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**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE**

QUEST FOR EXCELLENCE



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Arthur F. Sampson
Commissioner
Public Buildings Service
General Services Administration

In March, 1970, Arthur F. Sampson was transferred from the General Services Administration's Federal Supply Service to act as Commissioner of the Public Buildings Service (PBS). His assignment: to revitalize the operations of that entire organization in every respect.

Since then, Sampson has introduced his dynamic leadership and management techniques to PBS and has succeeded in introducing and implementing many new concepts to his employees and the construction industry. Sampson has set his sights high on the standard of excellence and is using value engineering as one of the methods for achieving it.



Introduction

Today is a new day in a changing world. Responsiveness and relevance have become key words in the peoples fight for recognition and concern for their well being. If we intend to listen to people, then all organizations must be concerned with quality products and community as well as profits. Business and Government have a responsibility to insure that maximum value is given for every dollar received. The key to success is superior quality and superior value, which is only obtained by surpassing normal standards.

The theme of this paper, "Excellence", directly relates to an organization's ability to produce a superior product at a profit to all concerned. For our organization, the General Services Administration, it means providing the best service to the taxpayer for his dollar. We have established excellence as a standard for the Public Buildings Service because it is something one usually thinks about but rarely practices. It represents a commitment to better management, to a goal we will strive for and keep in front of us constantly. For us, better management means implementing better ideas and innovative new techniques into our programs. Value Engineering has a crucial role in the design, construction and operation of public buildings; and one of my objectives today is to impress upon you the extent of our commitment at General Services Administration (GSA) to the value engineering program. This program is a vital part of our broad effort to continuously achieve "excellence in management" in the fullest sense of that term.

The Concept

Excellence is a concept which has different interpretations depending on its application. For example, excellence in an individual can mean displaying inner pride and making a maximum contribution at all times, regardless of the task. Excellence as applied to a group effort can mean the proper blending of individual talents to consistently accomplish missions in the most effective manner.

Excellence also involves spirit. To realize excellence an organization must have spirit, which is a commonly shared desire to strive within the organization for success. If an employee is not interested in doing a good job, management must find the means, in positive ways, to overcome his attitude.

We in the Public Buildings Service realize the importance of instilling in our organization not only excellence but also the spirit which is an integral part of it.

Now, what is the PBS? The PBS is a conglomerate. It is an operation that has an exciting style and an ever growing spirit. It has undergone a major reorganization. Better than 80% of the top management has been changed. Young and bright men and women have been attracted to work for PBS. New, innovative ideas are being accepted and tried. There are new training programs. And there is more. All pointing toward that predetermined goal of Excellence.

Recognizing A Need

Improvement requires recognition of the need to improve. There must be a self awareness within the organization of the areas that are deficient; and it is my contention that this recognition must start at the top. The Chairman of the Board, the President of the Company, or in the case of GSA, the Administrator, must recognize the need for improvement and find ways to achieve it. In PBS we have attempted to strengthen and expand the executive arm of the organization to develop management information systems, perform systems analysis, tighten financial controls and fully utilize resources. We have made progress in our campaign for excellence:

1. A special Projects operation has been established to plan, schedule, and monitor the effective execution of sensitive projects.
2. A high-level, sophisticated planning operation has been established.
3. The Design and Construction operation has been reorganized to meet today's demands.
4. There is indeed a new top management team. And the new team is a gourmet selection. Young and not-so-young; conservative and progressive; career and non-career, technical and non-technical; thinkers and doers; and all very attune to the times.
5. We have promoted as many of our fine employees as possible into areas of authority and responsibility. In the creation of an entire new organizational structure in the Central Office to better serve the regions, I transferred all design and construction authority to my Regional Directors leaving the Central Office free to do its functions of management and guidance.
6. The Concept and acceptability of change was quickly translated down to the individual employee by changing work assignments in as many areas as possible. Therefore, almost everyone has a new boss. This broadens the capability of the supervisor, getting him out of a rut and renewing his enthusiasm in another field.
7. We had quite a substantial college intern program last summer. The key to our program was giving emphasis to young people who demonstrated the ability to accept real responsibility. There were no "make work" jobs for these students. We carefully selected the areas of responsibility in which the summer interns worked. We tried to work them, frankly, as hard as we could and to challenge them as much as possible. The interns that we had were a tremendous help to us. We accomplished things that we could never do in any other way, because we simply didn't have the breath of experience and the breath of fresh outlook which they brought to us. One of them suggested we would undergo withdrawal systems when he left, and I think, indeed, we did.
8. We have sponsored two major conferences in the past year:

- a) GSA's International Conference on Firesafety in High-Rise Buildings which has received wide acclaim and has caused fire code changes in major cities across the nation.
- b) GSA's International Environmental Conference on Building Construction and Use which ended on April 25th, 1972, produced over 80 recommendations for improving environmental quality through building construction and use.

