

FAA ATO Activity Value Analysis

Communicating the Purpose

Washington, D.C.
February 13, 2004



Why are we conducting an ATO headquarters Activity Value Analysis?

- The ATO headquarters Activity Value Analysis (AVA) will help us understand:
 - What we produce, the value of these products and services, and how they meet stakeholder needs
 - How we are resourced to provide these products and services
 - FAA staff
 - FFRDC staff
 - Support Contractors
 - How we compare with other Government and/or industry headquarters organizations
 - Does our headquarters organization provide headquarters products and services?
 - Is our headquarters as flat as it could be?
- **OUTCOME**: A credible business case that supports what we need to improve, what we're working on, and where we're headed

We Need to Establish a Baseline!



Activity Value Analysis is an effective management technique that informs organizational decision making

➤ The Activity Value Analysis *is* :

- An objective, bottoms-up effort to establish a baseline of ATO headquarters activities and their value to our stakeholders
- Designed to provide ATO management with the data needed to make informed decisions about people, process, technology, and organization
- An effort that will very likely result in further modifications to our organization as we continually improve to deliver value to our stakeholders
- An employee driven analysis that turns the mirror on ourselves and asks the question “what do we produce, who produces it, and how do our stakeholders value it?”
- The first phase of a broad analysis of the ATO
- A continuous process: it charts the course for what to change and provides compelling evidence for why
- One of many inputs ATO management will use to continually adapt our organization to the demands of our stakeholders



Some characteristics of the ATO Activity Value Analysis...

- The Activity Value Analysis ***is***:
 - Value focused: what ATO considers a valuable activity is important to know, but we need to drive our thinking, organization, and activities to match our stakeholders' definition of value
 - Activity focused: what products and services does ATO headquarters produce
 - Headquarters focused: we're focusing the AVA on headquarters initially; subsequent efforts will address similar analyses for the field, and possibly other FAA components
- In addition, the Activity Value Analysis will review:
 - Resources: what service units provide these products and services, what's the mix of FAA, FFRDC, and contractor staff who provide these products and services, what's the cost
 - Efficiency: where do similar activities yield similar products and services, where do we have overlap, where do we have disconnects
 - Organizational Performance: the outcome of the AVA will help us define what we mean by performance; ultimately this will translate to organizational and individual performance goals



How will ATO leadership use the results of the AVA?

- To align our resources to meet stakeholder needs
 - ▶ Customers and Owners determine what is important/valuable to them—we can and must adapt to fulfill those needs
 - Are we correctly organized against their values and priorities?
 - Are we correctly resourced throughout the organization?
 - How do we compare against other Government and/or industry organizations
 - Do we have the right mix/ratio of support contractors to maximize stakeholder value
 - Where can we make organizational/resource adjustments to enhance value delivery?
- To enhance our credibility with our owners
 - Our planning will be based on facts and data, not on individual or organizational perceptions
 - Use the data to identify inefficiency and redundancy, and to defend our budget needs more cogently
- To deliver on our promise as a Performance-Based Organization
 - Use stakeholder values to help us set ATO HQ priorities
 - Cascade these priorities as performance goals to service units and ultimately to HQ staff





Frequently Asked Questions

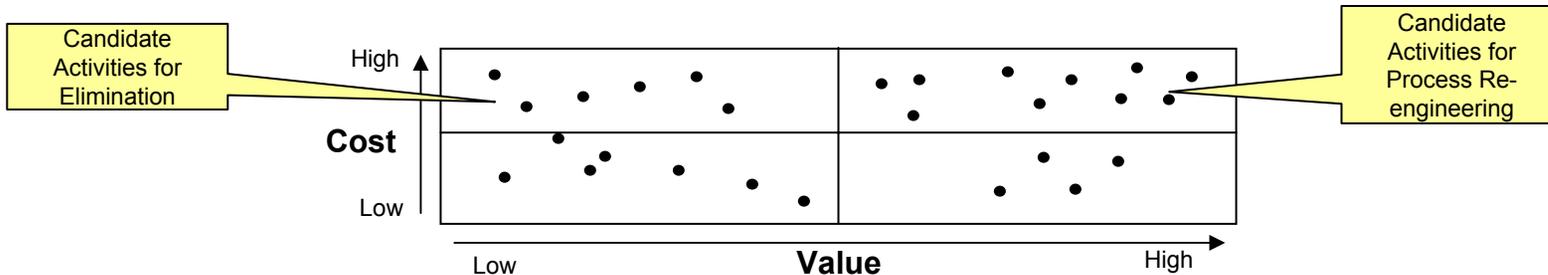
➤Q: *Is the AVA focused solely on products and services ATO produces?*

➤A: That's part of it but the AVA also focuses on:

- the activities that generate these products and services,
- the resources consumed in their production, and
- the value of these products and services.

