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DEPARTMENT OF THE ARMY FIELD MANUAL

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PROGRAM MANAGEMENT

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PREFACE

This is the fourth of a series of four manuals covering planning and program management at the Department of the Army level. The first manual in the series, FM 101–51, Department of the Army Planning System, outlines Department of the Army planning and program management principles and relationships. The second manual, FM 101–52, War Planning, now being prepared, will cover uniform procedures and techniques for preparing Department of the Army war plans. The third manual, FM 101–53, Mobilization Planning, also under preparation, will cover uniform procedures and techniques for preparing Department of the Army mobilization plans. When published, FM 101–52 and FM 101–53 will be distributed automatically to personnel concerned.

The purpose of this manual is to establish uniform procedures and techniques for the development, execution, and review and analysis of Department of the Army programs. To facilitate an understanding of the subject, the manual includes a discussion of various influences and considerations within and without the Department of the Army which affect the procedures and techniques of program management.

If the information contained in this manual in any manner conflicts with FM 101–51, this manual will apply. When FM 101–52 and FM 101–53 have been published, all four manuals will be revised to present a coordinated Army planning system. Personnel using this manual should refer to SR 11–10–1 in conjunction therewith.

CONTENTS

CHAPTER 1

INTRODUCTION

Section I. FUNDAMENTALS OF PROGRAM MANAGEMENT

1. OBJECTIVE

The objective of program management is to achieve greater efficiency and economy in the administration of the Army through improved management techniques. In order to accomplish this objective it is essential that the Army establish certain programs which are specific as to time, phasing of work to be done, and the means allocated for accomplishment.

2. ELEMENTS

The elements of program management may be stated as follows:

a. *Program development.* The determination of Army objectives, the translation of the objectives into program objectives, and the coordinated, detailed preparation of programs in order to assure attainment of the objectives.

b. *Program execution.* The carrying out of the provisions of a program according to prescribed schedules and procedures.

c. *Program review and analysis.* The appraisal of the effectiveness of program execution.

3. ASSOCIATION OF ELEMENTS

The elements of program management are closely interrelated and mutually supporting, and compartmentalization of any of the three elements precludes efficient program management. For instance, sound program development depends in a great measure upon data compiled during execution of a previous program. Execution in turn is dependent upon continuous guidance from the program planners. Since program review and analysis is the appraisal of the effectiveness of program execution, it is of major concern to the planning and implementing agencies as well.

Section II. DEFINITIONS AND REFERENCES

4. DEFINITIONS

a. Program. A scheme of administrative action designed for the accomplishment of a definite objective. A program is specific as to time-phasing of the work to be done and the means allocated for its accomplishment.

b. Primary program. One of several specifically designated major programs of the Army. See SR 11–10–1 for the definitions of these primary programs.

c. Program segment. A part of a primary program representing the specialized responsibility of an organizational element. *Example:* Activities associated with engineer training constitute the engineer segment of the training program.

d. The Army program. A collective term used to refer as a group to the completed primary program documents.

e. The program structure. A collective term used to refer as a group to the primary program titles.

5. REFERENCES

For additional definitions and data pertinent to this manual, refer to—

a. SR 11–10–1, Primary Programs of Department of the Army.

b. TM 20–205, Dictionary of U. S. Army Terms.

c. Dictionary of United States Military Terms for Joint Usage.

d. FM 101–51, Department of the Army Planning System.

CHAPTER 2

PROGRAM MANAGEMENT RELATIONSHIPS

Section I. RELATIONSHIPS WITHIN THE DEPARTMENT OF THE ARMY

6. PROGRAM MANAGEMENT RESPONSIBILITIES

a. Secretary of the Army. The Secretary of the Army, as head of the Department, is responsible for the over-all administration of Army program management.

b. Army Policy Council. The membership of the Army Policy Council includes only the top civilian and military officials of the Department of the Army. The council, through advice to the Secretary, provides effective direction for the Army, which in some instances determines the relative emphasis to be placed upon Army programs.

c. Chief of Staff. Under the direction of the Secretary of the Army, the Chief of Staff supervises the operation and administration of all activities of the Army. With the assistance of the Vice Chief of Staff, he directs and coordinates the Department of the Army staff in the development, execution, and review and analysis of the Army Program. Three deputies assist the Chief of Staff in discharging these responsibilities. These deputies and their primary fields of interest are as follows:

    (1) Deputy Chief of Staff for Plans—program development.

