

MEMORANDUM FOR: SRP

Attached is a memo from the Comptroller to various Deputy Directors on an effort by the Comptroller's Office to look into CIA activity in the following areas:

1. productivity enhancement
2. product evaluation
3. allocation of resources

The man responsible for product evaluation, [redacted] visited me briefly to advise me of the effort. He would like to meet with the SRP eventually, and suggested a general meeting with the entire Analysis Group.

Also attached is the NFAC response to the Comptroller memo. It was authored [redacted] of the Plans & Programs Staff.

Date 13 September 1979

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MEMORANDUM FOR: Deputy Director for Administration
Deputy Director, National Foreign Assessment Center
Deputy Director for Operations
Deputy Director for Science & Technology

FROM : James H. Taylor
Comptroller

SUBJECT : Doing More With Less [redacted]

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1. In light of the tight resource environment and ever-increasing demands on the Agency, the Executive Committee has asked the Comptroller's Office to examine the question of "doing more with less" (see attachment). We have been asked to examine the usefulness of taking a fundamental look at the distribution of resources, to identify initiatives to improve productivity, and to examine the potential of establishing evaluation procedures to track performances and judge new proposals.

[redacted]

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2. In order to address these questions, we need to know what CIA components have been doing, particularly with respect to productivity and evaluation. For example, in our initial review, we found that some initiatives had already been taken in the Agency--NPIC has developed an experimental productivity measurement system for imagery exploitation and DDO is currently investigating new procedures for evaluating human source reporting. Since there may be other efforts that we can learn from, we request that you provide a short, brief summary of activity, current or past, in the following areas:

- a. Attempts at productivity enhancement.
- b. Methods of measuring productivity.
- c. Procedures for evaluating quality and utility of your products or programs.
- d. Methodologies used for determining internal allocation of resources. [redacted]

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3. Please forward this information to the Comptroller's Office by 1 September 1979. If you have any questions, please contact [redacted] Chief, Analysis Group, [redacted]

[redacted]

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[redacted signature block]

James H. Taylor

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Attachment:
As Stated

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Excerpt from Executive Committee meeting notes, 18 May 1979

DOING MORE WITH LESS. The belt tightening continues in the face of greater demands on the Agency. The programming and budgeting process provides a good way to make major decisions on resource allocation. But it represents only one tool, albeit the most basic one, for getting the most from the resources provided to us. We need to examine carefully additional methods to pursue this goal. Are there initiatives we should undertake to improve productivity in labor-intensive areas? Would a fundamental look at the distribution of resources produce some alternatives which have the potential of improving the Agency's performance? Are there evaluation procedures we should consider at the Agency level to track our performance or to judge major proposals that would lead to better resource allocation decisions? Mr. Taylor should: (a) by July 1979, begin to look at these three approaches--productivity enhancement, resource redistribution, and evaluation--to make a judgment on whether any or all of them hold enough promise to warrant further study; and (b) report to the Committee by the end of October 1979 on options considered and recommended next steps in this area.

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4 September 1979

MEMORANDUM FOR: Comptroller

FROM : John J. Hicks
Acting Director, National Foreign Assessment Center

SUBJECT : Doing More With Less [redacted]

REFERENCE : Your memorandum dated 2 Aug 1979, same subject [redacted]

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Attached is our response to the referenced memorandum. As you are aware the lack of homogeneity in our product makes the traditional measures of productivity of little meaning. Neither the number of publications nor the number of pages produced annually provide useful measures of our efficiency. Nevertheless, we do take numerous steps to insure that our publications are produced in as efficiently and as timely a manner as possible and that the final product is both relevant and useful. Those steps and our plans for additional ways of insuring effective use of our resources are spelled out in our response. [redacted]

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[redacted signature box]

John J. Hicks

Attachment:
As stated

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31 August 1979

Doing More With Less

NFAC has embarked on a major, long-term program to improve the quality of intelligence analysis. Key to the program is an upgrading of analyst skills through more language training, sabbaticals, and foreign residential experience. It is our conviction that these experiences will make analysts more productive--qualitatively, rather than quantitatively. Unfortunately more production per se in our case is not indicative of a higher performance. Rather, our task is to improve the relevancy and the quality of the analysis we provide to policymakers.

