

MEMORANDUM FOR: Director of Logistics

SUBJECT : Management by Objectives - Systems Critique,  
Suggestions, Revised and New Objectives

1. With reference to your request of Thursday, 6 December, I have outlined below a critique of the present MBO system and suggestions which hopefully may improve it:

a. Critique

(1) The requirement for the "Performance Evaluation and Annual Report" due 1 September each year appears to be redundant reporting in view of the "Bimonthly Report of Status of Objectives."

(2) Bimonthly reporting schedule for status of objectives together with requirement for appropriate review and management conferences effectively shortens the period on which you are reporting to 1 month, and requires an excessive amount of manpower when compared to any benefits accruing from the frequency of the reports.

(3) Objectives (in house) should be limited to those where the milestones can be clearly delineated.

b. Suggestions

(1) Eliminate annual performance evaluation and bimonthly status of objectives reports.

(2) Institute a "Quarterly Report of Status of Objectives" to be submitted by the 15th day of the month following the end of the reporting period. The quarterly reporting will permit a more accurate assessment of progress and causes for shortfalls. The 15-day delay will allow for submission of a report as of the day the reporting period ends.

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(3) To the extent possible, develop sub-objectives within future Office of Logistics (OL) objectives to more clearly define the progress path. Sub-objectives could serve as the milestones.

2. The Plans and Programs Staff (P&PS) fiscal year 1975 should be revised to restate Objective No. 10 which concerns "additional ways to use the investment represented by centralized and integrated materiel resources data developed for MAP." The responsibility for progress on this objective as stated rests almost entirely with OJCS, our only contribution being a matter of repeating the requirements. We propose the objective be restated as follows:

Develop and refine requirements to take full advantage of such Agency automatic data processing assets as are available and to enhance existing systems as follows:

a. CONIF II - Incorporate security and audit information and capability for processing contractor invoices to ensure interface with financial requirements (milestones).

b. Inventory Control System:

(1) Restate requirements for financial interface and need for automation of clerical functions (milestone).

(2) Restate requirements for requisitioning module to incorporate simplified time frame suspense system and to provide machine control from receipt until shipment (milestone).

(3) Develop requirements to "repair" catalog sub-system (milestone).

c. Restate requirements for procurement sub-system (milestone).

d. Develop and/or revise requirements for independent stand-alone systems:

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(1) Space maintenance work order control  
(milestone).

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(2) CRAMS (milestone).

ACCOUNTS

(3) Vehicle report (milestone).

3. P&PS objectives for fiscal year 1976 are:

a. Develop means of implementing independent stand-alone systems through use of in-house Agency resources or by outside contract:

(1) Space maintenance work order control (milestone).

(2) CRAMS (milestone).

(3) Vehicle report (milestone).

b. Functional and quantitative analyses of Logistics to consolidate (or eliminate) functions which are, internally or in connection with other Agency components, duplicative or overlapping with the objective to improve efficiency and managerial control.

(1) Supply and Procurement Divisions (milestone).

(2) Logistics Services Division (milestone).

(3) Real Estate and Construction Division (milestone).

4. We have noted five different areas in which there are overlapping functions. These "milestones" need not be specifically mentioned in the objective, and it is possible that a comprehensive review would surface problems other than those readily discernible.

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Chief, Plans & Programs Staff, OL

### ROUTING AND RECORD SHEET

**SUBJECT:** (Optional)  
 Management by Objectives - Systems Critique, Suggestions, Revised and New Objectives

**FROM:** Chief, Plans & Programs Staff,  
 OL  
 1236 Ames Center Bldg.

**EXTENSION**  
 3357

**NO.**  
 DATE 11 DEC 1973

**TO:** (Officer designation, room number, and building)

DATE

RECEIVED      FORWARDED

OFFICER'S INITIALS

**COMMENTS** (Number each comment to show from whom to whom. Draw a line across column after each comment.)

SA- Director of Logistics  
 1206 Ames Bldg.

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