    (2) Deputy Chief of Staff for Administration—program execution.

    (3) Comptroller of the Army—program review and analysis.

d. Army Planning Advisory Board. The Board advises and assists the Deputy Chief of Staff for Plans on the development of plans and programs.

e. Budget Advisory Committee. The Army Budget Advisory Committee reviews and correlates Army budget estimates and submits to the Chief of Staff and the Secretary of the Army a recommended Army budget which, after approval, determines the funds to be requested to carry out Army programs.

f. General Staff. The General Staff assists the Chief of Staff in developing policy and furnishing guidance in the broad areas of program management. Each Assistant Chief of Staff is responsible for supervising the development, execution, and review and analysis of programs for which he has been designated as the Program Director.

g. Special Staff. The Special Staff advises the Chief of Staff and participates in the development, execution, and review and analysis of those segments of programs falling within their respective fields of interest.

h. Administrative and technical staffs and services. The heads of the administrative and technical services are also staff officers of the Department of the Army. In that capacity, they advise and assist the Secretary of the Army, the Chief of Staff, the General Staff, and the Special Staff in the development of programs. In their command capacity, these are the individuals upon whom rests a major portion of the responsibility for the execution of programs.

Section II. RELATIONSHIPS AMONG WAR PLANS, MOBILIZATION PLANS, AND PROGRAMS

7. INTERRELATIONSHIP OF PLANS AND PROGRAMS

a. Programs are part of a mutually supporting and interdependent family. War and mobilization plans are other members of the family which one must necessarily consider together with programs. A mobilization plan provides for the orderly marshalling of resources, the use of which is detailed in war plans. Programs, when implemented, establish the base or platform from which both mobilization and war plans must develop.

b. War planning, mobilization planning, and program development are carried on concurrently and must be kept in harmony with each other. No one of the procedures can be said to be the controlling factor of the planning system; a balance must be maintained in the proportionate effort which each bears to the whole. Each must support the others.

c. War plans establish certain initial requirements in the event of war on a certain D-day. In order that there may be an army-in-being of the desired size and capabilities to meet these requirements if war does come, a coordinated system of programs must be developed during peacetime. These programs, being dependent upon budgetary appropriations, may not actually be fulfilled as the years progress. Therefore war plans, in turn may have to be modified so that they are realistic in their requirements in order that they are possible of accomplishment within and consistent with the Army Program.

d. Programs exist in wartime as well as in peacetime. Whereas programs in peacetime are designed to provide for the maximum utilization of the dollar to attain a general level of preparedness, programs in wartime are less concerned with dollars and are designed to provide for the maximum utilization of the manpower and material assets in

support of current and projected operations. In both peace and war, programs are designed to record the actions necessary to obtain the most desirable balance within the most efficient utilization of assets. However, wartime programs differ from peacetime programs in three essential respects. First, guidance for wartime programs is derived from specific operations plans. The second essential difference is that in wartime the foreseeable future may be shorter; therefore, the span of time over which programs are projected will be shortened commensurately. The third essential difference between peacetime and wartime programs is that wartime program objectives represent the minimum to be achieved rather than the maximum limit as is the case in peacetime.

Section III. TIME RELATIONSHIPS AMONG PROGRAMS

8. LENGTH OF PROGRAMS

If any one primary program is considered independently of the other primary programs, it may appear sufficiently stable as to be capable of projection over a period of, say, 15 years. A similar examination of another primary program may indicate that it is extremely sensitive and incapable of projection beyond a lesser period of, say, 1 year. However, one of the fundamental precepts of sound program management is that each program always must be considered in relation to the other component parts of the Army Program. Since the Army Program is a properly balanced, well-integrated grouping of the primary programs, it can be assembled only after all primary programs have been developed. Hence, it is possible to project the Army Program only so far into the future as the maximum projected date of the least predictable primary program.

9. FISCAL YEAR SEGMENTS OF PROGRAMS

Each fiscal year segment of a primary program is a statement of that increment of the long range program which can be accomplished within the designated fiscal year. Since the Department of the Army must operate on a fiscal year basis, it is these fiscal year increments of the primary programs which provide the basis for actual operations.

