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8 December 1970

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MEMORANDUM FOR: Executive Director, NPIC

SUBJECT : The Information Needs of the Executive Director, NPIC,
and the NPIC Management Information System

- REFERENCES :: (a) Memorandum and Attached Study to Executive Director,
NPIC, from Chief, PPBS, titled Definition of
Management Information Needs, Reassessment of
the Management Information System (MIS) and Con-
sideration of Alternatives, Dated 22 August 1969.
- (b) Memorandum for Chief, Plans & Programs Division,
PPBS, from Frank Smutniak; titled Improvement of
the MIS, Dated 25 February 1970.

1. Per your instructions I have been examining the current NPIC Management Information System with the goal in mind of recommending changes that would simplify the system and make it more responsive to management in terms of the data needed and the timeliness of the responses.

2. Determining what kind of information is needed seemed to be the first question that had to be answered. If this question could be answered satisfactorily then perhaps the MIS might be modified, changed or even eliminated and replaced by a totally different system (if that seemed appropriate) in order to provide the information required. As you are fully aware this is not an easy chore. The information that one person feels is essential to better manage an activity, another person may feel is of limited value and vice versa. Also, information that is essential today may be of little or no value tomorrow and information on new or different functions or activities becomes of paramount value.

3. The challenge then is to define the information requirements of management and suggest a system that will deliver the appropriate information in a timely manner. In doing so, we must realize that an automated system is inherently more structured and therefore more rigid than a manual one. This really means that if we select an automated system, the one real

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advantage of a manual system, adaptability, is immediately diminished. We should be able to expect, however, significant gains in the speed, accuracy, and information content of the reports delivered from an automated system. All of this expectation is predicated on the assumption that we can explicitly define management information needs. When those needs change as they invariably and frequently do, the adapting of an automated information system, even if only in a minor way, to reflect the change becomes significantly more expensive and requires more time to accomplish than a similar change to a manual system.

4. To address specifically the kinds of information required by the Executive Director, NPIC, to assist, and I emphasize assist him in managing the Center, I would direct your attention to Part IV of the NPIC Five Year Plan FY 1972-1976 which enumerates the accomplishments of the Center during CY 1969.

a. These accomplishments include the number of satellite missions received during the period and the number of OAK and OAK Supplement reports and briefing boards produced during the exploitation phases (1 and 2) of these missions. Similar information is provided on the number of aircraft missions (high and low altitude) received and read out during the period.

b. The number of reports produced by the Center in the Basic Support Program is also shown as well as the number of requests received and reports and memoranda produced under the Direct Support Program. Mention is also made of the substantial number of cables, briefing and graphic aids produced under the Direct Support Program.

c. The number of reports to which NPIC provided graphic, photographic, printing, dissemination and control support for the imagery exploitation organizations of CIA, DIA, Army, Navy and Air Force during the period is also included.

d. In addition to the above quantitative data certain significant accomplishments not quantitative in nature are enumerated, e.g., the implementation of the National Standard Message Format, the new information on the further deployment of Soviet missile systems, ADP developments, R&D developments, etc.

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e. These accomplishments are set forth to show how the resources (people and money) were used during the period covered (CY 1969) and to justify, in large part, the resources requested for the years covered by the Plan.

5. It seems logical to me then that since this is the kind of information used to justify the resources provided the Center that periodically during the year (monthly or quarterly) reports ought to be furnished the Executive Director which show what has been accomplished during the reporting period in each of the categories discussed above with the resources provided. For example, production for the reporting period should be compared with the production during the same period of the previous year, and with the annual commitment. Such reports would not only compare performance with commitments for the year but they would also show or forecast how the resources were to be used during the remainder of the year. Where commitments are not being met or when commitments were met significantly in advance of schedule, brief but clear explanations should be provided. In addition to the information discussed in paragraph 4 above the Executive Director should receive reports on major personnel matters and on the financial situation of the Center. Non-quantitative information should be provided in clear, concise narrative form. Whether such reports, produced by each Group or Staff, are submitted directly to the Executive Director or to the PPBS where they could be consolidated would depend on the wishes of the Executive Director. I personally would prefer that each Group and Staff Chief be made responsible for reporting directly on his own activities.

6. If you agree that the information called for in the previous paragraph is what you need then we must ask whether or not the MIS can produce it. The answer to the question is a resounding NO. The proof of this statement is that the MIS is not used as a source when compiling the information on past accomplishments for the Five Year Plan. Rather, such information is compiled from the separate information systems maintained throughout the NPIC. The MIS could of course be designed and programmed to provide such information but at a substantial cost.

7. The principal designer of the current NPIC MIS was given little or no guidance re the kind of "management information" required or desired when he was directed to design an MIS. As a result he attempted to build a system that would answer almost any question that he and others could conceive that management might raise. This resulted in a complex system

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which accumulates a lot of information that is rarely and in some cases never used because it is duplicated in whole or in part elsewhere in NPIC or in the Agency. I have in mind things like overtime, leave of one kind or another, travel time, products produced, status of R&D projects, etc. There are also numerous systems re the production status of projects maintained (manually) in NPIC and used in lieu of the MIS.

