

**GPR Case Study:
Department of Veterans Affairs
National Cemetery System
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OVERVIEW

The National Cemetery System (NCS) of the US Department of Veterans Affairs (VA) has several "lessons" to offer to other agencies and administrations as they face implementation of the Government Performance and Results Act (GPRA). As a pilot project, NCS continued down the proactive and inclusive path it had begun in 1990, when VA began strategic planning. During their prior strategic planning process, NCS used both internal and external input to develop the various plans. They continued to use the concept of "stakeholder inclusion in the development of performance measurement processes.

Internal input included recommendations and comments from NCS central office staff, area office personnel and individual cemetery directors and foremen, which were gathered primarily through the extensive use of teams. This utilization of teams to solve NCS's more complicated or extensive problems is a process that provided NCS with the best information and will likely be replicated in future efforts. External input was received from VA Planning and Budget staff and the Office of Management and Budget. It was gathered through more formal supervisory processes. The involvement of both external and internal stakeholders resulted in the most relevant and informative strategic plans and performance measurements.

Another "lesson" learned by NCS that will prove beneficial to other agencies is the recognition of the need for ongoing evaluation and revision of the planning process. Even without specific mandates, NCS continually tried to "rethink and "reengineer" its processes to reflect more stakeholder input and to reflect more accurately its goals, objectives, and strategies for attaining those aims. This provided more opportunities for employee and public "buy-in" and prevented their information from becoming obsolete. The idea of constantly updating information will continue in future efforts.

Agencies that will find the NCS experience most useful:

The above processes used by NCS will be relevant to most other agencies. NCS was most effective when it solicited large amounts of stakeholder input from various levels of authority within NCS, VA and OMB. Additionally, their use of teams proved highly beneficial and efficient. These processes can be duplicated in any agency, department, or administration. These processes may prove more difficult, however, in agencies whose mission is to regulate activities or products, as opposed to those who provide services.

SECTION 1. CONTEXT

Description of the National Cemetery System

NCS is an administration within the Department of Veterans Affairs. NCS employs over 1,300 people and operates and maintains 114 national cemeteries, as well as 34 soldier's lots and monument sites located in other cemeteries. NCS's budget authority for FY 1995 amounted to \$72.5 million with an FTE employment level of 1,315. NCS buries eligible veterans and their dependent family members in national cemeteries; maintains the graves and their environs as national shrines; and provides headstones and markers for graves of veterans in national, state veterans' and private cemeteries. Finally, NCS provides grant assistance to states for the improvement and/or construction of state veterans' cemeteries and administers the Presidential Memorial Certificate Program.

The First Strategic Plan (1992-1996)

In March 1990, the Deputy Secretary of VA requested a strategic plan from each administration and staff office. The Deputy Assistant Secretary for Planning began meetings with staff to develop the direction of the planning. In July 1990, a NCS strategic plan for FY 1992 -- FY 1996 was developed by central office staff. The process was brief and participation was limited. Although accepted by NCS, it was never published for use outside of VA.

NCS planning staff began a process of tracking accomplishments of strategic planning goals and objectives. NCS found that quarterly tracking was difficult, time consuming, and not useful because the time frame in the plan was five years and quarterly updates often showed relatively little change.

NCS staff also reviewed and evaluated the level of participation in the first strategic planning process. They noted that input from organizational components outside of NCS Central Office had been extremely limited. Everyone involved in the strategic planning process, including NCS management, realized that a more inclusive process was needed to produce a true "NCS Strategic Plan." Extending involvement and increasing the level of participation became an important consideration in the development of subsequent strategic plans.

Full Implementation of Strategic Planning:

Strategic Planning, Tactic 1:

1991 Submission:

The first year of full implementation of VA's strategic management process was 1991. NCS began working on the FY 1993 -- FY 1997 plan very shortly after the FY 1992 -- FY 1996 plan was submitted. The number and scope of individuals involved in the second strategic planning process was expanded. The effort began with meetings between NCS planning staff and management from the Office of Field Operations, the Office of Memorial Programs (now Memorial Programs Service), and each of the central office service directors. Prior to a meeting, the individuals from these areas were instructed to develop ideas and collect recommendations and comments from their staff.

In addition to more time, NCS was afforded more direction. VA included clear requirements, such as vision statement, operational assumptions, objectives, goals, and rationale, in their call for FY 1993 -- FY 1997 strategic plans. The second strategic planning cycle was met with some resistance from managers, chiefly because of their unfamiliarity with any long-range strategic planning process and a general lack of understanding of the nature and intent of the strategic planning process. Educating those managers to the value and benefits of long-range planning was a time-consuming, but necessary, task accomplished by the planning staff. The managers eventually embraced the process as they realized its benefits. It also had the additional benefit of helping managers and staff to appreciate better the interconnectedness of all of their offices.

The final FY 1993 -- FY 1997 plan was submitted to the Deputy Secretary for Planning in March 1991. The Deputy Secretary provided recommended changes in April. The plan's objectives were incorporated into the 1993 budget submission, but the plan was never published for use outside of VA.

1992 Submission:

Beginning in November 1991, supervisors were asked to hold meetings with their staffs to develop ideas for the strategic plan. Supervisors then met with planning staff to revise the FY 1993 -- FY 1997 plan and to develop the FY 1994 -- FY 1998 plan. The FY 1994 -- FY 1998 plan was submitted in February 1992.

Strategic Planning, Tactic 2:

In October 1992, top managers from all program components of NCS attended a Planning Retreat. The purpose of the retreat was to identify broad issues and initiatives that cross organizational lines within NCS. The intent was to increase participation and enhance management awareness of all NCS programs and activities. This information became the foundation for the goals and objectives of the FY 1995 -- FY 1999 Strategic Plan. This Plan was submitted to the Office of Policy and Planning in February 1993.

