment that attracts, develops, and sustains a quality workforce
**Example: Performance Goal 1.4.1**

**Performance Goal** - Increase on-time deliveries by 5 percentage points.

**Performance Goal Indicator-Metrics Guidebook Number/Computation:** 3.7.1 - See metrics guidebook for computation.

**Baseline Performance Level** - Baseline will be established October 2000. Baseline shall be the average On-time rate realized during FY00.

**PowerPlay Cube Name** - Data can be obtained by running the Impromptu Query titled “112.imr” on the 15th of each month. If the 15th falls on a holiday or weekend, run on the following business day. Summary data dating from October 1998 can be found on the DCMC Homepage at the following address: www.dcmc.hq.dla.mil/dcmc_o/ob/delivery/initiati.htm.

**PLAS Code(s)** - 086

**Service Set** - Delivery Services

**One Book Chapter Number** - 5.1

**OPR** - DCMC-OB

**OSR** - DCMDs and CAOs

**Target Completion Date** - September 30, 2001

**Year-end Status Calculation** - Divide total number of schedules delivered on time during FY 01 by total number of schedules due during FY 01. Multiply the result by 100.

**Strategy**  
Why?  How?  CAO involvement?
Reviewing Progress To Plan

3 Types of Management Reviews

- **MMRs (Mission Management Reviews)**
  - Track performance against targets

- **FMRs (Financial Management Reviews)**
  - Assess financial, unit cost, and resource management performance

- **SMRs (Special Management Reviews)**
  - Review topics requiring special management attention and the status of “Implementation Plans” for things like IT, and customer satisfaction plans.
Summary

- More improvements for FY01
  - Improved alignment with One Book, unit cost, etc.
  - More CAO involvement during development
  - Better performance goal compliance with GPRA

- Supplement the plan as required but retain focus on Command improvement priorities
- Use IRM Policy to select OFIs for inclusion in supplemental plan
- Progress monitored via Management Review process

Net Result: A more focused plan that is more meaningful at all levels in the Command

"One Plan Across The Command"
You’re Ready!

➢ Develop [Insert CAO Name] FY01 Performance Plan

- Suggest ground rules be posted
- Suggest group review/post DCMC predefined strategy box (Page C-5 of Business Plan)
- Sample CAO Performance Goal Worksheet and Strategy/Task Planning Documents (File name: Sample Worksheets.xls)

Note: If you elect to use either of these documents, it will facilitate the process if they are pre-populated with:
  - Input from key players not in attendance,
  - Historical performance information, and
  - Any other information which is available prior to your CAO workshop