

USAWC STRATEGY RESEARCH PROJECT

**CRAWL, BEFORE YOU WALK, BEFORE YOU RUN:
TOWARD MEANINGFUL ARMY TRANSFORMATION**

by

Lieutenant Colonel(P) Jacob B. Hansen
United States Army

Dr. Diane DiClemente
Project Advisor

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 03 MAY 2004	2. REPORT TYPE	3. DATES COVERED -			
4. TITLE AND SUBTITLE Crawl, Before You Walk, Before You Run: Toward Meaningful Army Transformation		5a. CONTRACT NUMBER			
		5b. GRANT NUMBER			
		5c. PROGRAM ELEMENT NUMBER			
6. AUTHOR(S) Jacob Hansen		5d. PROJECT NUMBER			
		5e. TASK NUMBER			
		5f. WORK UNIT NUMBER			
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Army War College, Carlisle Barracks, Carlisle, PA, 17013-5050		8. PERFORMING ORGANIZATION REPORT NUMBER			
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)			
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)			
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT See attached file.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 30	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

ABSTRACT

AUTHOR: LTC(P) Jacob B. Hansen
TITLE: Crawl, Before You Walk, Before You Run: Toward Meaningful Army Transformation
FORMAT: Strategy Research Project
DATE: 19 March 2004 PAGES: 22 CLASSIFICATION: Unclassified

When planning a trip on the software Map Quest, the application asks you two questions. The first is, "What is your desired destination?" and the second is, "What is your starting point?" It is the premise of this author that no trip can be planned without knowing that critical starting point. Trying to plan a trip without knowing that piece of information would be a meaningless effort. Departing on that trip without knowing where you are starting from would be crazy. Regardless of whatever wonderful destination you have in mind, if you never take into account your starting point, you will always be lost.

Why then is the United States Army doing exactly that? Leaders in the Army talk on a daily basis about this exciting organizational journey that they call "transformation". Those strategic leaders pontificate endlessly about what the future Army organization will look like. Quite frankly, they are wasting their time discussing the "to be" Army when they do not have any idea what the current or "as is" Army looks like. Only after we identify what the "as is" Army looks like, can we then draft a route to the future.

This paper will focus on the Army organizations that exist within the Pentagon and its field operating agencies. It is not the intent of this paper to identify what the "as is" Army looks like. That would be an impossible task, as the empirical data required to quantify what the 23,000 people are doing in the Pentagon simply does not exist. Instead, it is the intent of this paper to explain an affordable, executable, accurate, and common sense solution to quantify where our man-hours in the Army's bureaucracy go. If the ideas outlined in this paper are executed, it will set the stage for a meaningful transformation effort.

TABLE OF CONTENTS

ABSTRACT.....	III
ACKNOWLEDGEMENTS.....	VII
CRAWL, BEFORE YOU WALK, BEFORE YOU RUN: TOWARD MEANINGFUL ARMY TRANSFORMATION.....	1
THE IMPORTANCE OF DETERMINING THE CURRENT OR "AS IS" ARMY.....	1
THE ARMY'S ERROR IN PLANNING FOR THE FUTURE ARMY.....	2
THE PENTAGON.....	3
THE BOTTOM LINE.....	4
THE PERFORMANCE LABOR ACCOUNTING SYSTEM.....	4
ORGANIZATIONAL RESISTANCE TO CHANGE.....	6
NOW THAT WE CAN CRAWL WE CAN LEARN TO WALK.....	7
THE DEFENSE CONTRACT MANAGEMENT AGENCY - A CASE STUDY.....	8
THE CUSTOMERS OF THE PENTAGON - CREATING A "CUSTOMER -CENTERED CULTURE"	10
WHAT DO WE DO?.....	11
WHO DO WE DO IT FOR?.....	12
WHAT DO THEY WANT AND WHY?.....	14
THE CUSTOMER EXPECTATION EXERCISE.....	16
CONCLUSION.....	18
ENDNOTES.....	19
BIBLIOGRAPHY.....	21

ACKNOWLEDGEMENTS

I thank my wife and best friend Jennifer for her undying love and support. Thanks also to my children Brianna and Mitchell for letting Daddy have peace and quiet to work on this effort. I further thank Dr. Diane DiClemente for her efforts and humor displayed serving as my SRP Faculty Advisor. Last, I thank author Robin L. Lawton for his brilliant book, *Creating a Customer-Centered Culture: Leadership in Quality, Innovation, and Speed*. If we embrace his thoughts, we can transform the Army.

CRAWL, BEFORE YOU WALK, BEFORE YOU RUN: TOWARD MEANINGFUL ARMY TRANSFORMATION

“America’s Army places soldiers on point in a dangerous world because they are the surest signs of the commitment of the Nation. Our non-negotiable contract with the American people is to be a warfighting Army—persuasive in peace, invincible in war. Therefore, my overarching goal as CSA must be to provide the leadership, grounded in a vision for the future, to keep this Army the preeminent institution in the Nation, the most respected Army in the world, and the most feared ground force to those whose actions would threaten the vital interests of the United States.”¹

— General Eric K. Shinseki, Former Chief of Staff of the Army

THE IMPORTANCE OF DETERMINING THE CURRENT OR “AS IS” ARMY

An unrelenting theme of the senior leadership of the Army is that a significant transformation of the Army must occur. Many of our senior leaders pontificate and discuss in great detail their vision of what the future force or the “to be” Army will look like. It is the contention of this author that the organizational change required to transform to the “to be” force can never occur until we ascertain the characteristics of the current force or the “as is” Army. Author Geoffrey Moore articulated this thought well in the introduction of his book, *Inside the Tornado* when he wrote, “When I’m writing a book, I typically save the introduction for last, the theory being it’s much easier to tell people where you’re going once you can see where you’ve been”.² This concept rings true when we talk about accomplishing a meaningful Army transformation.

