

TOBYHANNA ARMY DEPOT REWARDING THE WORKFORCE

PRESENTED TO

**OFFICE OF PERSONNEL MANAGEMENT
STRATEGIC COMPENSATION
CONFERENCE 2000**

29 AUGUST 2000



TOBYHANNA

ARMY DEPOT

**EXCELLENCE
IN ELECTRONICS**



“LET ME TELL YOU ABOUT TOBYHANNA...”



- **LARGEST ELECTRONICS FACILITY IN DOD**
- **DOD INDUSTRIAL BASE**
- **REPAIR, OVERHAUL, AND FABRICATE COMMUNICATIONS-ELECTRONICS SYSTEMS**
 - **RADAR, SATELLITE, IFF, COMPUTERS**

TOBYHANNA
ARMY DEPOT EXCELLENCE
IN ELECTRONICS

**MAINTENANCE/
MANUFACTURING**

MAINTENANCE



**REPAIR/
OVERHAUL**



**ENGINEERING
SERVICES**

MANUFACTURING



**SYSTEMS
INTEGRATION**

**POWER
PROJECTION**



**HIGH TECH
TRAINING**



FABRICATION

MISSIONS



“... OUR BUSINESS, ...”



ARMY WORKING CAPITAL FUND

- BUYER-SELLER RELATIONSHIP



- CUSTOMERS PAY FOR WHAT THEY RECEIVE
- PRODUCTION DEPENDENT UPON ORDERS FROM CUSTOMERS
- MUST REMAIN COMPETITIVE

- MUST PRODUCE



- QUALITY PRODUCT
- ON TIME
- LEAST POSSIBLE COST

- OPERATES ON A PROFIT/LOSS

- HAS ITS OWN INVENTORY

- CUSTOMERS PAY OUR SALARIES

TOBYHANNA
ARMY DEPOT EXCELLENCE
IN ELECTRONICS





“... AND THE PEOPLE WHO WORK THERE.”



- 2,800 CIVILIAN EMPLOYEES
- 65% DIRECT LABOR - “RAINMAKERS”
- 48 YEARS OLD
- 64% VETERANS
- LABOR MANAGEMENT PARTNERSHIP
- MINIMAL TURNOVER

TOBYHANNA
ARMY DEPOT EXCELLENCE
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CORPORATE PHILOSOPHY



- OPEN COMMUNICATIONS
- CONSISTENT, TIMELY INFORMATION
- TEAM DECISIONS
- BUSINESS FOCUS AT ALL LEVELS !!!

TOBYHANNA
ARMY DEPOT EXCELLENCE
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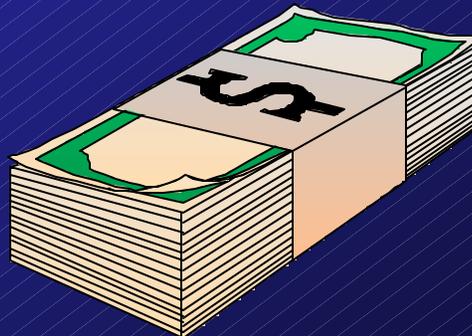
DEPOT SCORECARD - FY00

<u>OBJECTIVE</u>		<u>OCT</u>	<u>MAY</u>	<u>SEP</u>	<u>CUMULATIVE TO DATE</u>	<u>TARGET</u>
<u>Depot Indicators</u>						
Budget Execution (\$M)	Target	18.1	21.4	20.4	154.7	235.4
	Actual	0.0	0.0		153.6	
	FY99 Actual	16.9	18.6	18.2	143.2	
Manhour Execution (M)	Target	0.2	0.3	0.2	2.0	2.3
	Actual	0.2	0.3		1.9	
	FY99 Actual	0.2	0.2	0.3	1.7	
Direct Labor Yield Year End Projection - 1620	Target	130	146	130	1073	1615
	Actual	131	146		1077	
	FY99 Actual	140	129	138	1053	
OPERATING NOR (\$ Millions)	Target	-0.3	1.1	-5.7	8.9	8.9
	Actual	0.9	2.9		6.9	
	FY99 Actual	-1.2	1.2	6.7	-2.0	
Safety						
Recordable Incidents SIC 76 - Misc Repair Services	Target	14	14	14	111	167
	Actual	2	4		29	17.4%
	% < Industry Std.	86%	75%		75%	
Lost Workday Incidents SIC 76 - Misc Repair Services	Target	7	7	7	56	84
	Actual	2	4		28	33.3%
	% < Industry Std.	72%	53%		53%	
Sick Leave Hours Year End Projection - 90.2	Target	5.6	5.6	5.6	47.6	72.7
	Actual	6.6	6.7		59.0	
	FY99 Actual	5.9	7.0	6.0	59.5	76.8
Quality						
> Quality Acceptance Rate	Target	99.0%	99.0%	99.0%	99.0%	99.0%
	Actual	99.8%	99.7%		99.5%	
Customer Satisfaction						
> Customer Satisfaction Index	Target	92.0%	92.0%	92.0%	92.0%	92.0%
	Actual	100.0%	88.7%		99.8%	



NET OPERATING RESULT - NOR

- **JOB COMPLETION = REVENUE**
- **REVENUE - OPERATING EXPENSES = NOR**
- **EVERYBODY CONTRIBUTES TO NOR**



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REWARDING THE WORKFORCE



- TEAM DEVELOPED
- TEAM FOCUSED
- NOR IS BOTTOM LINE
- ALL SHARE EQUALLY
- 2/3 TO GOVERNMENT; 1/3 TO EMPLOYEES
- \$300-\$1,000



FY00



PROGRAMMED NOR

\$8.9 M GAIN

IF

THEN

\$11.2 M

\$300

\$11.9 M

\$400

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\$16.4 M

\$1,000

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AWARD HISTORY

FY EMPLOYEES AWARD

95	\$1,000
96	700
97	1,000
98	0
99	1,000



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WHY GROUP AWARD?

- BRAC = ONE TEAM, ONE FIGHT
- OVER-ARCHING, VALID METRIC
- ROOM FOR ALL UNDER NOR TENT
- NO "STARS"
- BUSINESS EDUCATION
- GOOD FIT FOR PARTNERSHIPS
- HIGH DEGREE OF AUTONOMY



DETAILS/DRAWBACKS

- WHO EXCLUDED ?
- IS IT “FAIR” ?
- FISCAL SURPRISES
- CUSTOMER PERSPECTIVE
- IMPACT OF THE NEW ECONOMY
- SHORT TERM FOCUS