

is being utilized in the public sector to provide evaluation data, and took the audience through a step-by-step process of ROI, ending with some of the implementation issues facing public sector and non-profit groups.

Ten years ago, said Phillips, there was no pressure to show ROI on training investments, but as training and developing the DoD workforce becomes an increasingly hot issue, accountability becomes a concern. In other areas, the idea of ROI is often more tangible—shareholder value, profitability, bottom line contribution—but when applied to a non-traditional area such as education and training, it may seem more difficult to pull out the concrete contributions. Phillips offered a formal, balanced model to account for the impact of training and show its contribution.

An increased emphasis on measurement and evaluation is being driven by several factors, such as unclear training and development results, increasing training and development costs, and high-profile programs that create a need for proven results. Feedback from an ROI program can be very influential with decision makers who impact government programs.

The process proscribed by Phillips suggests that any measurement can be converted to a monetary value, be it as increased profit or in cost savings, as long as credibility is established. To that end, the ROI model carefully identifies and separates all intangible measures such as increased job satisfaction, improved teamwork, and reduced stress; and isolates any contributing outside influences

so that only the training impact alone is evaluated and measured. In non-revenue situations, Phillips reports, 85 percent of ROI studies show that there is a measurable return for every training dollar spent through output, quality, and cost savings.

As focus continues to increase on the training and professional development of the DoD civilian workforce, Phillips predicts a commensurate increase in the desire to measure and evaluate the success and profitability of these programs. ROI is a method of collecting and providing such feedback.

Editor's Note: More information about the DoD Chancellor's Office and programs is available at <http://www.chancellor.osd.mil>.

U.S. Army Activates Army Contracting Agency

Army Secretary Thomas E. White officially activated the Army Contracting Agency (ACA) today in a ceremony at the Pentagon.

The Agency, which has been provisional since May, centralizes much of the Army's installation contracting activities under a single headquarters, and is a part of the Army's overall effort to streamline its business and administrative processes.

According to its establishing document, the ACA will reshape Army contracting in order to eliminate redundancies, reduce management overhead and realign personnel to maximize efficiencies, improve quality of contracts, and ensure a small business emphasis.

The Agency will consist of two subordinate U.S. regions, five overseas contracting elements, an Information Technology and Electronic Commerce Commercial Contracting Center (ITEC4), and a headquarters located in Falls Church, Va. Contracting positions in the Army's major commands are being realigned under the ACA. No reductions in force or compulsory moves are planned.

A key benefit of the ACA is its ability to centralize large buys (over \$500,000), that are common Army wide, to save money and avoid duplication. For example, the ITEC4 will give the Army an enterprise-wide buying capability for common use information technology items and will provide consolidated customer support for IT.

As the ACA consolidates contracts to achieve savings, it will continue to provide maximum opportunities for small businesses to win Army contracts. The ACA implementation plan establishes a new Associate Director for Small and Disadvantaged Business Utilization and strengthens the network of small business specialists located at each level within the ACA.

The ACA concept plan maintains a chief of contracting at the installation level who serves as the principal business advisor to the garrison commander and the "single face" to installation customers for contracting support.

Full implementation of the ACA is scheduled to be complete by fiscal year 2006.

Editor's Note: This information is in the public domain at <http://www.dtic.mil/armylink/news>.