This paper will specifically focus on the Army organizations that exist within the Pentagon and its field operating agencies. It is not the intent of this paper to identify what the “as is” Army looks like. That would be an impossible task, as the empirical data required to quantify what the 23,000 people are doing in the Pentagon simply does not exist. Instead, it is the intent of this paper to explain an affordable, executable, accurate, and common sense solution to quantify where our man-hours in the Army’s bureaucracy go. The author will introduce the “Performance Labor Accounting System (PLAS)” software application that will give the senior leadership in the DoD, and specifically the Army, the ability to gather empirical data on the current labor expenditures within the Pentagon.

Once we know what the people are doing within the Pentagon, it will beg three other questions: Why are they doing *it*, whom are they doing *it* for, and is *it* driving customer

satisfaction internal and external to the Pentagon? For example, within the Pentagon, someone or some organization has requested that certain products be produced. In terms of “customer satisfaction” are their needs being fulfilled? These are all critical questions that will help us down the transformation journey.

The beginning of transformation or what the author calls “transformation crawling” will begin through something called the “Customer Expectations Exercise” which will answer the “why”, “who” and “how well” questions posed above. The capstone exercise recommended in this paper is the brainchild of Mr. Robin Lawton, the author of *Creating A Customer-Centered Culture: Leadership in Quality, Innovation, and Speed*. Mr. Lawton offers the Army a common sense project called the “Customer Expectation Exercise.” This exercise will allow the Army to answer the what, why, who and how well questions previously mentioned.

The combination of employing the PLAS software application and engaging Mr. Lawton's “Customer Expectations Exercise” will result in an identified “as is” Army poised for transformation initiatives. An improved Pentagon would be a big first step to a meaningful transformation because in many ways, the Pentagon is the heart and soul of the Army. Improving that organization would lead the way to other Army transformation initiatives. This all must start with an understanding of why the identification of the current Army is important.

Transformation must start with the identification of the “as is” or current Army. To emphasize this point, let's plan a driving trip to a wonderful vacation destination. You sit down at your computer, go on line and bring up the “Map Quest” software application to map out driving directions. The application asks two very simple questions: what is the address of your destination and where is your starting location. Regardless of how wonderful the destination might be, the software application cannot create driving directions without the starting address. It would be ill advised to start the trip without those driving directions. It would be somewhat insane to get in the car and start that trip without knowing your starting street, city or state. Your trip would be wrought with a constant state of confusion and you would be forced to make mindless guesses at which roads to take next.

THE ARMY'S ERROR IN PLANNING FOR THE FUTURE ARMY

Why then does it seem as if the United States Army doing exactly that? Leaders in the Army talk on a daily basis about this exciting organizational journey that they call “transformation”. Even the President of the United States describes what this future “to be” Army organization will look like. President Bush articulated the Army's transformation in an 11 December 2001 speech to the Citadel. “While the threats to America have changed, the need

for victory has not. We are fighting shadowy, entrenched enemies – using the tools of terror and guerrilla war – yet we are finding new tactics and new weapons to attack and defeat them. This revolution in our military is only beginning, and it promises to change the face of battle.” The President further emphasized the complexity of the transformation as a result of the U.S. war on terrorism: “What’s different today is our sense of urgency – the need to build this future force while fighting a present war. It’s like overhauling an engine while you’re going 80 miles an hour. Yet we have no other choice.”³

The President and the senior leadership of the Army are all absolutely correct. The Army must evolve from its cold war structure to better face the asymmetrical threat that we face in the war on terror. The problem is that our journey to the proverbial “to be” organization will have the same problem as our road trip to our notional vacation spot. The organizational “Map Quest” software application will still query us on our starting location. The organizational journey to the “to be” Army so adroitly articulated by General Shinseki and President Bush, cannot begin until we know where we are. This is not an insurmountable task. In fact, the solution is right in front of our face, can be executed, is affordable and is loaded with common sense. Let us begin our journey to the “to be” Army by talking directly to our greatest asset, the “as is” workforce of the Pentagon and the employees of its supporting field agencies.

THE PENTAGON

Consider these facts about the Pentagon. “The Pentagon is virtually a city in itself. Approximately 23,000 employees, both military and civilian, contribute to the planning and execution of the defense of our country. These people arrive daily from Washington, D.C. and its suburbs over approximately 30 miles of access highways, including express bus lanes and one of the newest subway systems in our country. They ride past 200 acres of lawn to park approximately 8,770 cars in 16 parking lots, climb 131 stairways, or ride 19 escalators to reach offices that occupy 3,705,793 square feet. While in the building, they tell time by 4,200 clocks, drink from 691 water fountains, utilize 284 rest rooms, consume 4,500 cups of coffee, 1,700 pints of milk and 6,800 soft drinks prepared or served by a restaurant staff of 230 persons and dispensed in 1 dining room, 2 cafeterias, 6 snack bars, and an outdoor snack bar. The restaurant service is a privately run civilian operation under contract to the Pentagon.

Over 200,000 telephone calls are made daily through phones connected by 100,000 miles of telephone cable. The Defense Post Office handles about 1,200,000 pieces of mail monthly. Various libraries support our personnel in research and completion of their work. The Army Library alone provides 300,000 publications and 1,700 periodicals in various languages.”⁴

THE BOTTOM LINE

Here is posed the million dollar question and the basis of the problems associated with identifying the “as is” Army. What exactly are those 23,000 employees, who drive 8,770 cars, who drink 4,500 cups of coffee, and make 200,000 daily phone calls, doing? Who do they do it for and why do they do it? If a manager/leader has 35 employees in his/her division, common sense would dictate that leader could not possibly know how each employee spends their day. Someone is drinking the 6,800 soft drinks, using the 284 rest rooms, using the 1 dining room, 2 cafeterias, 6 snack bars, and an outdoor snack bar. A manager of 35 employees is doing well if he knows who is on leave on any given day. That is not meant to be a derogatory statement about Pentagon management as each manager personally has a full calendar in the Pentagon too! They are fully engaged with the deluge of daily emails, meetings, phone calls and an endless supply of tasks with challenging due dates.

