

Process Improvement Produce Savings

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Customer support is a major component of contracting and one member of the Army Contracting Command – Aberdeen Proving Ground understands the rewards that come from this collaboration. In support of Tobyhanna Army Depot, Pa., Contract Specialist Cheryl Saylock participated in a Lean Six Sigma project that was awarded an Army Lean Six Sigma Excellence Award (LEAP) in January.

The project involved transforming the purchase request process which resulted in a cost avoidance of \$5.1 million in various contracts through fiscal year 2017, according to Saylock. The team began the project in January 2010 with a thorough analysis of purchases for equipment parts to identify inefficiencies and redundancies to improve the process.

“The team found that a duplication of purchase requests for the same part created unnecessary workload for contracting employees and other members of Tobyhanna Army Depot,” said Saylock. “For example, a purchase for a particular part would be processed to support a division and the following week another division would submit a purchase request for the same part. With coordination, this purchase could have been consolidated, alleviating unnecessary workload.”

Saylock was selected for the project because of her experience. She has been in contracting since 1991 and has served as both a purchasing agent and contract specialist. Also supporting the project was co-worker Patsy Simpson, contract specialist, who has since retired.

One key role for Saylock was to review all purchase requests to evaluate the items requested for purchase.

“I tracked all purchase requests received each day and provided statistics on which requests could have been consolidated prior to submission to contracting. We spent about one to two hours a week during the initial stages of the project because of the in-depth analysis required. This tapered off to about an hour every two weeks and then monthly as we were closer to the end of the study.”

The statistics were tracked and provided to the team for further analysis. The team members evaluated the purchase requests for their respective divisions to investigate why purchase requests were processed separately versus consolidated.

“Reviewing the history of purchases was very instrumental in the process,” Saylock pointed out. “The review revealed which stock-numbered items were purchased often resulting in redundant purchase requests and increased workload for the purchasing agents. The metrics that were compiled made it apparent that most of the purchase requests could have been consolidated prior to submission to contracting.”

For the purpose of this project, the PR process began when the demand for a part was identified in the Logistics Modernization Program, an Army supply chain management system for inventory and depot repair operations. Within LMP, a purchase request was created and distributed to the ACC-APG for processing the purchasing transaction. The goal of the project was to reduce the number of eligible purchase request actions by 50 percent through the consolidation of same-item requests, according to Saylock.

As a result of this Lean Six Sigma green belt project, the team recognized that by adding a step in the LMP input process it could avoid the duplication of purchase requests. This step involved a review of LMP by the requestor to determine if a purchase request already existed for the part to be purchased. If so, the requestor would contact Saylock to increase the quantity of the open purchase request.

“By applying this process check for new purchase requests, the team achieved a reduction in duplicate purchase requisitions of 89 percent,” said Saylock. “Prior to this project, the number of duplicate purchase requests averaged 254 per month, but after improvements were implemented the number of duplicate purchase requests averaged 26 per month. This decrease in repetitive and duplicate purchase requests resulted in managing the workload more efficiently and a cost savings in the time spent on each purchase request. We are currently in the sustainment phase of the project and the metrics indicate that a majority of purchase requests are now being consolidated.”

The team also took other improvement measures to ensure the accuracy of the new process. It recommended that the LMP master parts listing be corrected to eliminate duplicate entries for identical items that were labeled differently within the system. Another improvement that was implemented was ensuring that all current and new LMP users received proper training and desktop work instructions were made available.

As a result of the team’s efforts, it was awarded the Non-Enterprise Level (Green Belt) Project Team Award by Under Secretary of the Army Joseph W. Westphal during an award ceremony at the Pentagon. Although the whole team didn’t attend the ceremony, “we were all

pleasantly surprised and happy to see that our time and effort in this whole process was acknowledged,” Saylock said.