The FY 1995 -- FY 1999 Strategic Plan contained one less feature than its predecessors over specification. When formulating previous plans, NCS included a large degree of specificity that proved cumbersome and counterproductive. For example, the previous plans included specific construction sites and milestone dates for completion of new cemeteries. However, it happened that the plans for construction of the Seattle area national cemetery, scheduled to occur after the Chicago area national cemetery, progressed more quickly through the Congressional appropriation process, so that the Seattle area national cemetery is now scheduled to open before the Chicago area national cemetery. Even though this was a more efficient process, and beyond the total control of VA and NCS, it was in conflict with the letter of the strategic plan. Many in NCS felt that the specificity could serve to hamstring operations and made measurements of success impractical. When developing the FY 1995 -- FY 1999 strategic plan, these milestones and short term tactical maneuvers were dropped.

SECTION 2. STRATEGIC PLANNING/DEVELOPMENT OF PERFORMANCE INDICATORS

Strategic Planning, Tactic 3:

As part of its ongoing evaluation of the strategic planning process, NCS central office staff found that it was difficult to balance the advantages of increased participation with the resulting volume of input. Therefore, for the FY 1996 -- FY 2000 strategic plan, the level of participation increased, but was managed through a series of smaller meetings consisting of all levels of employment within NCS. Additionally, NCS planning staff refined information gathering methods. Targeted techniques, such as SWOT (strengths, weaknesses, opportunities, and threats), affinity diagramming, and pre-session questions were used. These techniques proved successful in managing increased participation and large amounts of data.

With the development of the FY 1996 -- FY 2000 strategic plan, this process had matured and become institutionalized within NCS. At this point, the strategic planning process became independent of external requirements.

Customer Service Standards and Surveys

The National Cemetery System established the Executive Quality Council (EQC) to provide leadership, guidance, and structure to the NCS quality management effort. The council works as a team to facilitate, coordinate and recognize the implementation of the principles and practices of Total Quality in NCS. The membership of the EQC is the top management team of NCS representing the three major organizational units. The council is chaired by the NCS Director and includes the Directors of the Offices of Field Operations and Operations Support, and the Director, Memorial Programs Service. Additional members include an Executive Secretary and a facilitator.

As a result of Vice President Gore's National Performance Review (NPR), published in September 1993, President Clinton issued Executive Order 12862, "Setting Customer Service Standards." This order required all federal agencies to establish and publish customer service standards and to survey agency customers. In October 1993, the EQC chartered a cross-functional "Setting Customer Service Standards Quality Improvement Team. This team was to develop a strategy that would provide NCS with accurate and meaningful "voice of the customer" data. The team represented all areas of NCS: cemeteries, area offices, public affairs, memorial programs, and planning.

The team's first task was to identify and define NCS's primary customer groups. The team found that their customer base was much broader than originally anticipated. It not only included veterans and their families and funeral directors, but also environmental groups, state and local governments, and visitors. The team narrowed their focus to veterans and their families, funeral directors, and members of veterans service organizations. Likewise, the team found that the services they provided their customers were also complex. The list was narrowed down to include those services most important to their primary customers (i.e., interments, headstones and markers, maintaining cemetery appearance, state cemetery grants, and outreach). From this analysis of NCS's customer groups and primary services, the team drafted the first set of NCS Customer Service Standards.

In March 1994, the team made a presentation to the NCS Executive Quality Council (EQC) introducing the customer service standards they had developed. The NCS Customer Service Standards defined expectations in six service dimensions: Courtesy/Compassion/Respect, Accuracy, Reliability, Timeliness, Convenience, and Appearance. A brochure explaining these standards was designed, published, and distributed to each headquarters office, area office and national cemetery by Memorial Day, 1994. In this brochure, NCS makes a commitment to strive to provide service that meets or exceeds these standards. Additionally, the team recommended that a second team be chartered to develop a customer survey methodology.

The EQC chartered this second team, which was made up of the same members as the first team. This team researched and evaluated various sources and costs for developing, conducting and analyzing customer service surveys.

The team recommended that focus groups be conducted as the initial survey activity. Focus groups are small, face-to-face meetings which solicit personal, first-hand experiences. This survey methodology posed a unique challenge to NCS due to their awareness of the grieving period and the sensitive nature of the subject. In August 1994, two pilot focus groups were conducted and successfully tested this methodology. Subsequently, seven NCS employees received formal training as focus group moderators.

In July 1995, official focus groups began. To date, 14 groups at five sites have been completed, involving a total of 114 people. Separate focus groups were held for next of kin, funeral directors, and members of veterans service organizations. Analysis of the data received from these focus groups is targeted for June 1996.

Focus group data will be used in a variety of ways: as a qualitative measure of customer satisfaction; to validate NCS customer service standards; and, as a foundation for further use of qualitative surveys. As a first step in using quantitative surveys, a customer/visitor comment card has been designed to assess cemetery maintenance and appearance. NCS anticipates using this tool beginning in the summer of 1996.

GPRA Implementation Activities

The Government Performance and Results Act (GPRA) was enacted in August 1993. The law requires all federal government agencies to develop strategic plans by September 30, 1997; to prepare annual plans setting measurable performance goals; and to report annually on actual performance compared to their goals. In October 1993, all executive departments and agencies were asked to nominate at least one activity to participate as a pilot project in performance measurement under GPRA.