It is this author's contention that we can capture the labor data that currently eludes us in the Pentagon. It is absolutely critical to have that data so the Army can baseline what it currently does. How can you gage a successful, desired transformation effort if you do not have a baseline to measure your success? We do not have to recreate the wheel in this effort. In fact, one Department of Defense Agency has already solved this problem.

THE PERFORMANCE LABOR ACCOUNTING SYSTEM

The answer to quantifying the daily employee's productivity within the Pentagon is actually quite simple, ask the employees what they did that day. The Defense Contract Management Agency (DCMA), a field operating Combat Support Agency of the Pentagon has done just that. Every employee, on a daily basis, spends three minutes entering their day's events into a software application called the Performance Labor Accounting System (PLAS). In this application they enter what they did by function, product or service, who they did it for, and how long it took to complete. PLAS also tracks lunch breaks, leaves, holidays, and other events of the workday. The Defense Contract Management Agency can aggregate that data to examine by person, division, or entire organization, what was done on any given day. That provides some very powerful data to DCMA's leadership.

By doing some simple math such as dividing an employee's salary by hours available to be worked in a year, it would yield us that employee's hourly wage. For example, if a manager knows that he had John and Frank working on a briefing for him, he could now calculate the exact cost to the Government to prepare that briefing. By examining the PLAS output for John

and Frank for the week, it can be determined how many man-hours were spent on the report. By multiplying those hours by John's and Frank's appropriate hourly wages, we can see the exact cost of that report.

PLAS also gives management visibility into what their people are doing on a daily, weekly, biweekly, monthly or even an annual basis. This provides some enlightening insights to management when they examine the reports to determine if the employees are spending their days in accordance with the manager's intent. Frequent reviews of the PLAS data combined with employee counseling sessions would provide both management and employees a useful tool to determine if the employee is meeting the boss's expectations. Managers would also see the cost in man-hours his/her tasks cost the taxpayer. It will be enlightening to managers to see how many hours went into a 15 minute PowerPoint presentation. Actually putting a dollar value on a 15-minute presentation would open many a managers' eye. The people of the Pentagon work very, very hard and take great pride in the products they produce. That said, managers currently have no manner to determine how long it took an employee to produce a product. PLAS will give the Army just that capability.

By using the PLAS time accountability software tool, employees can benefit by having a better understanding what is expected of them through an analysis of their man-hours with their bosses. Senior Army management also benefits from this software application. By rolling up man-hour data for all of the Pentagon employees, management up the entire chain of command can examine just what exactly what people were doing during any given time period. The Secretary of the Army would then have a powerful tool that can help him understand what the "as is" Army looks like. More powerful than that, he now has a tool that will allow him to **baseline** how the "as is" Army currently spends its time. Having an accurate baseline of the current Army is absolutely critical to measuring the results of future transformation efforts. As the Army transforms, the labor hours should shift in a desired manner from undesired activities to desired activities that best support the warfighter.

As the Army moves on with transformation, those desired effects of the transformation initiatives can now be quantified, monitored and scrutinized based on the valuable data provided by PLAS. Senior leaders would actually be able to determine if the Army is on the right road to the desired "to be" Army based on an analysis of the man-hour data. How can the Army know if it is transforming if it has no empirical data to document the effort? That would be similar to departing on a vacation journey without knowing your starting location.

ORGANIZATIONAL RESISTANCE TO CHANGE

Implementing the Performance Labor Accounting System would be a large change initiative within the Pentagon. It must be pointed out that an initiative of this magnitude would most probably be met with resistance, as organizations are inherently resistant to change. "Despite the best efforts of senior executives, major change initiatives often fail. Those failures have at least one common root: Executives and employees see change differently. For senior managers, change means opportunity – both for the business and themselves. But for many employees, change is seen as disruptive and intrusive."⁵ In many cases a distrust of employees towards management complicates change initiatives. To mitigate that distrust, it is often a good strategy to include the workforce in planning for and executing transformation initiatives like the PLAS program. Successful transforming organizations were strongly characterized by involvement of all employees in improvement and participation in the transformation. Because of this involvement, transformation was viewed as an opportunity rather than a threat, and individuals were defined as resources to foster organizational improvement rather than costs that dragged down bottom-line financial performance.⁶

Further, employee (and some management) resistance can be overcome with the staunch, visible support of the chain of command. Colonels' Filiberti, Oman and Thomas of the United States Army War College, wrote in an Army transformation case study that, "Senior leaders can and should accelerate bureaucratic processes to gain efficiencies and economies and effectively manage change. However, unless the entire system of systems is adjusted to accommodate change, there will be substantial organizational costs and considerable institutional resistance. Without dedicated and active management by leaders and staff at every level, institutional frictions and biases will reduce the effectiveness and eventually the efficiency of the change effort. In addition, senior leaders must establish a clear, unambiguous chain-of-command responsible for implementing transformation. The management of change requires constant evaluation by senior leadership of the progress being made and an assessment of the processes making that progress."⁷

The Colonels are absolutely correct; a constant evaluation by leadership is paramount in judging whether meaningful and desired transformation is actually occurring. It is clear that the staunch support of the chain-of-command will be required to implement this manpower assessment project. The importance of the PLAS application must be driven down to every employee. After the PLAS application has been deployed and implemented, we must then ensure that the labor hour inputs are accurate. The success of this change initiative demands

data accuracy. Quality control must be emphasized and ensured by the entire chain of management. There is an appropriate old adage, "What gets measured, gets done".