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A. Attempts at Productivity Enhancement

The analytical challenges faced by NFAC over the past decade have far outstripped the growth in positions--4 percent from 1970 to 1980. During this period the demand for intelligence production has steadily increased; military analysis has become more complex, in part because of a growing sophistication in Soviet arms and a need to develop new methodologies in support of arms control verification; economic intelligence now affects broad areas of US policy, and policymakers' interest in non-Communist areas of the world has grown manifold over the past decade.

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The computer has been the single most important analytical tool that has permitted NFAC to keep pace with these demands. It has enabled NFAC to produce higher quality analysis--e.g., more scenario analysis, weapons studies--with existing manpower. We are clearly planning on the power of the computer to continue providing NFAC with the capability to enhance its productive capabilities through the next decade. Project SAFE, which is at the heart of these plans, will become operational sometime in 1985, and is designed to provide significantly more time for analysis by lightening the burdens of raw intelligence manipulation and file building. It will speed the distribution of voluminous daily intelligence data directly to interested analysts; ensure that all sources of information are made available quickly; rapidly search and assemble data; and allow for the preparation and coordination of finished intelligence. It will have a major impact on our analytical effort, and we are confident that, in turn, our support to US policymakers will be significantly more effective.

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Although ADP is central to our effort to enhance production, it is far from being the only initiative being undertaken. Within the past year we have taken several steps aimed at streamlining procedures and increasing the productivity of our publication process. The creation of the Publications and Presentations Group (PPG) two years ago consolidated all publication activity in NFAC. This was done to save positions and realize efficiencies. Those goals have been realized. Positions saved by the consolidation have been devoted to analysis; and efficiencies are now being realized that would not have been possible under the former de-centralized approach. The number of NFAC ad hoc intelligence publications processed by PPG during the first eight months of CY 1979 increased 77 percent over the same period in CY 1978. At the same time, the average number of days required to produce a publication was cut by 38 percent. The reduction in turnaround time--brought about by streamlining procedures--has been largely responsible for PPG's ability to dramatically increase its productivity. And there are additional steps being taken that will result in greater efficiencies. The principal step is the development of a word-processing strategy that will result in a 33 percent reduction in keyboarding activity in PPG. This plan, which calls for all production offices to put their manuscripts on electronic media, will give NFAC a flexibility to move text electronically through the coordination and publication system.

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NFAC is also looking to advanced technology to improve its productivity. The acquisition of the Genographics System in the Office of Geographic and Cartographic Research (OGCR) has given NFAC a capability of producing high quality color graphics on slides or viewgraphics in a matter of minutes instead of days at a fraction of the cost in manpower and materials. The presentational means program is experimenting with new and better ways of presenting complex intelligence analysis. An NFAC Television Center has been established, which is expected to become operational on 1 October 1979. We have already begun to exploit the unique capabilities of television with the production of video tapes on

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NFAC is not ignoring its people. We are stressing the need for more training. We have initiated a new seminar on intelligence analysis which will stress various analytical approaches to intelligence-related problem-solving. More analysts are off on academic sabbaticals; an

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senior analyst positions designed to reward substantive expertise have been established; and a language incentive program will begin in FY 1980. We are also attempting to improve the working conditions in the

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production offices in the face of declining space by using more efficient furniture. In the Office of Central Reference (OCR), for example, this has resulted in space savings and the creation of a working environment more conducive to research. [redacted]

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Within OCR an automated directory program is paying big dividends. By turning to the computer to assist in producing [redacted], OCR has been able to produce more than double the [redacted] produced as compared to the year before the system was installed. [redacted]