Section IV. RELATIONSHIP TO OTHER PROCEDURES

10. BUDGETING

The applicable fiscal year segment of the Army Program serves as the basis for preparing the annual budget. Since budgetary action is required to provide the funds needed to accomplish the objectives of the Army Program, the budget must be justified in terms of the

programs it supports. Therefore, the primary programs are designed to facilitate the translation of program data into budgetary format.

11. ACCOUNTING

Accounting provides information used by management for measuring the progress and performance of programs. Three general types of accounting are used in the Army.

a. *Fiscal accounting.* Fiscal accounting is concerned with the funding, obligation, and expenditure of appropriated funds. It provides a mechanism for the control of funds and the accumulation of information in summary form which, under many conditions, may be used in evaluating the progress of programs.

b. *Cost accounting.* Cost accounting is concerned with the cost of producing goods or services, or the cost of operating activities or programs. It provides information which can be used to measure and evaluate the progress and performance of programs.

c. *Property accounting.* Property accounting is concerned with supplies, materials, and fixed assets on both a quantitative and dollar basis. It provides data for cost accounting reports, budgetary estimates, and that portion of the financial status of the Army pertaining to capital and operating assets.

12. AUDITING

Auditing verifies the accuracy of the fiscal, cost and property accounting records and insures compliance with pertinent laws and regulations.

13. REPORTING

Reporting is the collection and submission of necessary information for the administration and operation of the Army and furnishes the information required for program management.

Section V. RELATIONSHIP TO MAJOR COMMANDS

14. MAJOR COMMAND PROGRAMS

While the program management procedures discussed in this manual and in SR 11-10-1 were established for the Department of the Army to cover Army-wide activities at the Departmental level, the principles and general procedures enunciated are applicable to all major commands. Furthermore, it is anticipated that each major command will establish a comparable program management system modified only as necessary to fit its particular situation. The primary programs of the Department of the Army will not be applicable di-

rectly to the commands; however, the commands' activities will fall into the same general areas and their programs will stem from the guidance provided in the Departmental primary programs. Once the primary programs have been approved and published, they will establish the program objectives of the command programs and the major command can initiate its program cycle.

CHAPTER 3

PROGRAM DEVELOPMENT

Section I. BASIC CONSIDERATIONS

15. SCOPE OF PROGRAM DEVELOPMENT

Program development is that portion of program management concerned with the formulation of a course of action to be followed in the execution of programs. For the Department of the Army, it comprises an analysis of Army missions to establish the Army objectives, the translation of Army objectives into program objectives, and the establishment of priorities, schedules, and procedures necessary for the accomplishment of the objectives established. Program development begins with the determination of Army objectives from a long-range estimate and extends through final approval of programs. These approved programs provide guidance to all agencies concerned with program management.

16. RESPONSIBILITY

Staff responsibility for the development of the Army Program rests with the Deputy Chief of Staff for Plans. The development of primary programs is accomplished by designated Program Directors.

SECTION II. ARMY OBJECTIVES

17. NATURE OF ARMY OBJECTIVES

The first step in program development is the determination of Army objectives. This determination must be made in order to provide a sound basis for the preparation of Army plans and programs. Furthermore the objectives as stated must be projected sufficiently far in the future to assure continuity of effort. They must result in the establishment of a clearly defined course of action which can be followed by the Army with only minimum deviation being caused by annual fluctuations in Army budgets or by temporary emergencies. The document which provides these objectives in a manner consistent with these requirements is the Long Range Estimate of the Army.

18. THE LONG RANGE ESTIMATE

The Long Range Estimate purports in one document to take under surveillance all problems facing the Army in the foreseeable future.

It establishes both Army requirements and objectives. The statement of requirements represents the Army concept of the minimum needs for national security. These requirements are determined from war plans, missions, and directives received from higher authority. The statement of objectives represents an adjustment of the requirements, in the light of limitations on available means, into what is considered to be a reasonably attainable set of objectives. The statement of requirements serves as a basis for advising the Secretary of Defense or the President or Congress of the needs of the Army. The statement of objectives serves as a basis for the preparation of detailed Army plans and programs which will not later be nullified due to lack of realism. For example, a 20-division peacetime Army may be a requirement of the Army at this time. This requirement adjusted in the light of limitations on available means may be expressed as an objective of 12 divisions for the next fiscal year.