Better quality and enthusiasm for inputting PLAS data can be ensured if we do one other important and clever tactic. We must tie the data entry into this software application to the employee's pay. This was a successful tactic used by the Defense Contract Management Agency – St. Petersburg, Florida. Standard time and accounting sheets were abandoned. Instead, the bi-weekly PLAS outputs were used for timekeeping purposes. Employees and their supervisors review and sign the PLAS report and it is submitted for time and attendance pay purposes. Once the employees understood that their pay was tied to PLAS, accuracy and timeliness of reporting was no longer an issue. When the first line supervisor certifies the time, he must review the PLAS data too. Two birds killed with one transformation stone.

NOW THAT WE CAN CRAWL WE CAN LEARN TO WALK

Once the Army has deployed the PLAS software application, it can now baseline how its employees' man-hours are being spent in the Pentagon. This will be a major milestone accomplishment that will set the framework for true organizational change. The senior leadership of the Army can now proceed with the next step on the road to the "to be" future Army. We can now place our starting location in our notional organizational "Map Quest" application and begin our journey with map in hand.

Now that the PLAS application has been launched the "as is" Army can be empirically defined and baselined. The Army's leadership will now have the capability to view, assess and alter "what" their employees are doing based on the PLAS data and reports. The trip to the "to be" Army will not be easy though, as Map Quest has routed the transformation route through a bureaucracy called the Pentagon. This will be a somewhat perilous journey through the Pentagon as the halls are wrought with empire builders and people protecting their influence and domain otherwise known as "rice bowls". If a person allows another individual to tread on their areas of responsibility or territory, that person is in jeopardy of justifying his or her very existence. People protect and try to expand their "rice bowls" out of a feeling of importance and survival.

We must at this time look at the environment of the Pentagon, specifically analyzing the nature of the bureaucracy with which we are trying to enact change. After a brief look at the composition of bureaucracies, we will look to the Defense Contract Management Agency as a case study of bureaucracy run amok. The case study will also demonstrate how a wayward organization can get back on track.

“In common parlance, bureaucracy is a derogatory term. Any organization that operates by complicated rules and routines, or that is characterized by delays and buck passing, or that treats its clients impolitely, or that has operating managers who try to build empires, is called a bureaucracy. In particular, all large government organizations are labeled bureaucracies, usually with the implication that nongovernmental organizations are not bureaucracies. In studies of organizational theory however, “bureaucracy” describes an organization with certain characteristics, and no derogatory value judgment about such an organization are inherent in large and complex organizations, both government and nongovernmental.”⁸

THE DEFENSE CONTRACT MANAGEMENT AGENCY – A CASE STUDY

The Pentagon is a classic example of a bureaucracy gone awry. It is an organization consumed with empires and mismanagement. One only has to look to the daily news for example after example of a Governmental Bureaucracy gone wrong. An article in the San Francisco Chronicle reports, “The Department of Defense, already infamous for spending \$640 for a toilet seat, once again finds itself under intense scrutiny, only this time because it couldn’t account for more than a trillion dollars in financial transactions, not to mention dozens of tanks, missiles and planes.”⁹ This is not the description of an efficient or effective organization.

The Defense Contract Management Agency found itself in a similar bureaucratic quagmire. They addressed their organizational inefficiencies with a straightforward, common sense approach. They reached out to the employees soliciting their assistance with the reinvention of their command. They received hundreds of ideas from the employees on how to address the problems associated with a bureaucracy.

Many of the employees’ suggestions pointed to a problem with a policy and guidance book called the “One Book”. The One Book was once grounded in regulations and statutes but had morphed into a book with a demanding life of its own. The chapters of the One Book represented the work of hundreds of headquarters’ staff employees’ rice bowls. The One Book has 15 Chapters that can be broken down to 300 subchapters; each chapter and subchapter has an associated process owner. When one process owner makes a policy change to the One Book, it makes a small ripple to the commands in the field. But when 300 process owners are making policy changes in an organizational vacuum, it’s a Commander’s worst nightmare. The volume of changes was overwhelming. Not only could they not keep up with the changes, in many cases the changes made no sense. The headquarters staff could not understand how the volume of policy changes affected the Commands. They also did not see that the policy process owners were building on their empires at the expense of the peoples’ time in the field. The

people were diverted from doing their core mission to answer the demands of the policy owners on the headquarters staff. Instead of the staff serving the Commands in the field, the inverse was true. It became more important to the people in the field to address policy issues versus doing their jobs. The problem was further exacerbated when the headquarters sent out inspection teams to see how well the commands complied with the One Book policies.

Two, twenty person inspection teams crossed the country and traveled overseas conducting compliance inspections of the DCMA field commands to the “shalls and musts” of the One Book. They were threatening inspections that resulted in written reports that directly affected the reputation of the Commander and the Commands themselves. The ironic part was that the inspections were based on compliance with the One Book but had no correlation to the Command’s contracting mission that ultimately directly supported the warfighters in the field. An organization could be deemed a success by the inspection team and still be a failure when conducting contract administration services on Department of Defense contracts. They were inspecting to a policy book that they created themselves. They were inspecting the wrong things for the wrong reasons.

Thanks to the inputs from the employees in the field, it became obvious to the leadership of DCMA that the One Book policies needed immediate attention. The command had an out of control policy problem that was not focused on mission accomplishment and was progressively getting worse. The process owners of the chapters of the One Book could not see the aggregate problem they were causing the commands in the field. An analysis of PLAS data showed an alarming trend of hours being spent satisfying the demands of the headquarters versus providing the contract support they were supposed to be providing in the field.