8. Let us briefly examine one of the more important of these categories - - Products -- and see how useful the MIS has been in supplying information relative to the volume and types of products produced by NPIC during a specified time period. It can be stated without fear of contradiction that the product information (reports, briefing aids, services performed, etc.) in the MIS is universally regarded as inaccurate, inadequate and incomplete. As a result the MIS cannot be used as a reliable source from which to compile product information. Rather, such information is secured from sources other than the MIS, principally from records kept by PSG. It must be pointed out that the reason the product information in the MIS is bad is because those responsible for recording it in the system do a poor job of it. In turn, they probably do a poor job because the service from the system has been poor and little or no benefit is realized by supporting the system. As a result, product information has never been consistently and accurately recorded in the MIS. This same condition exists to a greater or lesser degree with respect to the other categories of information mentioned above.

9. There were many reasons cited for maintaining separate information systems. A composite of the reasons given to me during this survey would go something like the following. "The information needs of our component are more specific and more detailed than the MIS provides, and therefore a system geared to answer such needs was developed. Our system, because it is geared to our specific needs, is less complicated, more easily understood by more people, more accessible and therefore used more. Its responses are more timely and more reliable and thus more useful in scheduling and controlling project work." If this is true, and I find no reason to doubt it, the need to continue the MIS in its present form or at all must be carefully considered. (The Chief, PSG, feels that this paragraph does not accurately reflect his position nor the official position of his Group.)

10. As you are fully aware, PPBS proposed in August 1969 that the MIS be retained but modified, that a study of the NPIC information needs be made and based on this study a new system concept be developed (Reference a). In February 1970 PPBS proposed that certain programming actions be taken to

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make the system respond in a more timely fashion (Reference b). The specific objective of this programming work, at an estimated cost of nine man-months of effort, was to reduce the file update time from two weeks at the time of their proposal to approximately one week. As of 2 November 1970, it was my understanding that the MIS file had not been updated with the data collected for September and October 1970 and indeed the errors in the data submitted for July and August had not been corrected. This condition resulted from program malfunctions and a reduction in the number of people assigned by AID to maintain the MIS. This means that as of 2 November 1970 the file had not been totally updated for four months.

11. This condition of course adds fuel to the two very serious criticisms most consistently levelled at the MIS, i.e., the information in the system is inaccurate and it is too old. If the MIS is essential or even important to the NPIC operations it is difficult to understand why such a situation was allowed to develop let alone explain why it has lasted as long as it has. On the other hand, if the MIS is of marginal value it is easy to explain.

12. As is apparent from the foregoing, no one is satisfied with the MIS as it is currently structured or as it currently performs. Some change is in order. The more important of the alternatives that exist regarding the MIS seem to me to be:

a. Approve of the PPBS February 1970 proposal which calls for an estimated nine months of programming time and which would leave the MIS essentially as it is now, but speed up the update of the file to one week so that the information contained therein is available for use. This proposal also calls for the PPBS to further study and analyze the uses to which the MIS are put so that further refinements and improvements to the system could be made.

It must be pointed out that this approach would not immediately provide the information called for in the proposed Executive Director reports, but if the improvements called for as a result of the analysis of the system specified the information needs of the reports the MIS could be designed to produce it.

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b. Change the concept of the MIS from that of an all-inclusive project cost, production control, and personnel accounting system to one which is exclusively concerned with project costs and production control.

This in a nutshell would mean that only those people actively engaged in project work would record their time for the MIS and then only that time that is spent performing a function essential to the completion of a project. No time spent in leave, training, travel, etc., would be recorded in the MIS. Under this alternative all personnel in the Office of the Director, PPBS, SS and TSG would be removed from the MIS. In addition, those personnel in IEG and PSG who are engaged in activities not directly attributable to project work would be removed. Such a system would allow for the continued collection of man-hour cost data by type of project which would cover most if not all of the information needs (such as the COMIREX Resources report) NPIC has used the MIS for in the past. It might be of interest to know that Central Reference Service has an information system (computer based) like this although it is still in the test and development stage. Office of Economic Research also has a similar system but it is a manually maintained one. This OER system has been cut back from one which was substantially like NPIC's present system.

c. Eliminate the MIS altogether and charge each Group or Staff with maintaining the necessary data with which to perform their jobs and to be able to fully respond to their superiors' information needs.

13. I circulated a draft of this paper (minus paragraphs 13 and 14) to the Group and Staff Chiefs for their views and comments. Where I could I have reflected their comments in the body of this final paper. In addition, pertinent comments re the general tone of the paper and the alternatives and recommendations contained therein have been excerpted from their replies and are set forth below:

a. Chief, PSG - "In general, PSG does not concur in the draft paper as written. We use and need the existing MIS; could use, would use, and need an improved one along the lines of our earlier discussions." With respect to the three alternatives outlined in paragraphs 12 a, b and c re the MIS, PSG prefers a, disagrees with b and makes no comment regarding c.

