



# NAVY ACQUISITION REFORM INFO-ALERT



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Questions: Ms. Alex Bennet, (703) 602-0136

## Purchase Card Program

FMSO established the Government wide Purchase Card Program in February 1995. For the next two fiscal years the program was so successful that FMSO exceeded NAVSUP's utilization goals by filling 96% of eligible micro-purchase orders through the Purchase Card method. So far, in Fiscal Year 1998, 100% of eligible micro-purchases have been placed through this method. In addition, FMSO uses the Purchase Cards as a method of payment for orders under GSA and government-wide ID/IQ contracts and for orders under Letters of Agreements (LOAs), an innovative method of contracting. Since the inception of the program in March 1995 through January 1998, FMSO placed over 3,000 orders for a total amount of over \$3,350,000. The greatest success of FMSO's Purchase Card Program has been a significant reduction in procurement lead time from an average of 30 days to an average of 3 days from the identification of customer need to actual delivery of required items. In many cases, cardholders have been able to satisfy customer requirements within hours. The implementation of the FMSO Purchase Card Program has greatly enhanced customer satisfaction with the acquisition process and has resulted in numerous awards for FMSO buyers. Also, the number of vendor complaints related to payment problems has been drastically reduced. This allows additional time on the acquisition process itself thereby increasing buyer productivity.



## Good Whale Stickers or Faster Cheaper Better

Typically, government employees become used to a fixed-interval reward system that centers around a performance appraisal once a year. The reviews are intended to debrief the employee's accomplishments for a twelve-month period and to establish performance objectives for the next twelve-month period. The appraisals are also the basis for yearly monetary performance awards. In addition to this conventional awards system, our program office has an Awards Board which issues smaller on the spot awards on a quarterly or semi-annual basis. All of these awards usually consist of monetary compensation and team members have come to anticipate that the monetary awards are associated with consistent long-term high performance. These rewards are not instant reinforcers of good performance and a relatively small subset of the team receives an award over a given period.



What is missing is a system that provides immediate feedback and serves to motivate and shape high performance on a continuing basis. Our Program Manager has recognized this and issued "Good Whale" stickers to the Division Directors to issue on the spot. The "good whale" idea comes from training techniques used to train killer whales to jump over ever increasing high bars. The results have been astounding. Good natured jokes abound, but even many apparently cynical team members appear to enjoy the instant recognition. No monetary rewards are associated with these stickers nor is it a guarantee of high performance appraisal results, but it is fun, and inexpensive to implement. Good Whale stickers have spurred better performance in the program office. Maybe a similar variable-interval reward system can improve your program's motivation and morale.