The Defense Contract Management Agency core mission of providing world-class contract administration services had been completely lost in the bureaucratic fog created by the One Book. In fact, an interesting inverse command and staff relationship existed because of the policies of the One Book. Instead of the staff supporting the Commanders in the field, the opposite was true. The commands in the field were feeding the required tasks, reports and data queries of the headquarters’ staff.

The query of the DCMA workforce shed some interesting light on this phenomenon. First, they pointed out that there was absolutely no correlation between being One Book compliant and providing quality contract administration services to the buying commands, program offices and the Department of Defense contractors. Second, they pointed out that the One Book provided no value-added use to the field.

In a shocking demonstration of true organizational transformation, vision and leadership, Brigadier General Edward Harrington, the Commander of the Defense Contract Management Agency, announced to his commanders that the One Book was now to be used as a guideline versus a regulation. He further announced that the Inspector General type inspection teams would be abolished. In essence, he tossed the homemade regulatory book out the window. This was a profound demonstration of true organizational transformation.

Over time, the employees, headquarters' staff, and management at all levels within DCMA understood the profound impact of General Harrington's decision. The PLAS data showed over time a shift from indirect labor hours that were feeding the bureaucracy of the headquarters to direct labor efforts that directly support the warfighters in the field. If it were not for the PLAS software application, no empirical evidence would have captured the profound effect of BG Harrington's transformation initiative.

THE CUSTOMERS OF THE PENTAGON – CREATING A “CUSTOMER-CENTERED CULTURE”

There is a direct correlation between the DCMA case study and the problems that currently exist within the Pentagon. The 23,000 people of the Pentagon do work very hard. It only takes one visit to that five-sided building to sense the urgency and fast pace that occurs there on a daily basis. As mentioned in an earlier definition of bureaucracies, there is confusion over who does what and for what reason. People task other people for products simply because they can and to enhance their personal empires. There is not a person who works in the Pentagon that has not heard, “I need this research done, briefing written, point paper slides revised, and it must be done right away for the General!” The sad part is that many of these “time sensitive” drills are actually “what if” projects not actually requested by the General.

Implementing a Performance Labor Accounting System will allow us to track some of those “what if” drills. The employees will need to have a realistic list of products and activities to charge to include perceived “what if” task like information papers, Power Point presentations, and fact sheets. Supervisors will quickly cue in on the tasks that reek with wasted effort and address those events accordingly. It is important to remember that the employee charges their time to tasks and to the customers they did the work for. For example, if a supervisor starts seeing excessive man-hour charging for information papers prepared for the personnel office, the supervisor would gain visibility of that with PLAS. Those man-hour reports will also allow derive an associated labor cost for those indirect hours spent on “what if” drills. Implementing PLAS throughout the Pentagon will be a good start in monitoring those inefficiencies, but there

is so much more we can do by implementing another concept called, “the Customer-Centered Culture”.¹⁰

In a profound and thought provoking book, Mr. Robin L. Lawson introduced the concepts encompassed within an organization that embraces a customer-centered culture. Mr. Lawton has captured and unveiled the concept of structured, common sense business operations focused on the customer.

This author believes that Mr. Lawson’s organizational concepts would help transform the “as is” Pentagon in a very significant manner. His theories are designed perfectly to identify and satisfy customer needs while successfully navigating the chasm of a bureaucratic Pentagon. By implementing the concepts to follow combined with the Performance Labor Accounting System, we could begin significant “transformation crawling” and empirically measure that progress. The beauty of this plan is that it is loaded with common sense, is affordable, easily understandable, and can be done with relative ease if embraced by the leadership of the Pentagon.

Mr. Lawton writes in his book that in order to achieve specific organizational outcomes we must answer five critical questions about our Army organization and ourselves:¹¹

- *What* do we do?
- *Who* do we do it for?
- What do they *want* and why?
- How can we better *improve* their satisfaction and our performance?
- What is the *strategy* and *process* for creating a customer-centered culture?

WHAT DO WE DO?

What exactly do the 22,000 employees in the Pentagon do? It is acknowledged that they are very busy but what types of products do they produce? This author is not going to begin to list the products that the employees of the Pentagon produce on a daily basis. It is Mr. Lawton’s contention that this information must come from the employees themselves. Each employee of the Pentagon needs to sit down and prepare a list of products they produce. “Products include more than just manufactured items. They can be information products (reports, invoices, orders, designs, courses), service products (answers, deliveries, appendectomies, repairs) and entertainment products (movies, games, rides). A product is any deliverable produced by an individual, group or business unit. It is something you can make plural with an “s”.¹² This is a critical first step in creating a customer-centered culture.

Through experience and use of this process, Mr. Lawton has already predicted some of the thoughts our people will have:¹³

- It is hard to change our thinking of what we do from activity to deliverables;
- Identifying products focuses us on results;
- Now I know why others have a hard time understanding what I do;
- Most of what I do is intangible;
- Defining my products has made what I do concrete;
- It can be difficult to identify the products we create;
- Products focus on customers;
- We actually produce very few products compared to the amount of time worked;
- Once we've identified our products, it is easier to determine correctly who our customers are;

Each employee should be asked to answer the following three questions as a part of this product definition exercise:¹⁴

A. Write at least four specific products *produced by your immediate work group*.

B. Now identify examples of *products you personally create*.

C. Select one of the most important products named in either section A or B. Write the specific name of the product(s). Do *not* use "answers or information" as an answer."