The GPRA Pilot Projects, which were monitored by OMB, would be the first step toward implementing government-wide performance-based budgeting. VA agreed to conduct three pilot projects in connection with the implementation of this Act: the National Cemetery System, the Loan Guaranty Program administered by the Veterans Benefits Administration (VBA), and VBA's New York Regional Office. NCS agreed to become a pilot because their experience with strategic planning put them in a position to share their successes and challenges with other organizations that were just beginning the strategic planning process, and their participation early

on would better prepare the organization for future required efforts.

During the pilot process, VA leadership has provided NCS with support and guidance. The initial call for participation in the pilot project came from the office of VA's Chief Financial Officer (CFO). The CFO's support ensured high-level visibility and promoted continuous progress toward implementation. Additionally, the Performance Analysis Service of VA's Office of Budget has acted as liaison between the pilot organizations and OMB, and has provided guidance and feedback during the process.

As a pilot project, NCS was responsible for preparing an annual performance plan for FY 1994, FY 1995, and FY 1996. The plans were to include performance indicators to determine whether the program was progressing toward achievement of its goals and objectives. At the end of each year, a performance report assessing this progress would be submitted.

The Performance Analysis Service assisted NCS in preparing their performance plan by providing a format for the plan which included terms and definitions, and guidance on the types of indicators to include (i.e., outcomes, outputs, effectiveness, and efficiency). It soon became obvious that one of the challenges of being a pilot was that the flexibility afforded by OMB was sometimes offset by a lack of common knowledge, specialized training, and experience in what was a totally new way of doing business for government agencies.

FY 1994 Performance Plan

The NCS performance planning effort was led by a work group consisting of NCS central office staff under the direction of the Director of Budget and Planning Service. The resulting performance plan included one goal, "to provide a full range of burial benefits and services to our Nation's veterans." The goal was supported by three objectives and the benchmarks and expected levels of performance for ten measures. Most of these measures were output measures, e.g., the number of interments and number of gravesites and of acres maintained by full time equivalent employees (FTEE). Benchmarks for these measures defined expected levels of performance, and were established by consensus among NCS officials. The plan did not include measures of customer service, efficiency, or outcomes. The Performance Analysis Service observed that there was room for improvement in areas such as the identification of the best performance measures to use, establishing a better linkage between the measures and strategic goals and objectives, and the presentation of the plan itself. The FY 1994 Performance Plan was submitted to OMB as requested in March 1994 (six months after the beginning of the fiscal year it was intended to measure).

The NCS Performance Measures Team

In June 1994, the GPRA Work Group asked the NCS Executive Quality Council to charter a Performance Measures Quality Improvement Team. The goal of this team was to "develop performance measures for the National Cemetery System that will meet the requirements of GPRA, allow NCS to collect, analyze and use performance data to improve service to our veteran customers and operate our organization effectively and efficiently. The Performance Measures Team was made up of members of all organizational elements of NCS. The Team's efforts were limited to identifying measures for operations at national cemeteries. The Team also determined that their measures of cemetery operations would focus on burial and maintenance activities.

The Performance Measures team focused their data collection efforts on information already available through existing data collection instruments including the NCS Management and Decision Support System (MADSS) and the Burial Operations Support System (BOSS). This decision was made out of concern for creating an additional data collection burden on national cemeteries and a desire to avoid the cost of designing new data collection systems. While this process limited the scope of potential measures, the team identified several new measures related to workload, workload processing, and outputs.

The Team outlined several additional processes that could be considered for measurement in the future. These processes included equipment maintenance, Office of Workers' Compensation Programs claims, and contractor services. The team's recommendations for new measures were approved by the EQC in December 1994. An additional recommendation of the team was the charter of another Quality Improvement Team to develop unit cost data.

FY 1995 Performance Plan

VA representatives met with staff from OMB in July 1994, to obtain feedback on the FY 1994 Performance Plan. Although the feedback was generally very positive, OMB offered several suggestions for the FY 1995 plan. OMB indicated they would like to see the inclusion of more unit cost information, customer survey results, and outcome measures. While the FY 1995 Plan showed little improvement over the FY 1994 plan in this regard, NCS placed more emphasis on these issues in FY 1996.

The NCS FY 1996 -- FY 2000 Strategic Plan provided the basis for the FY 1995 Performance Plan. This Plan included two goals: (1) Provide veterans with a full range of burial services and benefits with dignity and honor and (2) Enhance the appearance and infrastructure of the national cemeteries to meet the highest standards of public expectation and fiscal responsibility. These goals are supported by the same objectives and measures used in the FY 1994 Plan, with an added objective addressing the need to make burial in veterans' cemeteries an option for all eligible veterans and family members.

The FY 1995 Performance Plan was reviewed and approved by Performance Analysis Service and forwarded to OMB in October 1994.

The Unit Cost Team is Established

In response to the recommendation of the Performance Measures Team, the EQC chartered the Interment and Maintenance Operations Unit Costs Quality Improvement Team. The Team's goal was to "develop unit cost capability for individual activities associated with interment and maintenance operations at national cemeteries". The Unit Cost Team, led by the Director of the Long Island National Cemetery, included representatives from all NCS organizational elements and VA's Office of Financial Policy. The process of developing the unit cost methodology proved extensive. The team will present their final recommendations in May 1996. There will be more discussion of this process later in this section.

OMB Involvement

By March 1995, OMB had not provided NCS and the other two VA pilot projects with comments on their FY 1995 Performance Plans. As VA pilot facilitator, the Director of the Performance

Analysis Service initiated a meeting with OMB to discuss GPRA pilot projects. Since VA had received no feedback from OMB prior to the meeting, each pilot assumed that their performance plans were on the right track.

VA and OMB representatives met to discuss the FY 1995 pilot project performance plan. OMB criticized the NCS Plan for its lack of unit cost, customer service, and outcome measures. OMB comments were substantively constructive, and were taken into account and used by the GPRA Work Group in preparation of the FY 1996 Performance Plan.

