Defense Logistics Agency
MANUAL

J65

SUBJECT: Information Technology Process Improvement (ITPI) Manual

References: See Enclosure 1.

1. <u>PURPOSE</u>.

   a. This ITPI Manual supersedes DLA Instruction (DLAI) 6607, Information Technology (IT) Process Improvement, dated April 11, 2011 (reference (a)).

   b. The ITPI Manual outlines procedures, assigns responsibilities, and provides guidance for the Defense Logistics Agency (DLA) Information Operations (J6) implementation of the Continuous Process Improvement (CPI) Program in accordance with existing Department of Defense (DOD) and DLA CPI policy and guidance (references (b) through (d)).

   c. The J6 CPI implementation supports the 2010-2017 DLA Strategic Plan, Goal 2 ("Stewardship Excellence") to: *Manage DLA processes and resources to deliver effective warfighter support at optimal cost.* CPI specifically supports DLA Strategy SE-B: *"Realize process excellence by balancing efficiency and effectiveness"*(reference (e)). The DLA Strategic Plan recognizes that process excellence is a key component of business success. Within the context of the DLA Strategic Plan, CPI implementation projects fully support the DLA's strategic "Big Ideas" focus areas that: improve customer service, decrease direct material costs, decrease operating costs, improve process and productivity, reduce inventory, and achieve audit readiness.

   d. J6 is tasked to improve its processes in order to manage the acquisition, development, delivery, and sustainment of products and services to meet cost, schedule, and quality objectives. The focus is to ensure that procedures and practices are implemented to support the delivery of the right solutions, at the right place, at the right time, at the right cost, every time, for DLA customers across all Agency IT services consistent with rigorous financial accountability and audit readiness.

2. <u>APPLICABILITY</u>. This manual applies to all J6 organizations.

3. <u>RESPONSIBILITIES</u>. See Enclosure 2

4. <u>PROCEDURES</u>. See Enclosure 3

5. <u>INTERNAL CONTROLS</u>.

   a.   Ensure that the DLA CPI Administrative Project and Event Repository (CAPER) users are authorized to access the system. If a user does not have access to CAPER, they are required to submit a formal request to the J5 CAPER administrator. The J5 CAPER administrator will determine the need for access and may add the user to the CAPER database.

   b.   Ensure CPI projects are executed within the DLA guidance and that sufficient information and anticipated results are accurate and complete. The Project Facilitator and Project Sponsor provide the organizational oversight to their project or event to make certain that DLA guidance is followed. (Reference (f)).

   c.   Ensure project team facilitator meets J6 training requirements for Green Belt and Black Belt certifications, in accordance with the J6 CPI Deployment Plan and the J5 CPI Belt Training and Certification Processes guidance (references (g) through (h)).

   d.   Ensure Rapid Improvement Event (RIE)/project team members possess the necessary process experience, knowledge and expertise for the relevant process area. The Project Sponsor and selected Project Facilitator selects team members based on their subject matter expertise, process-related and/or CPI experience and/or training and certification.

   e.   Ensure CPI projects stay on schedule and receive appropriate approvals. Project Facilitator enters the project schedule and milestones into the CAPER database. CAPER electronically notifies project team members when required items and reviews are not submitted according to the entered project schedule. It also automatically informs the Project Sponsor when tollgate reviews require approval.

   f.   Ensure documented project results appear in CAPER in the required, standardized format. The Project Sponsor reviews documents that were placed into the CAPER repository by the Project Facilitator. After ensuring that all documents were correctly entered, the Project Sponsor can approve its completion.

6. <u>RELEASEABILITY</u>. UNLIMITED. This Manual is approved for public release and is available on the Internet from the DLA Issuances Web site.

7. <u>EFFECTIVE DATE</u>. This manual is effective upon its publication to the DLA Issuances Web site.