9. We held a one-week Regional Directors Conference to convey the concept of excellence. I spent a week at the table with the Regional Directors; and a member of the White House staff spoke to them. I asked them to write a short essay on "excellence" and we read these each day. This personal involvement brought forth self admission of problems never before discussed and opened wide channels of communication necessary for us to operate effectively.

10. The Regional Directors were also asked to establish performance indicators to be used to evaluate and measure their progress towards excellence. They identified ten factors by which they thought they should be evaluated. They also devised ten formulas to assist in the quantitative reporting on their progress.

11. At GSA, we are committed to bringing more vitality into our Employee Council. There is sometimes a tendency by management to overlook the contributions of messengers, clerks, secretaries, and custodians. They are very important to an operation. I have made it my personal business to meet with the officers of the Employee Council, to bring them to my office and sit down and chat. Let everybody know that you are interested in all people from top to bottom. That spreads like wildfire. They will get a new enthusiasm for what you are trying to do.

12. PBS has established a program to hold more social events and athletic events where employees can get together to kindle organizational spirit. An organization is like a family. It cannot survive on an unbalanced diet of all work and no play.

13. We have hired the young people. A young organization is important, not only younger in years, but more important, younger in outlook. Young people bring with them a freshness, a sense of enthusiasm, a desire to serve, a desire to see that a job is done right, a desire to be responsive to the needs of the people and the organization. If you employ young people, it is my contention that they will inspire others.

As you can see, improvement requires concentration in many areas of an organization. I have shown you just a few of the things we have done in PBS.

Reading Symptoms

But, excellence requires more than this. It involves reading the symptoms before the crisis appears and taking action. Criticism, adverse publicity, rapid employee turnover, cost overruns,

profit loss, and continual late delivery are the common symptoms. The more subtle symptoms also erode the chance for excellence.

One of these is lack of spirit which shows itself in many forms -- clock watchers, poor attendance at office functions, people doing not one ounce more than they have to. Spirit, as I have mentioned is a key force behind the evolution of excellence in an organization, and you have to have a great deal of spirit permeating the entire operation if you are going to excel.

An organization that is becoming too traditional or archaic in its programs is a warning sign. We've tried to do something about this at PBS. Part of our new way of doing business includes construction manager, turnkey, lease-purchase, performance specification, office excellence, systems building, two step procurement, and value engineering concepts. All of these involve all of our people and require of them their best efforts to achieve improvement.

An Atmosphere of Change

Management, in order to excel must concentrate on creating an atmosphere of constructive change. This connotes a willingness to try something new, to seek and accept change where it is called for, to re-examine prior conceptions, perhaps misconceptions, and to accept different ideas, ideas which we may not emotionally agree with. It is the duty of management at all levels to reverse the order of acceptability for change. Part and parcel with creating the atmosphere for change is providing employees with the responsibility and authority to approve changes without worrying about mistakes. You want people to make mistakes because you want them to make decisions. Management must get away from the business of everyone afraid to make a decision and just living comfortable and not doing anything, saying anything. An excellent organization makes changes, makes decisions, and learns from mistakes. We are doing this at PBS.

Cost Reduction & Value Engineering

In PBS we established a VE Program as part of our quest for excellence -- to be applied in all our regional offices. This is similar to what we did during the time I served under Governor's Scranton and Shafer in Pennsylvania. We developed a Cost Reduction Program as an integral part of each agency's activities in Pennsylvania. I used Value Engineering methodology as the action element in my Cost Reduction Program. I would like to illustrate how these two programs go hand-in-hand in promoting excellence.

A Cost Reduction Program is a method of motivating people to create, record, evaluate, and implement cost saving ideas that will reduce costs without reducing necessary services. It has been used successfully by industry and the Federal Government to save literally billions of dollars without sacrificing services or quality. The idea



for a Cost Reduction Program in our State Government was originally conceived in 1963. At that time plans were carefully drawn to develop a well organized program and, in August of 1965, Pennsylvania became the first state to launch such a program. The entire effort was based on the "team" approach utilizing personnel from all areas of work.