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NFAC management has sought out means of creating the necessary organizational and institutional flexibility to tackle interdisciplinary problems. This has resulted in the establishment of centers, some of which are permanent in nature, such as the Environment and Resource Analysis Center in OGCR, and others, such as the Cuban Analytic Center and the Iran Center, which are of limited duration. This approach permits NFAC to concentrate a greater analytic effort on critical problems than would be possible if left to individual offices. [redacted]

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Finally, the key measure of NFAC's performance is whether or not its production is relevant to policymaker's needs. At the President's request, a group of key policymakers developed a list of short-term and long-term substantive requirements in priority order. This list is called the National Intelligence Topics (NITs). The big difference between the NIT process and the system which it replaced is that guidance in the past was prepared by the Intelligence Community based on what it assumed were the policymaker's needs. The NITs are updated to keep them current and the principal voice in that process is, again, the policymaker. [redacted]

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Since their inception, the NITs have served as a basis for reviewing the analytical production program to ensure that the output is responsive to policymaker needs. NFAC's resource planning is responsive to the NITs, with requests for resources tied to satisfying these priorities. [redacted]

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B. Methods of Measuring Productivity

Several offices in NFAC have their own management information systems. The system used in the Office of Imagery Analysis (OIA) has been in existence the longest and is used to support management decisions on how best to utilize their resources--imagery analysts. The system provides manhours devoted to major activities or projects. This data

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quickly permits OIA management to reallocate resources to meet high priority requirements or to tell NFAC senior management what research can not be accomplished with a given level of resources. The Office of Strategic Research (OSR) has a similar system. [redacted]

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In the Office of Central Reference there is a computerized system that collects statistics on all service provided. The system records data on the number of requests received, the number of requests of each type serviced by each OCR component, the number of requests levied on OCR and the amount of manpower expended by each OCR unit, on each type of request. [redacted]

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At the NFAC level, PPG manages a computer-assisted Production Monitoring System. This system provides NFAC senior management with current data on NFAC publications--those currently scheduled; those produced within the past week; and those produced within the past month. It permits NFAC to monitor how its analytical resources are being used and to match that effort more closely to the NITs. [redacted]

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Finally, NFAC is looking to ODP [redacted] to provide management with utilization data on computer terminals. Given the proliferation of terminals and the shortage of space, it is becoming increasingly important that we know where the needs are greatest or where savings can be realized. [redacted] should give us that information. [redacted]

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C. Procedures for Evaluating Quality and Utility of Products and Programs

Two important elements of the NFAC management structure that reflect our commitment to improving the quality of analysis are the Senior Review Panel and the Production Board. The Board has strengthened NFAC quality control through its role in planning, reviewing and monitoring NFAC production. It brings together the National Intelligence Officers (NIOs) and office directors on defined problems and serves as a forum for the discussion of new analytical approaches, allocation of analytic resources, and the aligning of research topics with the NITs. A major effort is underway to define long range areas of substantive concentration between OGCR, OPA and OER. They are looking for ways to mesh their activities in order to use manpower more efficiently and to ensure coverage of the most important subjects. [redacted]

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The Senior Review Panel, comprised of three distinguished experts from government, the military and academia, has begun to review critically the entire range of NFAC analyses and National Estimates. In time the Panel expects to widen its scope to review on a selected basis other major Intelligence Community products. We are looking to the Panel to provide NFAC production with a unique, fresh viewpoint that will ensure that NFAC analyses are both relevant to policymaker's needs and of the highest quality. [redacted]

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Intellectual exchanges with distinguished experts outside government are another way we review and evaluate our analysis. We have cleared 38 consultants, representing a wide range of specialized fields, who are working closely with our analysts. They meet with small groups several times a year to comment on work in progress and to help in the concept-forming stage of analytical research. [redacted]

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We also are doing more to review and evaluate our assessments by consulting with ambassadors and chiefs of station who are uniquely able to provide on-site perspectives on events in their host countries. [redacted]

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NFAC is also seeking to enrich its analysis through a scholars-in-residence program, which brings leading scholars into an NFAC production office for one or two years. It brings new depth especially to the political and economic research programs, whose improvements are a major NFAC goal. [redacted]