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KATHY CUTLER
Director, DLA Information Operations
Chief Information Officer

Enclosures
    1. References
    2. Responsibilities
    3. Procedures
Glossary

REFERENCES

(a) DLA Instruction 6607, Information Technology (IT) Process Improvement, dated April 11, 2011 (superseded)

(b) DOD Directive 5010.42, "DOD-wide Continuous Process Improvement(CPI)/Lean Six Sigma (LSS) Program," May 15, 2008

(c) DOD Instruction 5010.43, "Implementation and Management of the DOD-Wide Continuous Process Improvement/Lean Six Sigma (CPI/LSS) Program," July 17, 2009

(d) DLA Instruction 5309, "Continuous Process Improvement," July 22, 2010

(e) "2010-2017 Defense Logistics Agency Strategic Plan", 2010

(f) "IT Process Improvement Process Control Document," August, 2012

(g) CPI Belt Training and Certification Processes, November 19, 2010

(h) "J6 CPI Deployment Plan," April, 2013

(i) CPI Financial Guidebook: "Standard Process for Determining and Reporting Financial Benefits of Continuous Process Improvement (CPI) Across the Defense Logistics Agency (DLA)," March 3, 2011

RESPONSIBILITIES

1. <u>DIRECTOR, DLA INFORMATION OPERATIONS/CHIEF INFORMATION OFFICER (CIO)</u>. The CIO under the authority, direction, and control of the Director, DLA, shall:

    a. Approve the J6 strategies and objectives to build, implement, and sustain a best value IT environment.

    b. Act as the J6 CPI Executive Sponsor.

    c. Encourage the J6 leadership to actively support all DLA employees in applying CPI to their jobs to produce qualitative and quantitative improvements.

2. <u>J6 CPI EXECUTIVE TEAM</u>. The CPI Executive Team consists of Senior Executive Service members withinJ6.. The CPI Executive Team under the authority, direction, and control of the CIO, shall:

    a. Lead by example with a clear and consistent message and a commitment to "walk-the-talk".

    b. Hold the Enterprise J6 and themselves accountable for the success of CPI.

    c. Demonstrate commitment to select the right projects, with the right leaders, and to provide the right resources.

    d. Identify the greatest areas of opportunity at the organizational level and place a high value on process standardization and control.

    e. Ensure that Champions and Sponsors are identified at the appropriate level and will initiate and review CPI opportunities on a periodic basis.

3. <u>PERFORMANCE OPTIMIZATION</u>. The Performance Optimization Team under the authority, direction, and control of the CIO, shall:

    a. Maintain overall responsibility for the CPI deployment, process, and policy support within J6.

    b. Support J6 CPI training requirements, establish CPI deployment documentation, and facilitate CPI activities throughout J6.

    c. Maintain the CPI project portfolio which contains all proposed and completed projects for J6.

    d. Maintain the J6 CPI Deployment Plan and the ITPI Manual.

e.   Provides J6 representation to the DLA CPI Community of Practice (COP).

f.   Provide an open email link to address any J6 CPI related issues using: itprocess@dla.mil

g.   Ensure that all CPI project and event documentation is properly entered into the DLA CAPER system.

4.   <u>J6 CHAMPION.</u> The J6 Champions consist of the J6 leadership. The Champion may also be the process owner. The J6 Champions under the authority, direction, and control of the CIO, shall:

a.   Support the implementation and management of J6 CPI deployments throughout their organization and be actively engaged in the DLA CPI initiative.

b.   Own their local CPI portfolio of projects, events, and resources.

c.   Communicate standards and guidelines across their local organization and develop associated execution strategies to ensure adherence with DLA and DOD CPI policy.

d.   Eliminate obstacles for the CPI project teams when the Sponsor has difficulty resolving issues that impede progress.

5.   <u>PROJECT SPONSOR.</u> The Project Sponsor under the authority, direction, and control of the CIO, shall:

a.   Identify CPI improvement opportunities for their local organization implementing the guidance and priorities of their Champion.

b.   Conduct project identification and selection workshops.

c.   Develop the project charter.

d.   Provide oversight for the execution and implementation of a project or event.

e.   Be accountable for business results being addressed by the chartered project or event.

f.   Work with the Champion to designate CPI facilitators to lead selected projects or events, and ensure commitment of team members to support a project or event.

g.   Provide active and ongoing advice and support to project teams.

h.   Be responsible for project or event direction and execution, ongoing phase reviews, removing barriers, identifying resources, and implementing improvements.

i.   Act as the primary change agent to notify personnel impacted by process improvement activities.

j.   Ensure that project information is captured and updated in DLA CAPER during all phases of a project.

k.   Ensure a CAPER user is appointed to continue capturing results of a process improvement in CAPER after the CPI belt may have moved on to other projects.