We established a five phase program:

- Phase I: Covered two primary activities. One was the recruiting and training of a Cost Reduction Specialist who would spend full time on cost reduction.
- Phase II: Consisted of obtaining the full support of the Governor and his entire cabinet for the program.
- Phase III: Consisted of a talent hunt. We had predetermined what type of personnel we wanted to man the cost reduction teams and we wrote to each cabinet member asking them to assign men and women to specific teams.
- Phase IV: The training of selected members of the Cost Reduction Teams in the technique of Value Analysis/Engineering.
- Phase V: Consisted of the establishment of explicit goals for each team and measurement of their progress.

These were the phases of development and the common principles of success we employed were ones which can be equated to excellence in management of any organization!

The following are absolute musts for a successful Cost Reduction Program:

1. The Program must have support from the top (in this case, the Governor and his Cabinet) -- people make a Cost Reduction Program successful and people will only do it if the "Top" is genuinely behind the effort.
2. There must be incentives to sustain interest -- people must be rewarded psychologically and tangibly for their efforts.
3. The Program must be well organized -- it cannot be a "crash" program because such programs are short-lived.
4. People must be made cost conscious: -- people control costs and they must be made vividly conscious of this fact.
5. People must be trained -- training is needed in value analysis, work simplification, work oriented measurements, and other techniques of reducing costs.
6. There must be a "Watchdog" or "Stimulator" -- some one person must spearhead the Program by spending his full time on this activity.
7. There must be measurements -- this is fundamental, without measurements people cannot be rewarded and the Program has no value to support its continued existence.

Establish a Basic Premise:

Effective cost reduction requires Value Engineering. It requires people with ideas and highly developed promotion programs such as Project Perfect and Zero Defects.

Using Value Engineering

I expect VE to serve as a catalyst to solidify and encompass all of the elements necessary to achieve a measure of excellence. The factors which make value engineering most effective are the same factors which promote the success of the other functions of an organization.

Value engineering is not haphazard. It is a conscious act applied by conscientious people. To be effective, it must be done on purpose. It challenges the very heart of an organization to excel.

Value engineering is a dynamic action program. It is not passive. It does not wait for things to happen if used properly by management. It deliberately searches out areas of opportunity, of high cost, and uses its methodology to do something about it!

One fundamental of value engineering is teamwork. With all of the diverse and complex functions and people affecting value, it is essential that their talents be banded toward a common objective. A modern organization does not always encourage maximizing profit or value in preference to individual concerns. Value analysis requires the co-operative efforts of motivated people working in concert. Effective team work requires a coordination of individual efforts in preference to unilateral individual efforts of the work of committees. In conducting an analysis, value engineering crosses the lines of the technical and administrative authority represented by individuals and their subjective department interests. Total communication, vertically and horizontally, is an essential element in value engineering as it is vital to other management interests.

Value engineering promotes training in the area of human relations. The practice of its discipline fosters rapport between individuals and organizations. It encourages the development of better human relations that will carry over to other tasks of the organization. The value engineering program at PBS will serve as a useful vehicle for the entire organization by providing an avenue for change, for employee involvement, for creative expression.

In Summation

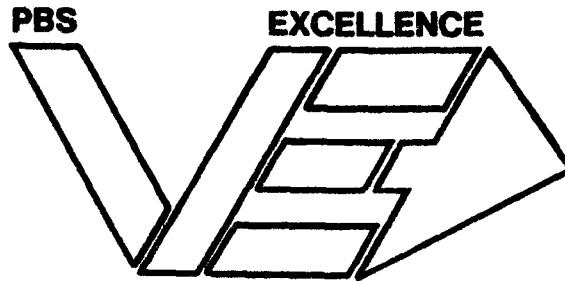
Excellence is not just a word; it is an idea, a state of mind, a motivation or a goal. It is sought by many and attained by few. Its meaning is different to different people. It is a paradox in that while you have to rely on what it means to you, you are ultimately judged by what it means to others.

Excellence is not a magical commodity, it can only be attained through the efforts of a dedicated staff with a predetermined goal. This is the best definition because no limitation has been set; there can be no limitation on the real accomplishments of a truly dedicated staff of competent people.

Good Value is Excellence

From the start of our formal education many years ago, we have been taught to strive for excellence. It has been a quality instilled in us from our childhood. This is the American way; it is what has made this country what it is today, a great Nation, troubled, yes, but great nevertheless; these troubles can be cured through excellence; excellence in business; in Government, in relation to our fellow man, in our work, whatever level it may be, excellence in our everyday living.

We at GSA have recognized the importance of these criteria and are employing them in our drive for excellence. We must have them to have excellence and we must have assistance in Value Engineering. There is a great deal to be accomplished in the Federal Government Cost Reduction Programs. We think it will become a way of life. We have made a beginning and we invite you to contact the General Services Administration, PBS, on any suggestions you may have in order to promote our plan of Excellence!



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