Once this project is completed, we have begun setting the foundation for our organizational journey towards creating an "as is" customer-centered Pentagon. All 22,000 people of the Pentagon will now have a tangible product in their hands that shows their leadership what they produce. They will find that it will beg some very interesting questions. One very important question it will trigger is, "Whom am I doing this for and why"?

WHO DO WE DO IT FOR?

Answering the question "who do we do it for" will help lead us down the path to a customer-centered culture. How can the employees of the Pentagon produce acceptable products if they do not know whom they are producing them for? Identifying the user is a critical concept in understanding the dynamics of the bureaucracy of the Pentagon. "It is not enough to recognize that we have internal customers and external customers...while this is true, it over simplifies."¹⁵ Mr. Lawton breaks those users down into three categories: End-users, Brokers and Fixers.

End-users are individuals or groups who actually use the products to achieve a desired outcome. They are the folks we supposedly had in mind when we designed, created, and delivered the product. For every product, there usually are more end-users than any other kind of customer. This is the most important type of customer.

Brokers transfer the product to someone else who will use it. They may act as an agent of either the end-user or the producer. As an agent of the end-user, the broker makes the product more accessible, easier to use, or more appealing. As an agent of the producer, the broker “encourages” the end-user to accept the product.

Fixers transform, repair, correct, modify, or adjust the product at any point in its life cycle for the benefit of end-users.

The beauty of understanding these differing customer roles is that they apply to internally consumed products (within the Pentagon) such as reports, information papers, and reports for the Secretary of Defense, as well as externally consumed products (developed for use outside of the Pentagon) such as war plans, budget requests to Congress, and press releases for the public”.¹⁶

Of the three types of customers, Mr. Lawton contends that the brokers lie at the heart of most organization’s bureaucratic woes. He writes, “The sheer number of brokers between the end-user and producer can cause problems. An extended broker chain can function much like the game of “telephone”: A group sits in a line or circle. One person whispers a phrase to the person next to him or her, and it continues around the group. The last person to hear the phrase speaks it aloud. By that time, the phrase usually has been significantly altered from the original statement. Likewise, there is a potential for the end-user’s needs to be miscommunicated.”¹⁷

Putting people or organizations between the producer and the end user can only cause distortion in that product. “This does not mean BROKERS are bad folks. They aren’t. It’s just that they and producers can get confused about who the most important customer is—the END USER.”¹⁸ Many times the product produced by the producer gets so distorted by a broker or a string of brokers that the end product does not slightly resemble the original product intended by the producer. In fact, many times the original producer objects to the final morphed product.

Supporting staffs in the Pentagon, acting as brokers for their boss, can alone contribute to huge amounts of unproductive labor efforts. Organizational staffs exist to support their leader, manager or boss. By the definition of their job, they work on behalf of that leader in a supporting or “broker” customer role. Staffs play an important role in the Pentagon but may be overzealous in the execution of their duties and excessively task some of the workforce “in case the boss asks a question”. When a manager discovers through PLAS analysis that a broker is a customer

of one of your employees, Mr. Lawton suggests that you should look at: “eliminating it, consolidating it, or automating it”.¹⁹

Mr. Lawton’s vast research in organizational behavior offers predictive insights into what we will learn about the customers inside and outside of the Pentagon. “The following represent the most common discoveries experienced by participants in his workshops:

- The end-users don’t have the most power.
- Communication between producers and end-users is weak and indirect.
- The brokers are the customers we have focused on the most.
- It’s easy to mistake brokers for end-users.
- Brokers have the *most*, end-users the *least* power.

It is not sufficient to recognize that we all have customers. Understanding the roles customers play with each of our products guides us in prioritizing who we must listen to most closely for success in the long run.²⁰ Managers in the Pentagon will learn that customer identification by end-user, fixer and broker will not be an easy task. It will also lead the manager to critically question why products are being produced in the first place once they learn where they end up and for whom. Given that this will be a tough task, it will also be a very rewarding task on the organizational journey to customer-centered transformation.

We now know what is produced. We also know that the Performance Labor and Accounting System will help us get our arms around that task. Furthermore, we have identified who our end-user, fixer or broker customers are.

WHAT DO THEY WANT AND WHY?

It makes good common business sense that management should examine the products their employees produce. They should also clearly understand the identity of the recipients of our products and the customer role they play. That then begs an obvious follow on question, why are these products being produced? That then leads to the heart of a customer-centered Pentagon, are the products being produced meeting the needs of the customers? Keep in mind that “customers” sometimes referred to a “stakeholders” can come in many varieties. According to Mary Jo Hatch, the author of *Organization Theory: Modern Symbolic and Postmodern Perspectives*, “...organizations have many different stakeholders. Stakeholders are individuals, groups, and other organizations that have interests (their stake) in the activities and outcomes of the organization. The prototypical stakeholder is the owner or shareholder. However, there are many other stakeholders including lenders, employees, customers, suppliers, members of the local community, and the local, state, and federal government.”²¹ Once we identify who the

customers are within and outside of the Pentagon, we can focus on how our employees' products are satisfying their needs.

How then should customer satisfaction be measured? Mr. Lawton has a technique that is anchored in common sense and effective. He articulates in his book something called the "Customer Expectations Exercise". The Customer Expectations Exercise should be done with a group of four to eight people. Ideally, they should include real customers of the product on which you will focus. "Although many leaders say they want to build strategic partnerships with customers, few have the courage to actually invite them to participate in the strategic planning process. As a result, customers' desired outcomes are generally unknown, assumed, poorly articulated or omitted altogether from the strategic plan."²² If that is not possible, invite participation by colleagues who know something about the real end-users' likely expectations. The whole exercise in the form of a focus group will take around 45 minutes. The results will be quite revealing.²³ This author found the exercise to be much more than revealing; it was the heart of an organizational transformation. Imagine having the producer of a product and the customer of that product in the same room discussing the product, the customer's expectations of the product and the ultimate customer satisfaction they have with the product. As you proceed with this enlightening exercise, the participants will learn that there is a big disconnect between the products being produced and the level of customer satisfaction. In some cases the producer and customer may decide that discontinuing a product may be the right answer. That would then free up labor hours that could be spent on other needed and appreciated products.