6.   PROJECT TEAM. The Project Team under the authority, direction, and control of the CIO, shall:

a.   Be responsible for specific CPI project deliverables and providing improvement recommendations to the Project Sponsor as defined in the CPI project charter.

b.   Monitor the implementation of the project recommendations

7.   TEAM LEAD. The Team Lead under the authority, direction, and control of the CIO, shall:

a.   Directly support the activities of the CPI project team as the lead J6 representative.

b.   Work on behalf of the Project Sponsor to ensure the project or event is progressing to deliver desired improvement benefits.

c.   Act as a change agent to assist personnel impacted by process improvement activities to fully understand the change and resulting benefits.

d.   Be responsible for specific CPI project deliverables and providing improvement recommendations to the Project Sponsor.

e.   Monitor the implementation of the project recommendations

8.   FACILITATOR. The Facilitator under the authority, direction, and control of the CIO, shall:

a.   Be responsible for facilitating CPI projects or events, deployment support, individual project mentoring and coaching, and just-in-time training.

b.   Identify and propagate best practices and lessons learned throughout DLA.

c.   Lead project teams to deliver the value and benefits defined in the project charter.

d.   Receive training as a Green Belt (GB)/Level I, Black Belt (BB)/Level II or Master Black Belt (MBB) in lean, six sigma and theory of constraint methods and techniques, and utilize the training to bring value to their organization through the facilitation of CPI project or events.

e.   Be responsible to input required "tags" and fields in CAPER, uploading required documents, and ensure Project Sponsor receives required information for approval.

9.   SUBJECT MATTER EXPERT (SME). The SME under the authority, direction, and control of the CIO shall participate on project teams to provide functional and technical expertise in a specific area.

10. <u>CUSTOMER</u>. The Customer shall:

    a. Identify CPI improvement opportunities within DLA.

    b. Participate in value stream analysis and mapping activities for CPI projects or events to clarify their customer requirements, assists in determining whether process steps are value or non-value added, and discuss expected outcomes required by the organization.

PROCEDURES

1. J6 organizations should employ the fundamental concepts and core competencies of the approved DLA CPI methodologies as part of a structured and continuous approach for analyzing and improving their processes to accomplish their organizational mission more efficiently and effectively.

2. The J6 CPI implementation uses an evolutionary approach to improve processes at both the local and enterprise levels. The J6 CPI approach consists of a four step process that includes planning, project identification and selection, training, and project execution activities.

    a. Planning.

        (1) J6 will use the DLA J6 CPI maturity model to assess its current CPI posture, set goals to attain the next phase of maturity, and develop annual goals aimed at achieving next phase in maturity for each of the dimensions. The J6 CPI maturity model is outlined in the J6 CPI Deployment Plan and can be downloaded at the J652 DLA eWorkplace site.

        (2) Each J6 organization needs to develop their own path toward developing a culture of CPI, employ the maturity model to align DLA CPI goals to their own operational objectives, and set in place a plan towards those goals. This provides for a common CPI implementation language to facilitate the transfer of implementation lessons learned and replication possibilities in a much more timely and consistent manner.

        (3) A baseline J6 assessment and proposed goals can be found within the J6 CPI Deployment Plan.

    b. Project Identification and Selection.

        (1) This activity includes identifying, prioritizing, and selecting CPI project candidates based on J6 organizational criteria.

        (2) Potential CPI project candidates can be identified from multiple sources to include customers, suppliers, and internal DLA personnel. Questions to stimulate possible candidates could be:

            (a) What processes are broken?

            (b) What processes have we unsuccessfully tried to fix?

            (c) Where do we spend the most money, time, or resources?

            (d) What do our customers complain about the most?

            (e) What performance metrics are we not currently achieving?

(3) To ensure that the right projects are selected for implementation, Champions may choose to utilize a scoring prioritization method to rank project candidates according to their strategic impact, financial impact, time savings, and project/event success potential.