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We have introduced NIO meetings that bring together Intelligence Community counterparts in a given area of analytical interest to discuss situations potentially inimical to US interests. These meetings help sensitize the Community to the intelligence warning function. Participants not only assess the likely outcome of a particular situation, but also suggest for review alternative courses of events. [redacted]

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To further stimulate alternative viewpoints, NFAC has begun publishing a journal called "Contra" to encourage and disseminate unconventional hypotheses or dissenting views on subjects pertinent to intelligence analysis. [redacted]

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NFAC has also taken specific steps to ensure the utility of its products. As mentioned previously, the NITs provide a measure of NFAC's responsiveness to policymaker's needs. But responsiveness also requires feedback, which we are seeking and obtaining in a variety of ways. We are emphasizing direct contact with consumers through frequent intelligence briefings for senior policymakers. To help establish more informal contacts, the analysts' names and phone numbers are included in NFAC publications to encourage readers to register follow-up questions or comments. This is building bridges to intelligence consumers and helping NFAC to focus on important issues and analytical questions. [redacted]

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Furthermore, to foster this kind of responsiveness and to alert policymakers to the range of current NFAC analysis available to them, we now publish "Selected NFAC Intelligence Reports," a weekly annotated list of important NFAC products. This helps us reach people who may not be on regular distribution for a particular assessment but who may, nevertheless, have an interest related to it. [redacted]

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NFAC receives crucial feedback on our work through the DCI's meetings with the President, Secretary of State, and Secretary of Defense. There are also established mechanisms for working with the Political Intelligence Working Group and there are regular meetings with Dr. Brzezinski's staff and State Department officers. []

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D. Methodologies Used for Determining Internal Allocation of Resources

NFAC has been a forerunner in the Agency in its centralized approach to resource management. The Deputy Director, NFAC is vested with the overall responsibility for resource management. His staff arm--the NFAC Plans and Programs Staff--is dedicated full-time to management problems, primarily the management of resources. The Plans and Programs Staff was created in 1967 to centralize financial planning, budgeting and resource management at the directorate level. Not only has this contributed to an overall improvement in the quality of the budget submissions to the Office of the Comptroller, but it has given NFAC senior management far more effective control of its resources with fewer personnel. []

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A key management tool in managing NFAC resources is the monthly financial status report produced for each office and staff component by the staff. This analysis includes a breakdown by subobject class of the obligations to date, and a projection of what the staff believes that component will spend during the remainder of the fiscal year by subobject class based on office plans. This analysis is used to alert senior management to potential problems in a timely manner to permit corrective action. A more thorough mid-year review is undertaken to provide NFAC management with accurate financial trend data on obligation rates and area of unexpected cost growth. []

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NFAC also has long-standing firm procedures for authorization of contractual services, an area of high potential waste. Central to NFAC's control over contractual services is the quarterly review of all external analysis contracts by the Deputy Director. This review serves to establish the need for the analysis; identify the substantive reasons for seeking a contractor rather than doing the work in-house; prevents potential duplication within NFAC; and ensures that NFAC offices adhere to standard Agency procurement procedures. No contract may be negotiated until it has been approved by the Deputy Director. In addition, at the beginning of the fiscal year all proposed contracts are ranked in priority order on an NFAC-wide basis. This permits orderly review and timely funding of high-priority contracts. []

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Further strengthening NFAC's control over contractual matters has been the establishment of an NFAC contract team, which consists of two contracting officers and one security officer. The team negotiates and processes all external analysis contracts. The existence of the team within NFAC's management structure has permitted tighter control over the contract negotiation process, and has already resulted in a more cost effective and higher quality end product from the contractors. []

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NFAC manages its use of computer resources through a full-time ADP coordinator, who serves on rotational assignment from the Office of Data Processing. The ADP coordinator brokers competing office-level priorities for ODP resources, attempts to restrain cost growth by monitoring office programs; allocates computer terminals based on office justification; and evaluates the ADP resource impact, from NFAC's perspective, of new activities.



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