The following are some comments that have used the Customer Expectation Exercise. Bruce Rismiller, Executive Vice President, Northwest Airlines stated, "These (Robin Lawton's) concepts were so compelling. Two years after we began using these concepts, Northwest Airlines had achieved number one standing among U.S. airlines in three key areas: least number of mishandled bags, lowest number of customer complaints, and best on-time performance."²⁴

Carlton Braun, Vice President, Motorola Management Institute, Motorola, Inc. writes, "Rob Lawton's handbook treats the subject of pursuing customer satisfaction from a culture point of view. He does an excellent and unique job of explaining the subject. He provides the management and tactical tools to implement a culture change to achieve customer satisfaction internally and externally to the organization."²⁵

Larry Whobrey, Quality Improvement Manager, Caterpillar, Inc. comments, "It made sense, gave me ideas about new ways to look at things, and shook me up a bit! I have not been this excited about quality ideas and concepts in a long time."²⁶

If Mr. Lawton's ideas worked for these large and complex organizations, they most certainly should work in the Pentagon.

THE CUSTOMER EXPECTATION EXERCISE

The Customer Expectations Exercise starts by calling a focus group meeting consisting of the producer and customer of a product. Products produced in the Pentagon are wide and varied. Employees produce reports, information papers, fact sheets, and presentations, to name a few. The customers invited to the focus group need to know that this meeting is all about him/her and will last no longer than an hour. Here are the exact procedures required to run the meeting. This is a very powerful exercise. Senior management needs to sit in on these exercises to add visible support to his/her employees. This signals that the employees' products are important and that customer support is paramount to the organization.

There are ten steps to a customer expectations exercise.²⁷

1. Each person in the group is responsible for recording notes. Assign a timekeeper.
2. Write the name of the target product. Remember that this product name must meet the following criteria:
 - Is a noun
 - Is specific
 - Occurs in countable units
 - Can be made plural
3. Identify all the end-users for this product and write their names.
4. Brainstorm by giving each participant a turn to state an attribute thought to be desired by end-users. Everyone writes down each attribute as it is stated. The objective is to quickly identify as many attributes as possible. The goal is 30: the minimum is 15. Limit discussion.

Important Note:

Attributes must be stated in the "voice of the customer" using this statement: A quality (product name) is one that is (attribute). Do not change any of the words in this statement to fit your attributes. Be careful that attributes identified are for the product named, not for some other product. If the product is a purchase order, the attributes are for the purchase order itself, not the items the purchase order represents.

5. Once all the attributes are written down (or time runs out), each participant reviews the list to identify which three attributes are thought to be most important. Put a check in the

“rank” column next to those three. This is done by each individual, without discussion.

Do not combine or group attributes.

6. Determine the rank or priority of attributes by recording the number of checks each attribute has received. The one with the most checks is ranked “1.” Quickly rank the top five only. Complete steps 7 through 9 regarding only these top five attributes.
7. Identify those attributes that are currently measured. Consider an attribute “currently measured” only if a numerical measure is published, reported, or displayed on a regular basis.
8. Determine whether each of the top five attributes addresses performance (objective criteria) or perception (subjective criteria). It is okay to indicate that the attribute addresses both performance and perception.
9. Total the number of performance versus perception criteria.
10. Summarize your experience by answering the following questions:
 - a. What is the target product?
 - b. Who are the end-users?
 - c. How many attributes were identified?
 - d. What was the number 1 attribute? (1. Is it currently being measured? How? 2. Does the attribute address performance, perception, or both?
 - e. Repeat steps 10a to 10d for attributes 2 through 5.
 - f. What was the hardest part of this exercise?
 - g. What discoveries were made during the exercise?

Mr. Lawton provides a very useful meeting agenda that allows the producers and customers of work products to determine what the product should convey and whether they are successful in doing so. It is very productive when the producer and customer determine the desired attributes of work products. This author found this to be particularly rewarding. People who have been producing products for customers for years learned in many cases that their products either missed the mark, needed to be modified, or required complete and total restructuring. It was also learned during the customer expectation meetings that the reporting frequency of the product could be revisited and in some cases significantly reduced.

Applying Robin Lawton’s customer-centered organizational theories proved many of the producer’s assumptions about customer satisfaction were wrong. There were no hard feelings though. The producers and the customers worked together to understand how to satisfy the customer and defined what the customer needed and why. The producers left the customer

expectation meetings with a better understanding of how their products are used and the value they added to the Army and warfighters, the down-stream customers. This ultimately leads to satisfied employees and customers.

CONCLUSION

“Creating a customer-centered culture means thinking differently. It concerns what we create for whom and our governing values. Focus and experimentation on internal service products and processes creates a good foundation for applying the philosophy and methods externally.”²⁸

As Mr. Lawton's methodology has worked for companies such as Northwest Airlines, Motorola and Caterpillar Inc., it should work for the Pentagon as well. By linking the power of the Customer-Centered Culture and the Performance Labor Accounting System, the Pentagon will have the tools to see what the “as is” Army looks like. Using PLAS we can empirically see how the 22,000 employees of the Pentagon use their time. Embracing Robin Lawton's concept of a “Customer-Centered Culture” will allow the employees of the Pentagon to maximize the utility of their products and ultimately the use of their time. The employees will now understand what, why, and for whom they produce their products. Through the Customer Expectation Exercise they will also understand truly how well they are satisfying the customer.