As a result, in March 1995, OMB initiated a Spring Review on Program Performance to review progress toward implementing various performance-based initiatives. The Spring Review focused on several initiatives, i.e., inclusion of performance information in the budget, establishment of customer service standards, GPRA implementation, development of performance agreements, implementation of streamlining plans, and preparation of annual financial statements.

The FY 1994 Performance Report

In April 1995, NCS prepared and submitted their FY 1994 Performance Report. The report was prepared using the same format as the original FY 1994 Performance Plan, inserting the level of program performance actually achieved. The report described the planned versus the actual performance levels and included an overall assessment of NCS's success in achieving the objectives outlined in the performance plan.

Review by the Office of Inspector General (OIG)

In FY 1995, VA's OIG conducted a review to assess NCS's progress in implementing the strategic plan and establishing performance measures as required by GPRA. The OIG concluded that NCS was making good progress in implementing its strategic plan, partly because of its early involvement in strategic planning and its active participation as a designated pilot project under GPRA.

GPRA Work Group

In April 1995, the GPRA Work Group, augmented by additional representative from the Office of Field Operations and Memorial Programs Service, met to review NCS's progress toward performance planning. The Group spent two days that month reviewing every aspect of the NCS plan including mission, vision, goals, objectives, and indicators.

The review of NCS measures included input from the Performance Measures Team. The measures that were recommended by the team were considered by the Work Group along with other measures that were presented by participants in several brainstorming sessions. The Group determined that it was important to rethink even the most well established objectives of NCS.

An example of the Work Group's progress was the decision to change a long standing NCS objective that NCS will build cemeteries such that three out of four veterans will live within 75 miles of an open cemetery. The Group reviewed this objective in relation to its importance to the NCS mission and proposed expanding the measure to 100 percent of veterans. The team

identified several ways in which NCS could innovate to accomplish this new objective. The objective to "provide burial options forall veterans" was presented to OMB and approved.

Revised Performance Plan

Although the FY 1996 -- FY 2000 Strategic Plan provided the basis for the FY 1996 Performance Plan, there are specific distinctions. For example, while the FY 1996 -- FY 2000 Strategic Plan includes seven broad goals for the program, the FY 1996 Performance Plan includes only one goal: to bury eligible veterans and their family members in national cemeteries and maintain the graves and their environs as national shrines. The objectives of this goal are to provide burial options for all eligible veterans, and to honor, recognize, and commemorate veterans' service.

The FY 1996 Performance Plan dramatically improved as a result of this effort to broaden the scope of performance measures. The FY 1996 Performance Plan included new and more meaningful performance indicators of outputs, effectiveness, efficiency, and outcome. However, in many cases, new systems to collect and report these measures must be developed and therefore data was not available.

The FY 1996 Performance Plan was submitted to OMB in June 1995. OMB commented favorably on this performance plan. NCS then included these performance measures in their FY 1997 OMB Budget. By using its GPRA experience to better link planning, performance measurement and budgeting in a more integrated fashion, NCS demonstrated significant improvement in its presentation of the FY 1997 budget.

The Unit Cost Team Process and Reports

The Unit Cost team that was assembled as a result of the Performance Measures Team had a long process ahead of them that was neither as easy nor straightforward as it seemed from the outset. The team faced several challenges in developing its unit cost methodology.

The first step toward assessing unit cost was to identify the seven interment processes. Flowcharts were developed for each interment process, beginning with the initial telephone call or personal contact to establish a commitment for burial and ending with the placement of a temporary marker at the grave or columbarium site. These charts were used to formulate a survey that asked questions relating to the amount of time necessary to complete each interment step, and the grades of the employees performing the tasks. The questionnaire was distributed to four pilot cemeteries, which were instrumental in testing the methodology developed. The data, along with workload information from the Management and Decision Support System (MADSS), an automated system used by NCS to capture cemetery activity data, were analyzed and computed to develop unit costs for the pilots.

Relatively early in the process, it was determined that a unit cost would need to be computed for each cemetery. Economic and environmental differences, relating to the cemeteries' varying locations, ruled out the theory that one unit cost could represent all 114 national cemeteries. In addition, because the MADSS data is based on work hours as opposed to interment processing time, it was difficult to use data extracted from the system to complete some of the necessary steps. NCS recently discovered these obstacles are not unique, however. The team's leader met with another VA organization responsible for developing unit costs for the services it provides and learned that, after two years of work, similar problems were still being faced in their

development process.

NCS, one of the very few programs to take on this challenge, has made a great deal of progress in developing its unit cost methodology. The Unit Cost team met weekly for over a year to devise the process. During this time several presentations about its findings were made to the EQC to give an update on the team's progress. A final analysis and recommendations are expected to be submitted to the EQC by May 1996. These recommendations will also include additional actions necessary to develop unit cost capabilities for other NCS operations, as well as guidelines on the implementation of this concept.

OMB Comments

NCS received a memorandum in March 1996 highlighting major improvements made during the pilot project. OMB recognized significant changes made in the way NCS thought about assessing the performance of its operations and in the quality of cemetery maintenance, the inclusion of unit cost and outcome measures, and linking program performance to budgeting.

Performance Information in the Accountability Report

As one of the designated pilots for reports streamlining, VA requested and received OMB's approval to use the Accountability Report to satisfy the performance reporting requirements associated with GPRA pilot activities, since the performance information in the Accountability Report would be consistent with that prepared as part of involvement in the GPRA pilot. This effort would eliminate what was currently a duplicative reporting burden.

The performance information in the FY 1995 Accountability Report is consistent with that identified during the Spring Review and included in the FY 1997 budget submissions. This report was submitted to OMB in April 1996.

