

NAVFACINST 5220.1A
FAC 15
2 October 1997

NAVFAC INSTRUCTION 5220.1A

From: Commander, Naval Facilities Engineering Command

Subj: PERFORMANCE MEASUREMENT; BALANCED SCORECARD

Ref: (a) NAVFACINST 5220.1
(b) NAVFAC Strategic Plan of Oct 96
(c) The Balanced Scorecard by Kaplan and Norton (1996, Harvard Business School Press)

Encl: (1) Corporate Balanced Scorecard
(2) NAVFAC Corporate Performance Measures

1. Purpose. To update information and procedures on performance measurement for Naval Facilities Engineering Command originally promulgated by reference (a).

2. Definition. NAVFAC will use a Balanced Scorecard (BSC) approach for corporate performance measurement that is linked directly to our Strategic Plan, reference (b). The objective is to measure performance toward the goals outlined in the Strategic Plan. The Balanced Scorecard approach uses the following four perspectives:

- a) Strategic Results: What specific and measurable results for the Navy do we want to achieve in the next three to five years?
- b) Customer: To achieve our strategic goals, what must we do for our customers?
- c) Internal Process: To satisfy our customers, what should our products and services delivery processes achieve?
- d) Learning and Growth: To successfully use our processes and achieve our vision, how will we enhance our ability to change and improve?

Enclosure (1) demonstrates how the 11 core strategies of our Strategic Plan relate to the 4 perspectives of the Balanced Scorecard. Enclosure (2) provides our corporate measures corresponding to the 11 core strategies within the 4 BSC perspectives.

3. Action. Primary responsibility for guidance, direction, and coordination is assigned to FAC 15, Dr. Get Moy, Chief Engineer and Director, Planning and Engineering. Training is underway at activities, and all training should be coordinated with NAVFAC headquarters.

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NAVFAC activities shall develop specific goals and measures in a Balanced Scorecard format that meet the strategic objectives of their organizations, and align with the NAVFAC Strategic Plan. I recommend that NAVFAC personnel familiarize themselves with the approach articulated in reference (c), which is available in most libraries. Performance measurement reports are due 31 January 1998, and thereafter quarterly, on 31 January, 30 April, 31 July, and 31 October. Submit to NAVFAC HQ ESG executive secretary in MS WORD, Powerpoint, or Excel format. The format for performance measures will be available shortly through the NAVFAC home page.

D. J. NASH

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NAVFAC Internal List 1

Naval Facilities Engineering Command Corporate Balanced Scorecard (CBSC)

for
Vision and 11 Core Strategies
in the
NAVFAC Strategic Plan, Oct 1996

Strategic Results	Customer	Internal Processes	Learning and Growth
Contingency Readiness	Integrate with Navy	Improve Customer Delivery System	Improve Leadership
Reduce Infrastructure Costs		Improve SEABEE Support	Enhance Professional Development
		Create Responsive Acquisition System	Develop Performance Measurement System
		Improve Public Works Services	Improve Communication
		Improve Housing	

Strategic Results

GOALS

1. **Reduce Infrastructure Cost**
 - 1A **Reduce Utility Costs**
 - 1B **Reduce PW Costs**
 - 1C **Transfer BRAC Bases Expedientiously**
12. **Vision : We are valued for our ability to offer and deliver innovative solutions to facilities engineering problems**

MEASURES

- 1A **\$ Expended (Energy Costs w/o Labor and Maintenance)**
- 1B **BOS \$ + PWC NCWF Exp. + Bach. Housing/SF of Facilities**
- 1C **# of BRAC Bases Closed vs execution schedule**
- 12 **Scorecard Based on the President's Quality Award Program ***

*** The Balanced Scorecard is focused on information you need to manage. The President's Quality Award Program is being used as our benchmarking for performance measurement criteria.**

Customer

GOALS

5. **Integrate with the Navy**
 - 5A **Customer satisfaction**
 - 5B **Match accountability with responsibility**

MEASURES

- 5A **Measure customer satisfaction - Develop surveys as appropriate ***
- 5B1 **Cost of re-work situations**
- 5B2 **Warranty response time**

*** Efforts are underway at NAVFACHQ to develop command wide surveys.**

Internal Process

GOALS

MEASURES

2. Create a responsive acquisition system

2A Improve the acquisition planning

2A1 Timeliness: Promised vs actual delivery dates

2A2 Total acquisition cycle time: First SFPB to Design Auth; Second Design auth to Design Compl; Third Const Awd to BOD

2B Improve our contracting

2B1 % change (+/-) from Activity baseline and/or Command norm (annual survey)

2B2 % change (+/-) from NAVFAC "Best-in-Class" (annual survey)

3. Improve Public Works Services

3A Reduce OH rate 20% by FY98 (Fleets control PWC rates and judge our performance)

3A % OH \$ -- monthly Fleet percent concurrence on rates; yes/no -- measured yearly

4. Improve Housing

4A Increasing reliance on private sector

4A % of families living in suitable private sector housing

4B Reduce O&M costs and improve services

4B O&M cost per unit of government owned family housing

6. Restructure entire organization to improve Customer Delivery System

6 Completion of restructuring

11. Improve Seabee Support

11A Overhaul SLDS and improve requirements assessment, Develop resource strategy/provide direction for NCF

11A1 % equipment ready for issue and parts supportable. Availability of maintenance data and inservice engineering support

11A2 Number of pack-ups at 100%. Cost to modernize vs resources programmed

Learning and Growth

GOALS

MEASURES

7. Improve Leadership

7A Move NAVFAC in a unified corporate direction

7A % of employees who understand Strategic Plan (Employee survey). Rating by employees of corporate unity

7B Really implement TQL philosophy

7B % of employees who believe supervisor(s) use TQL practices (employee survey)

7C Improve supervisory leadership

7C % of employees who believe their supervisor(s) exhibit leadership practices (empowerment, coaching, risk taking, etc.)

8. Enhance professional development

8A Efficiently and effectively train our workforce

8A Training investment \$ per employee -- measured annually

9. Develop Performance Measurement System

9A Dev. and implement performance measurement system that represents the Key Success Factors for the Command

9A Achievements and progress against POA&M for Balanced Scorecard

9B Develop and integrate the Command's MISs

9B % of measures supported by systems (CIO facilitation)

10. Improve Communications

10A Develop communication skills at all command levels

10A % of employees who completed some type of communication training (also employee survey). Future follow-on measures - customer feedback on how well we are communicating with them (2nd yr., customer survey)

10B Publicize our unique contribution to the Navy

10B # of new programs, policies, products and services submitted/publicized quarterly