The Pentagon is an organization ready to embrace the transformation of the Army. The ideas outlined in this paper are executable, affordable, and anchored in common sense. The transformation roadmap can now be completed with our starting location for our organizational trip accurately entered into “Map Quest”. The Army is now prepared for a journey towards the “future Army.”

WORD COUNT= 7,584

ENDNOTES

- ¹ Eric K. Shinseki. "Intent of the Chief of Staff, Army, 23 June 99" excerpt. Available from <http://www.army.mil/armyvision/intent.htm>. Internet. Accessed 23 December 2003.
- ² Geoffrey Moore, *Inside the Tornado: Marketing Strategies From Silicon Valley's Cutting Edge*, New York, New York, HarperCollins Publishing, Inc., xiii.
- ³ AUSA Torchbearer National Security Report, "How Transformational is Army Transformation?" February, 2003, 4.
- ⁴ Headquarters of the United States Department of Defense, "The Pentagon", 16 January 2001; available from <http://www.defenselink.mil/pubs/pentagon/about.html>. Internet. Accessed 23 December 2003.
- ⁵ Paul Strebel, *Harvard Business Review on Change*, (Boston, MA: Harvard Business School Press, 1998), 139
- ⁶ George P. Huber, William H. Glick, *Organizational Change and Redesign: Ideas and Insights for Improving Performance*, New York, New York, Oxford University Press, Inc., 1993, 49.
- ⁷ Edward J. Filiberti, James R. Oman, James H. Thomas, *The Army Transformation: A Case Study*, Carlisle Barracks, PA, U.S. Army War College, 12 October 2001, 27-28.
- ⁸ Anthony Robert and Regina Herzlinger, *Management Control in Nonprofit Organizations*, (Homewood, Illinois, Richard D. Irwin, Inc., 1975), 59-60.
- ⁹ San Francisco Chronicle, 18 May 2003, available from www.sfgate.com/cgi-bin/article.cgi?file=/c/a/3003/05/18/mn251738.dtl; Internet: accessed 30 January 2004.
- ¹⁰ Robin L. Lawson, *Creating a Customer-Centered Culture: Leadership in Quality, Innovation, and Speed*, Milwaukee, Wisconsin, 1993.
- ¹¹ Ibid, xiv.
- ¹² Robin Lawton, "Annual Quality Congress Proceeding", 2002, ABI/INFORM Global, 414.
- ¹³ Ibid Lawton, 7-8.
- ¹⁴ Ibid, 6.
- ¹⁵ Robin Lawton, "The Journal for Quality and Participation", Cincinnati: June 1992, Vol. 15, Issue 3: 41.
- ¹⁶ Ibid Lawton, 18-19.
- ¹⁷ Ibid, 25.

¹⁸ Robin Lawton, "The Journal for Quality and Participation", Cincinnati: June 1992, Vol. 15, Issue 3: 41.

¹⁹ Ibid, 25.

²⁰ Ibid, 29, jacket cover.

²¹ Mary Jo Hatch, *Organization Theory: Modern Symbolic and Postmodern Perspectives*, Oxford University Press, Oxford, New York, 1997. 121.

²² Robin Lawton, "Annual Quality Congress Proceedings", 2002, ABI/INFORM Global, 413-414.

²³ Ibid, Lawton, 43.

²⁴ Ibid, jacket cover.

²⁵ Ibid, jacket cover.

²⁶ Ibid, jacket cover.

²⁷ Ibid, 44.

²⁸ Robin Lawton, "The Journal for Quality and Participation", Cincinnati: June 1992, Vol. 15, Issue 3: 45.

BIBLIOGRAPHY

- Anthony, Robert, and Regina Herzlinger, *Management Control In Nonprofit Organizations*. Homewood, Illinois: Irwin-Dorsey International, 1975.
- Bey, Jacqueline, "Army Transformation: A Selected Bibliography." Carlisle, Pennsylvania: U.S Army War College Library, August 2001.
- Drucker, Peter, *Managing For the Future: The 1990s and Beyond*. Plume, New York: Truman Talley Books, 1992.
- Filiberti, COL Edward, COL James Oman, and COL James Thomas, "The Army Transformation: A Case Study." Carlisle, Pennsylvania: U.S. Army War College, 12 October 2001.
- Kriegel, Robert, and David Brandt, *Sacred Cows Make The Best Burgers*. New York, New York: Warner Books, Inc., 1997.
- Handy, Charles, *The Age Of Unreason*. Boston, Massachusetts: Harvard Business School Press, 1989.
- Harvard Business Review, *On Change*. Boston, Massachusetts: Harvard Business School Publishing, 1991.
- Hatch, Mary Jo, *Organization Theory: Modern Symbolic and Postmodern Perspectives*, Oxford College Press, Oxford, New York, 1997.
- Kanter, Bosabeth, Barry Stein, and Todd Jick, *The Challenge of Organizational Change*. New York, New York: The Free Press, 1992.
- Lawton, Robin, *Creating A Customer-Centered Culture: Leadership in Quality, Innovation, and Speed*. Milwaukee, Wisconsin: ASQ Quality Press, 1993.
- Luthans, Fred, *Organizational Behavior*. McGraw Hill Book Company, 1973.
- Mintzberg, Henry, *Mintzberg on Management: Inside Our Strange World of Organizations*. New York, New York: The Free Press, 1989.
- Moore, Geoffrey, *Inside the Tornado: Marketing Strategies From Silicon Valley's Cutting Edge*. New York, New York: HarperCollins Publishers, 1995.
- Torchbearer National Security Report, "How Transformational is Army Transformation?" Arlington, Virginia: Institute of Land Warfare, Association of the United States Army, February, 2003.