NCS Expands the Planning System

In 1994, the Northeast Area Office of NCS decided to establish an area strategic plan linked to and in support of the NCS Strategic Plan. In May 1994, a team of cemetery directors and foremen met with NCS central office staff to establish a FY 1996 -- FY 2000 Strategic Plan for the Northeast Area. The two plans contain similar mission and vision statements. The area plan contains the same goals as the national plan, but objectives and strategies are limited to those within the scope of the National Cemetery Area Office. This group also developed a process, format and schedule for completing individual cemetery business plans. Individual cemetery business plans have a mission and vision similar to those of the national and area strategic plans, and reiterate common goals. However, the business plans contain specific objectives and strategies to be accomplished at the national cemetery, including milestones and accountability, and resources required. By identifying national cemetery activities that support the NCS Strategic Plan, business plans allow each employee to understand the importance of his or her role in the accomplishment of the NCS mission. Employee teams at each Northeast Area national cemetery had completed an individual business plan by December 1995.

In August 1995, the assistance of NCS central office staff was requested to facilitate strategic planning in the Western Area. Fifteen cemetery directors and foremen met with representatives of NCS central office to establish the Western Area Strategic Plan. The plan, developed in the same manner as the Northeastern Area Strategic Plan, supports the NCS Strategic Plan. The

Western Area Strategic Plan was finalized in January 1996. In March 1996, two representatives from NCS central office facilitated the development of the Western Area's first business plan at Fort Logan, Colorado, National Cemetery. This session also provided facilitator training for Western Area personnel who are expected to assist teams at Western Area cemeteries in developing business plans. Western Area expects to complete the business planning process in all cemeteries by September 30, 1996.

In 1996, VA began considering new administrative procedures that may be implemented over the next few years to require localized strategic planning and business plans. These business plans will be incorporated into the performance planning system. They will include program descriptions, strategic goals, descriptions of customer needs, performance goals and measures, and other relevant data. They will also establish accountability for accomplishment. Because of NCS's initiative in expanding the strategic planning process, national cemeteries will be in a better position for the transition into this form of business planning.

SECTION 3. STRATEGIC PLAN AND PERFORMANCE INDICATORS

Authorizing Legislation

NCS was first established in accordance with the National Cemeteries Act of 1973 which was amended in subsequent years. According to the current law, the purpose of NCS is fourfold:

- (1) Maintain the national cemeteries and provide for the interment of eligible persons, including those service members who died on active service, veterans who were discharged or released under conditions other than dishonorable, certain individuals with qualifying service who served in the Reserves or National Guard, spouses and other dependents of eligible persons, and other eligible persons as determined by the Secretary;
- (2) Provide headstones and markers for the unmarked graves of eligible persons interred in national, post, state, and private cemeteries;
- (3) Administer the Presidential Memorial Certificate program; and
- (4) Administer the State Cemetery Grant Program to aid states in establishing, expanding, or improving state veterans' cemeteries.

The NCS Plan

The NCS FY 1996 -- FY 2000 Strategic Plan states the vision and mission as: "The vision of the National Cemetery System is to provide a lasting tribute to our Nation's veterans. The mission is "to serve our Nation's veterans by meeting their final needs with compassion and dignity. Following the statements of vision and mission, assumptions about future events and external factors that would affect accomplishment of their mission, and the Secretary's Priorities for the Department, are identified.

The NCS FY 1996 -- FY 2000 Strategic Plan also includes five goals, which are supported by objectives, strategies for accomplishment and measures of success. The five goals are:

- (1) "Provide veterans with a full range of burial services and benefits with dignity and honor.
- (2) "Enhance the appearance and infrastructure of the national cemeteries to meet the highest standards of public expectation. . . ."
- (3) "Improve communications with veterans, veterans' service organizations, and others who wish to contribute to accomplishment of the VA mission."
- (4) "Ensure a dedicated, highly motivated and well-trained workforce, free from discrimination and sexual harassment!"
- (5) "Streamline structures, procedures, and regulations and take advantage of information management and other new technologies to improve internal management and delivery of services."

As required by GPRA, NCS developed annual performance plans which are based on goals and objectives contained in the Strategic Plan. In the FY 1996 Performance Plan (Attachment A), NCS's objectives were to provide burial options for all eligible veterans, and to honor, recognize, and commemorate veterans' service. Performance measures of output, effectiveness, efficiency, and outcome were used to determine if the program was progressing toward achieving stated objectives.

The Strategic Plan, the annual Performance Plan, and the Customer Service Standards work together to support NCS's mission to serve our Nation's veterans by meeting their final needs with compassion and dignity. The strategic plan identifies long-range goals and objectives necessary to accomplish the mission. These include constructing new national cemeteries and maintaining the appearance and atmosphere befitting a national shrine at all national cemeteries. The performance plan includes measures of annual performance. These measures, tied to strategic objectives to ensure accomplishment, include the percentage of all veterans using a burial option provided by NCS and the percentage of survey respondents who rate cemetery appearance as good to excellent. The Customer Service Standards interpret the goals and objectives of the Strategic Plan and the Performance Plan to our external customers. They commit NCS to deliver service with courtesy, compassion and respect in an accurate and timely manner; to provide reliable information; and to maintain the appearance of individual gravesites, headstones, markers and monuments in a manner befitting these national shrines.

The success and continued progress of NCS depend on the continued involvement and buy-in of all stakeholders. The overall achievement of NCS goals and objectives is linked to area and cemetery goals and objectives that are consistent with the strategic plans.