(4) Local organizations may develop their own prioritization criteria based upon local imperatives.

(5) For additional information, refer to the J6 CPI Deployment Plan (reference f).

c. Training.

(1) CPI training is critical to the successful implementation of CPI projects/events to ensure that tools and techniques are applied correctly and consistently to gain the maximum benefits of the CPI methodology.

(2) To support CPI activities, the J6 leadership must ensure that organizational personnel receive the opportunity for CPI education, training, and certification.

(3) J6 will use DLA and DOD-wide guidelines and standards to set goals for belt training and certification. The J6 CPI Deployment Plan identifies the specific training requirements for each CPI role.

(4) J6 organizations will identify annual training and certification requirements for BBs and GBs.

(5) CPI training and certification opportunities are available to current J6 civilian and military employees. J6 contract staff are excluded from receiving DLA CPI training and certifications.

(6) See DLA Instruction 5309 for specific BB and GB training and certification requirements.

(7) The current DLA CPI training opportunities calendar is available to DLA users at the DLA J5 eWorkplace site.

(8) J6 will ensure that the required training is provided to Project Team resources prior to project execution.

d. Project Execution.

(1) J6 process improvements are primarily accomplished through hands on, project execution.   Within DLA, there are three types of CPI projects. They are:

(a) BB project (3-12 month effort)

(b) GB Rapid Improvement Event (RIE) (1-3 month effort)

(c) "Just Do It" (short-term, immediate improvement)

(2) Based upon the timeframe and complexity of the project, the Project Sponsor recommends and the Champion approves the appropriate CPI type for implementation. The Performance Optimization Team is available to assist the Champion or Project Sponsor in determining the appropriate type of project and direct assistance throughout the implementation phases of the project.

(3) The DLA CPI methodology, documentation requirements, tools, checklists, and templates for project/event implementation are available to DLA users at the DLA J5 eWorkplace site.

(4) Tollgate/event phase reviews are formal in-process status briefings. The project Team Lead or Facilitator brief the Project Sponsor or Champion to confirm project/event activities are on track and provide a forum for additional guidance to ensure the success of the project/event. A go or no-go decision is made at each status briefing by the Project Sponsor or Champion. Standard templates for the status briefings are also available at the J5 CPI eWorkplace site.

(5) The J6 will systematically track CPI project activity from project identification to completion and maintain an accessible, transparent, and archived record of each project executed. The CAPER tool (https://dla.hqda.pentagon.mil/DLA) will serve as the authoritative source for J6 CPI projects, events and resource information, and will be the basis for metrics supporting compliance to OSD CPI policy.

(6) Every J6 CPI project/event shall forecast estimated financial and/or mission measures prior to project closeout. Initial estimates will be documented in CAPER. Actual cost savings and cost avoidance benefits will be tracked in CAPER using its financial metric tables. Upon conclusion of the project, a financial analysis document detailing the methodology used to calculate the savings shall be validated by a local J8 representative and placed in the deliverables section within CAPER. (Reference (i)).

(7) Resource benefits resulting from CPI-related improvements in overall operating effectiveness may be retained by the J6 organization that generated them. Effective management oversight should lead to reinvestment in additional CPI efforts, recapitalization, and further strengthening of operational capability.

(8) Periodically, the Office of the DLA Inspector General may conduct an audit to validate reported CPI savings and cost avoidances to certify they are supported and accurate. The project/event Facilitator will ensure that all required financial documents to include baseline metrics, the post-event metrics, and the local DLA Finance financial validation are properly entered and closed out within CAPER.

GLOSSARY

ABBREVIATIONS AND ACRONYMS

BB	Black Belt
CAPER	DLA CPI Administrative Project and Event Repository
CIO	Chief Information Officer
COP	Community of Practice
CPI	Continuous Process Improvement
DLA	Defense Logistics Agency
DOD	Department of Defense
GB	Green Belt
HQ	Headquarters
IT	Information Technology
ITPI	Technology Process Improvement
J6	Defense Logistics Agency Information Operations
MBB	Master Black Belt
RIE	Rapid Improvement Event
SME	Subject Matter Expert