In some cases, we may be committing significant resources to produce something of little value. In other cases, we may not be optimizing a product or service because we have under-resourced its production. The ATO headquarters organizations will provide information to the AVA about products, services, activities, and resources consumed. Our stakeholders will provide information to the AVA about what they value.

During the AVA we will look at each ATO HQ product and service in relationship to its cost and value to the customer using a scatter diagram like the one shown below. This type of analysis will help us identify those products and services that do not align with customer values and identify areas where we must conduct detailed work flow analysis to develop improved work processes.



Frequently Asked Questions (continued)

- *Q: Is AVA a six-month project?*
- *A: The initial project is a six-month effort. However, the AVA is as much a management concept as it is a current ATO project. It is a means to inform management decision making through fact finding and continuous analysis around what we do, what it costs, and how our stakeholders value what we produce. So, although this initial project will come to an end in six months, we will continue using the concept in the future*

- *Q: Will the AVA be conducted on all of the ATO?*
- *A: The initial phase will cover the “headquarters” ATO organizations in Washington, DC, the William J. Hughes Technical Center, and the Mike Monroney Aeronautical Center. This analysis will cover the products and services provided by roughly 5,000 ATO employees and associated support contractors. We will likely cover the rest of the ATO--namely our regional and field organizations--in later phases. We are not starting with the field activities because they are closer to our customers and therefore have a closer understanding of what it is that ATO customers value.*



Frequently Asked Questions (continued)

- Q: *What kinds of questions will the AVA teams ask?*
- The questions will focus on organizational activities, not on the employee's individual job functions. The AVA teams have developed a draft data collection template that includes topics such as these:
 - A detailed description of the primary products or services your organization produces
 - A list of the organizations that are the direct recipients of your primary products/services
 - The number of ATO staff *within* your organization required to produce/deliver each major product or service
 - The number of ATO/FAA staff *outside* your organization that directly contribute to the production/delivery of each major product/service
 - The number of support contractors and FFRDC (MITRE CAASD) staff involved in the production/delivery of each major product/service
 - The number of administrative staff in your organization



Frequently Asked Questions (continued)

- *Q: Who will select the employees to participate in the data-collection sessions?*
- **A:** The ATO managers and supervisors will select the employees who will take part in the sessions. They will choose employees who are best able to provide the information the AVA teams are collecting.
For some topics the AVA teams may need to talk with more than one person--there will be small group discussions and focus groups in addition to individual discussions. The AVA teams will notify the managers in advance how many employees should be invited to the data-collection sessions. The managers and/or supervisors will choose the employees to participate.
- *Q: How will the employees know what information to give the AVA teams – their activities before the ATO stand-up or their activities within the ATO?*
- **A:** There should be no difference between what the employees were doing before the stand-up and what they are doing now.



Frequently Asked Questions (continued)

- *Q: What if an employee is now performing different activities than he/she usually performs?*
- **A:** The AVA teams will collect data on activities during FY2003. The team will ask about all activities during that timeframe and will determine what proportion of an employee's time was devoted to each activity.

- *Q: How will the AVA teams ensure employee confidentiality?*
- **A:** The information gathered during the data-collection sessions will not be tagged to an individual employee. There will be a note-taker at each session to record the data, but the note-taker will not report who said what. The names of employees who participate in the sessions will be noted, in case the team needs to follow up on any input.

- *Q: Is the AVA a process to eliminate jobs?*
- **A:** No. It is a process to eliminate low-value products and services and to realign or people and our budget around high-value activities. ATO leadership recognizes that value is created for our customers by people, process, technology, and organization. Our challenge is to find the right balance between these dimensions.



Some misperceptions about the AVA

- The Activity Value Analysis ***is not*** :
 - Focused on the individual; we're focused on the organization
 - A guarantee that we will continue to produce and deliver tomorrow what we produce and deliver today
 - An audit of the quality of employee or contractor performance
 - A confirmation of foregone management conclusions



Some important definitions and concepts...

- Stakeholder – customer, owner, and employee
 - (Examples: American Airlines; taxpayers/ traveling public; FAA ATO managers/ staff)
- Product – tangible, useful output resulting from an individual's or organization's work activity
 - (Examples: weather information, radar equipment, budget submission, report–notice, these are nouns supported by adjectives)
- Service – useful labor that results in providing value, though may not always produce a tangible output or product
 - (Examples: air traffic flow management, human resource management, equipment repair)
 - [...the challenge is to define services provided in tangible terms – i.e., nouns and adjectives]
- Value – the importance that a customer assigns to a product or service
- Activities – things that people do
 - (Examples: coordinate budget preparation, perform QA reviews, develop safety reports, compile separation distance data – notice, these begin with verbs)