The efficiency and outcome indicators included in the FY 1996 Performance Plan are measures of program results. Efficiency indicators include measures of unit cost. The NCS Quality Improvement Team (QIT) on Unit Cost is in the process of developing mechanisms to measure the unit cost of interments and suggest strategies for the development of unit cost measures for maintenance. NCS indicators of outcomes include measures of customer satisfaction. The NCS QIT on Customer Service Surveys developed a customer survey and data collection methodology. Initial attempts at using unit cost and customer satisfaction tools are expected within the next year. NCS expects to charter additional teams to further develop measures of unit costs and customer satisfaction.

The usefulness of the efforts made by NCS is dependent on a number of factors. Continued involvement and buy-in of all stakeholders are crucial to the use of performance measures and strategic planning. This includes local and area directors, central office staff, as well as forces outside of NCS such as VA and OMB administrators, and Congress. The intention of NCS performance plans will be fulfilled when their performance measures are used to influence the budgeting process and improve customer service.

SECTION 4. USE AND IMPACT

One-Sided Budgeting

NCS believes that strategic planning and performance measurement should ultimately become the impetus behind budget allocations. To that end, NCS has begun to use their plan and their measurements to prepare Departmental budget requests. This effort began in 1991, when NCS incorporated the goals listed in their FY 1993 -- FY 1997 Strategic Plan into their FY 1993 Budget Submission. Later, as NCS worked through the GPRA pilot process, they included the measurements developed in the 1996 performance plan into the FY 1997 Budget Submission.

Despite their attempts at elevating the budget debate to a performance-based level, Congress has yet to fully embrace performance-based budgeting. NCS believes that by continually presenting budget information that exhibits performance, a gradual change in the way Congress approaches the budget process may occur. Until that time NCS will continue to include strategic goals and objectives, as well as performance measures in their portion of VA's budget submissions.

Use by Veterans Affairs and NCS Staff

Use by VA:

NCS used strategic planning as another avenue to develop budget requests. During a 1991 brainstorming session, NCS staff determined that an automated nationwide system that supported interment-related administrative activities at the national cemeteries would eliminate a paper-intensive process and improve service and efficiency. The development of such a system was included in the strategic plan. Management realized the need and the advantages of having such a system and reprioritized operating requirements to support staffing and other resources necessary to develop, implement, and operate the Burial Operations Support System (BOSS).

Additionally, NCS efforts in the GPRA pilot project helped VA with its strategic planning and performance measurement goals. According to the Performance Analysis Service, the GPRA pilot project has caused VA to pay more attention to the content and structure of their performance plans due to the links between strategic planning and performance planning evidenced through the GPRA pilot process.

Use by NCS Staff:

An indirect, but favorable, consequence of NCS's efforts to move toward performance-based budgeting is the rise in enthusiasm for GPRA-related endeavors on the part of staff. By using their previous work in completing their current mandates, staff at all levels is able to see the integration of some of their work. While this process is not perfect, NCS staff does have a "vision" of where they want their budget justifications to Congress to be in the future.

The progression toward performance-based budgeting and continued strategic planning had little adverse effects on NCS staff, nor did it necessitate staff additions. There was no need to reorganize either the central office or the National Cemetery Area Offices (NCAO). The Budget and Planning Service absorbed the new responsibilities by allocating new tasks according to employee strengths and talents. NCS has, therefore, been able to accomplish all job functions

with no major administrative changes.

Use by NCS Area Offices:

The National Cemetery Area Offices (NCAO) have begun, with the assistance and guidance of central office staff, strategic planning and business planning. As described in Section II -- NCS Expands the Planning System, NCS central office staff traveled to two area offices to facilitate their planning processes. The Northeastern area has completed both an area strategic plan and individual cemetery business plans. The Western area has completed an area strategic plan and one individual cemetery business plan. Other business plans are in the development process and it is expected that the Southern Area will be participating in the process in the near future.

The participation of NCS central office staff in the NCAO strategic planning process is critical to the integration of the planning process of NCS. The area strategic plans are developed in order to reflect local implementation of the overall NCS vision and mission. This is evident in the Western area, where the development of a business plan is used as an element of the rating process used by the area office in assessing the achievements of the cemeteries. Further, some measures from the FY 1996 Performance Plan have been included in the Western area's national cemetery director's standards for the current rating cycle.

Distribution of Plan and Measures to Outsiders

While the strategic plans and the performance measures are used by all levels at NCS and VA, there has been no distribution of either to the public. However, there has been indirect distribution.

A "Customer Service Standards" brochure was prepared and distributed to headquarters offices, area offices and the individual cemeteries, as described in Section I -- Customer Service: Round 1. The customer standards in this brochure are reflective of the goals and objectives in the current strategic plan (FY 1996 -- FY 2000). For example, NCS Goal 1 is to "Provide veterans with a full range of burial services and benefits with dignity and honor. The brochure promises service in a manner reflecting compassion and respect. NCS Goal 2 is to "Enhance the appearance and infrastructure of national cemeteries...". The brochure promises to maintain the appearance of national cemeteries in a manner befitting these national shrines. NCS Goal 3 is to "improve communications with veterans...". The brochure promises that cemeteries will listen to comments and provide feedback, as well as clear explanations of policies and procedures. NCS Goal 4 is to "ensure a dedicated, highly motivated and well-trained workforce...". The brochure promises a trained staff to answer questions.

The brochure also reflects some of the indicators used in the GPRA performance plans and reports. The brochure promises to determine eligibility for burial benefits within 48 hours, to deliver headstones and markers within 3 months, and to mail Presidential Memorial Certificates within 45 days. The FY 1996 Performance Plan refers to a number of indicators that reflect these promises. For example: "the number of requests for interment processed where there is no acceptable documentation verified within two business days," "number of new headstones and markers delivered."