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b. Chief, PPBS [] states that the types of information I recommend be forwarded to the Executive Director on a monthly/quarterly basis is already being produced and distributed monthly and could be provided the Executive Director now and without the MIS. He goes on to say that my attempt to be specific in this regard may have led me down the garden path to an invalid conclusion. He further states that the information I recommend be provided is only a very, very small slice of the pie and it does not provide the answer being sought as to the information needs. [] does not, however, suggest what information should be provided. Apropos of the MIS, [] stated preference of the three alternatives listed is alternative a.

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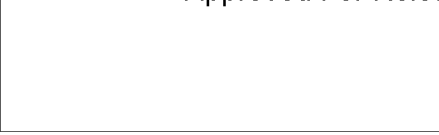

c. Chief, IEG - IEG agreed that the types of information I recommend be furnished the Executive Director provide meaningful measures of NPIC activity, major objectives and its progress toward achieving these goals. [] went on to say that monthly or quarterly progress reports to the Executive Director might be helpful in keeping him apprised of developments in NPIC. To be meaningful [] feels these reports must be focused on and analyze progress in meeting the previously established objectives of major NPIC programs. He goes on to say that such reports could be very time consuming to prepare and therefore should not be done unless they are really useful.

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With respect to the MIS, of the three alternatives discussed in paragraph 12, IEG prefers alternative "b." IEG feels that the advantages of this system would be the elimination of non-relevant data which currently congests the system, a more accurate record of time recorded against projects (having eliminated the onus to account for a 40 hour week) and a more timely access to pertinent data for production control and scheduling. IEG further feels that the maintenance of a central MIS system is preferable over the separate collection and analysis of data by the Groups because it provides a uniform time frame of reporting.

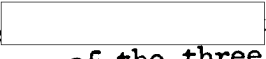
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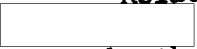

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IEG stated that alternative "c," which suggests that the MIS be dropped and each Group establish or expand its own recording system, is preferred over alternative "a," however, it does present the problem of each Group recording data in different ways thereby impeding overall Center analysis. IEG further states that alternative "c" also would put a considerable bookkeeping burden on Groups -- a burden machines can do better. Alternative "a" which requires an estimated nine man-months of reprogramming would result in a patch job of the present MIS system says IEG. IEG goes on to say that this would show little, if any, results now - and questionable results in nine months.

d. Chief, SS  says that the sort of data which the Support Staff requires for management purposes is readily available in the branches. He feels that it is more efficient to assemble this information manually than to process it as input to a computerized system and then get the same data back in substantially the same format. The information Support Staff deals with does not, he feels, require computer processing to put it in useable form. Consequently, the Support Staff has not used the products of the MIS in the past and foresees no real need for it in the future.

While  memo does not explicitly state a preference, of the three alternatives outlined in the paragraph re the MIS, his statements strongly imply a preference for alternative "c."

Relative to the information reports discussed, Mr.  correctly points out that for the past few months the Support Staff has been submitting a monthly report which includes selected statistics which they find useful. These cover Personnel, Finance, Training, Communications, Security and Records Management. He further states that the statistical section of this report could be expanded if any useful management purpose would be served.

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e. Chief, TSG - With respect to the MIS, TSG states a preference for alternative "c" which would eliminate the MIS altogether. [redacted] emphasizes, however, that TSG will give its wholehearted cooperation to whatever system is chosen.

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[redacted] stresses several points about management information systems in general:

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(1) Such a system is for management and therefore decisions about its content should be handed down, not up. Furthermore, such information needs should be spelled out well in advance, preferably a year in advance.

(2) The many information subsystems in NPIC have developed in response to specific needs and they have usually worked satisfactorily. With regard to the periodic reports called for in paragraph five of my paper, [redacted] feels that the status systems already in TSG would probably answer Center management questions.

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14. After examining the MIS, its present structure and content and the uses to which the MIS information is put, it is my considered opinion that alternative "b" should be approved and it is therefore recommended. This alternative calls for a change in the concept of the MIS from that of an all inclusive project cost, production control and personnel accounting system to one which is exclusively concerned with project costs and production control. My reasons for this recommendation are:

a. It could be implemented immediately and with no computer reprogramming required.

b. This system would provide man-hour cost data by area, project, function, activity, and component on the production responsibilities of NPIC and thus provide for a continued monitoring and analysis of such costs.

c. The accuracy of the man-hour data reported into the system would be, I feel, enhanced because the need to account for eight hours a day, five days a week would be eliminated. The feeling by many NPIC personnel that the system was a mechanical policeman would also be eliminated.

one would encourage people charging more time to projects than is actually used everyone would have

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would be worse than because part of his each will is wave, training etc

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d. Other data currently input into the MIS such as leave, overtime, training administrative time of one kind or another, travel time, etc., are or can be made available from subsystems throughout the NPIC.

e. Over 50% of the man-hours now reported into the system would be eliminated and this would reduce the costs of maintaining the system and speed up the availability of the remaining data.

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