Progress Evaluation

The progress of the overall performance measurement efforts will be evaluated through existing computer systems (NCS MADSS, BOSS), via customer service results and development of a unit cost of interment for each cemetery. Progress may be evaluated in the field of the status of compliance with business plans as an indicator of achievement of individual cemeteries and their directors.

SECTION 5. COSTS

There are costs associated with every endeavor undertaken by a government agency. Those costs can be political, bureaucratic and/or financial in nature.

Political Costs

The political costs of conducting performance assessment and strategic planning revolve around the budget process. By illustrating the costs of services and the direction in which it is going, an agency exposes itself to scrutiny and increased review and evaluation. However, achievements and positive results may also be recognized more easily.

NCS has received recognition as an innovative program as a result of its participation in GPRA pilot program activities. This active participation has served to strengthen ties to OMB by enhancing OMB's understanding of NCS's goals and activities. This understanding fosters effective communication of budget needs and benefits both NCS and OMB.

While NCS is using performance measurement and program participation to fortify their relationship with OMB, it is important to note that Congress has not begun to use performance information as a legislative tool. Congress has yet to look at the budget process from the perspective of performance-based budgeting. The traditional viewpoint of allocating dollars that then determine program objectives still rules the process. As previously stated, NCS hopes that by presenting program data based on performance, that position will begin to change.

Bureaucratic costs

Bureaucratic costs come in many forms and are often synonymous with political costs. However, the overriding concern with conducting performance assessments and strategic planning is market competition. Increasing the amount of information available to the public regarding agency services and service delivery can have the result of increased private sector competition. Private businesses may claim that they can provide the same or better service at a lesser cost to the federal government. While NCS is aware of the reality of private sector competition, they feel they provide a unique benefit to a distinctive customer base.

Another bureaucratic cost concerns the NCS budget allocation within VA. The good relationship developed between NCS and the VA's Chief Financial Officer during the GPRA pilot process has promoted a greater understanding of NCS's program goals and budget needs by the VA. This is helpful to both parties.

Financial costs

Financial costs are often preceded by political and bureaucratic costs because they focus on actual monetary outlays. While NCS efforts in performance measurement and strategic planning have not necessitated new staff, modest capital investments have been required. For example, the need for the BOSS system, which was identified through a staff strategic planning session, eventually required monetary allocations for the hardware, software and personnel. In addition, any potential expansion or realignment of job duties that accompany prolonged data collection and development will require additional personnel.

Long term data collection and revision of current data collection systems may be costly and may require additional funds. Additionally, the integration of the data being collected through current and future processes will likely require expenditures. The Unit Cost Team efforts, the information generated by NCS MADSS and BOSS, and the development of a resource management system will ultimately require such integration in order to be most useful. And, once the systems are integrated there must be a mechanism for maintaining a consolidated system.

Similarly, analysis of customer service data from the customer comment cards and the customer focus groups will require manpower and time. This may also require enhanced or alternative data collection tools. Additionally, any future customer satisfaction data collection, in the form of a written survey, will require design, administration, and analysis expenditures.

SECTION 6. LESSONS LEARNED

Leadership

NCS has evolved a great deal since 1990 when it first began strategic planning. NCS has been fortunate in that the leadership both within NCS and VA has exhibited a continuous commitment to performance-based planning. NCS Budget and Planning staff were an active force behind participation in the GPRA pilot and brought innovative thinking into the strategic planning process. As the management of this office undergoes change, active and visible leadership is a continuing requirement for ensuring future progress. This will be particularly important as cemeteries develop their business plans around NCS priorities.

The Chief Financial Officer was a primary force behind VA participation in GPRA pilot programs. This office also served as the liaison between OMB and VA GPRA pilot programs, which facilitated strong relationships between VA and NCS, between VA and OMB, and between NCS and OMB.

This leadership was, and continues to be, crucial to the success of effective planning and program implementation. The leadership commitment exhibited by top NCS management and VA is fostering an enthusiasm for performance planning and long-range planning among NCS staff at all levels. Additionally, the commitment to "front-line" involvement in all central office endeavors and statutory mandate implementation reinforces the importance of these initiatives and generates acceptance.

NCS has been able to effectively use group processes to achieve significant progress and results. The evolution of the strategic planning brainstorming techniques and the April 1995 meeting for the development of performance measures are examples of this. The measures that were derived as a result of the Work Group meeting are the most inclusive and relevant performance measures to date.

All planning processes are conducted with the customer in mind. However, there has been little direct external customer input in the planning process or in the development of performance measurements to date. A customer satisfaction survey is planned and customer focus groups have been conducted around the country to increase the level of input from this important stakeholder. Survey and focus group data will be analyzed and applied to the planning process.

Consistency

Another important factor in the success of strategic planning, measurements and "buy-in" by areas and cemeteries, was the *consistency* exhibited by the central office. This is evident when the methodology for developing strategic plans and business plans at the corporate, area, and cemetery level are examined. In all cases, the methods, tools, techniques, and processes used are consistent. This results in plans that serve different purposes yet link to each other. These linkages facilitate strengthened tracking, reporting and internal communication. As strategic planning and performance measurement evolve, a government-wide "standard government process" may evolve. At that time, NCS will revise its current process to align with the new standard.

Reduced Burden

Finally, NCS central office wants to keep the burden placed on cemeteries by the "new performance measures processes to a minimum. The central office has planned to collect performance measurement data through systems that are already in place. Any modifications that are necessary will be made to existing systems. This is important because it does not require the cemeteries to learn new systems, but rather new dimensions of their current ones. Resistance to new systems is a main contribution to "dissension in the ranks" when new management tools are developed and implemented. NCS seems to have successfully avoided this.

SECTION 7. NEXT STEPS

Continuing Efforts

NCS recognizes that effective strategic planning and performance measurement are continuing processes. NCS has made a commitment to the effort and plans to reevaluate both its processes and its results. Part of this is due to the statutory mandate that they face in the fall of 1997 (GPRA, strategic plan due date). And another part of this is the growing culture in NCS that supports performance-based planning and budgeting.

Unit Cost

NCS plans to finish its work on the unit cost methodology for interments by May 1996. This methodology will be used by local cemeteries to calculate their individual unit cost. The Unit Cost Quality Improvement Team plans to recommend strategies to assist local cemeteries in using the developed methodology to determine their unit cost.

NCS plans to eventually create a method for creating a national unit cost for interment. This requires the inclusion of information regarding the effects of local geology and climate, however, in order to make comparisons among cemeteries. The mechanisms for collecting this information have yet to be completed. Once completed, NCS plans to integrate its data collection tools (NCS MADSS, BOSS) in order to more easily facilitate national unit cost development. Unit cost methodologies for other cemetery activities, such as maintenance, will also be a part of future initiatives.

Customer Service

NCS is currently analyzing the information it has received from its customer focus groups. This data is expected to be presented in May 1996. Customer focus group data will assist in validating the current NCS Customer Service Standards, as well as assist in planning other survey activities. A visitor response card, which will be placed in national cemeteries in July 1996, will also afford NCS valuable insight regarding visitor opinion of cemetery appearance and maintenance.

Area Offices

NCS will continue to help area offices and the individual cemeteries create business plans that are demonstrably linked to the NCS strategic plan. These plans will be designed to use the same measurements as the performance plans used by the central office in its GPRA Performance Plans.

Guidance

Throughout the GPRA pilot project process, NCS has made its greatest strides when the efforts of NCS staff were complemented by additional guidance and training. The training that the central office provided to the Northeast and Western Areas was critical in their development of strategic plans. Likewise, NCS requires assistance and feedback from VA, OMB and others in order to establish appropriate performance plans, measurable indicators of performance, and tools for gathering and compiling performance data.

Refine Measures

Measures should be continually refined to ensure that they are measuring activities that are important to NCS and aligned with the goals and objectives of the strategic plan.

Improve Data Collection Instruments

Additional data collection methods need to be designed to capture performance information.

Align Various Plans

Progress toward linking the development and implementation of various plans (strategic, performance, budgetary, and business) should be continued to avoid duplication and inconsistency.

Additional Materials

Case Study Methodology

Review of materials including strategic plans, performance plans and reports, business plans, memoranda, and budgets. (Complete listing attached)

- Interviewed key staff from the central office, area offices, the Quality Improvement Teams. (Complete listing below)

Provided abbreviated responses to case study questions (submitted to Joe Wholey 3/25/96)

- Preliminary draft presented to central office staff (3/27/96) and discussed (3/28/96)

Draft submitted to the Office of Management and Budget and to National Cemetery System on April 1, 1996.

Received comments from Office of Management and Budget on April 5, 1996

- Received comments from National Cemetery System on April 19, 1996
- Received further comments from National Cemetery System on April 22 and April 23, 1996
- Submitted second draft to National Cemetery System on April 24, 1996

Submitted final draft to the Office of Management and Budget and to National Cemetery System on April 30, 1996.

Interviews

February 27 Dorothy Mackay and Lynn Howell, general information

March 6 Dorothy Mackay and Lynn Howell, general information

March 14 Mark Russell, the role of VA
Jack Gaegler, strategic planning

March 20 Paige Lowther, Customer Service Standards and Customer Service Survey
Teams
Lynn Howell, Performance Measures Team

March 21 Dorothy Mackay, general information
Jim Adamson, Unit Cost Team

March 25 Tom Balsanek, Bill Napton and Cindra Thompson, Area planning

March 28 Dorothy Mackay and Lynn Howell, review of preliminary draft
Patricia Johnson, Unit Cost Team

April 22 Lynn Howell and Paige Lowther, review of editorial changes to preliminary draft

April 23 Lynn Howell and Paige Lowther, review of editorial changes to preliminary draft

Key Players

Jim Adamson, Director, Long Island National Cemetery, NY (Unit Cost Team Leader)
Carol Alsop, Management Analyst, VA Performance Analysis Service
Tom Balsanek, Director, National Cemetery Area Office (NCAO), Denver, CO
Bob Camp, NCS Field Programs Service
Mark Catlett, Chief Financial Officer and Assistant Secretary for Management, VA
Henry Corback, Chief, NCS Budget Division
Charles Eyman, Staff Assistant to the Director, NCS Budget and Planning
Jack Gaegler, Chief, NCS Planning Division
Lynn Howell, Program Analyst, NCS Planning Division
Patricia Johnson, Budget Analyst, NCS Budget Division
Carl Lockamy, Budget Analyst, NCS Budget Division
Paige Lowther, NCS Quality Improvement Coordinator
Dorothy Mackay, Director, NCS Budget and Planning Service
Bill Napton, Program Analyst, NCAO, Denver, CO
Mark Russell, Director, VA Performance Analysis Service
Cindra Thompson, Management Analyst, NCAO, Denver, CO

Executive Quality Council: (sponsors Quality Improvements Teams)

Director, NCS
Director, NCS Office of Field Operations
Director, NCS Office of Operations Support
Director, NCS Memorial Programs Service
Executive Secretary
NCS Quality Improvement Coordinator
Office of Management and Budget
Department of Veterans Affairs
Boston Development Center, Veterans Health Administration, VA

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13. Lowther, Paige. Personal Interview. 20 March 1996.
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16. Mackay, Dorothy. Personal Interview. 27 February 1996.
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19. Mackay, Dorothy. Personal Interview. 28 March 1996.
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