19. CONTENT OF ESTIMATE

The Long Range Estimate will provide specific detailed statements of both Army requirements and objectives over the forecast period in terms of strength, composition, deployment, combat effectiveness, and levels of administrative operations. In addition to these specific detailed statements, the Estimate will contain statements of the strategic concept and phased force requirements in the event of war. Broad statements of guidance on war reserve stocks, industrial mobilization, research and development, and specialized training of units will be included. Finally, it will also contain an estimate of peacetime appropriations necessary to meet Army requirements and an estimate of probable appropriations available to reach objectives. In summary, it will provide the broad basic guidance for all planning and programming activities of the Army.

20. RESPONSIBILITY FOR ESTIMATE

The Deputy Chief of Staff for Plans is responsible for insuring the proper preparation of the Long Range Estimate of the Army. Current practice calls for the preparation of the document by the General Staff under the monitorship of the Assistant Chief of Staff, G–3, in accordance with instructions received from the Deputy Chief of Staff for Plans. To provide for continuous availability of adequate planning and programming guidance for the predictable future, the Estimate will be revised and extended at least annually. When completed, the Long Range Estimate is submitted to the Chief of Staff for approval.

Section III. DETERMINATION OF PROGRAM OBJECTIVES

21. PROGRAM OBJECTIVES

Having developed the Long Range Estimate and established the Army objectives, these objectives to be useful must now be converted into program objectives. The programs with which these objectives are to be identified have been defined in SR 11–10–1. The Program Structure enunciated in that Special Regulation is composed of a number of individual primary programs each of which represents a logical grouping of related activities of the Army. In effect, it represents an orderly subdivision of the total of the activities of the Army into manageable segments for which specific objectives can be set. The Program Structure was specifically designed to conform to the following principles: cover the whole of the Army's activities; permit accurate definition of programs; be applicable in both peace and war; permit control of operations; be easily adaptable to the budget; work under any reasonable organization of the Department; be in the form most commonly used by the personnel of the Department; be simple in concept; be comparable to programs of the other Services; and permit the assignment of specific objectives for each program.

22. PROGRAM DIRECTIVE

The conversion of Army objectives into specific program objectives is accomplished by means of a program directive. The objectives to be established must provide the final long range target of each program and the intermediate targets required to outline the general course of the program over the entire span of time covered by the Long Range Estimate. Both the final and intermediate program objectives of each primary program must be coordinated with the objectives of all activities comprising that program, as well as with the objectives of all other primary programs. To assure this coordinated development of objectives, all programs are prepared in accordance with a single directive issued by the Deputy Chief of Staff for Plans. The initial step in the preparation of this directive is the drafting of a preliminary program directive by the Deputy Chief of Staff for Plans. This preliminary directive announces the over-all objectives of the Army as derived from the Long Range Estimate; it contains such fundamental data as the size, composition, deployment, mobilization capabilities, combat capabilities, proposed level of operation, probable fiscal and manpower limitations, as well as the span of time to be covered by the program, completion schedules, formats, and basic assumptions. This preliminary directive is forwarded to the Program Director of each primary program for further development. A Program Director is the

staff officer who has been assigned the over-all responsibility for a particular primary program.

23. ACTION BY PROGRAM DIRECTORS

On receipt of the preliminary program directive, each Program Director with the advice and assistance of the organizational elements concerned prepares an annex to the preliminary directive for each of his primary programs. This annex further amplifies the objectives and provides such data as assumptions, policies, limitations, and priorities as they apply to his particular function. In effect, this accomplishes a translation of applicable Army objectives into statements of specific objectives for each primary program. These annexes are then submitted to the Deputy Chief of Staff for Plans.

24. ACTION BY DEPUTY CHIEF OF STAFF FOR PLANS

After reviewing the annexes, individually and collectively with respect to the preliminary program directive, the Deputy Chief of Staff for Plans develops a final version of the Army's complete program directive, including the annexes. He may refer this final version to the Army Planning Advisory Board for advice. In any event, the program directive in final form is issued simultaneously to all organizational elements of the Department having a responsibility for the development of any segment of a primary program.

Section IV. PREPARATION OF PROGRAMS

25. GENERAL

Primary programs and program segments are prepared in accordance with instructions contained in the program directive. The preparation and integration of these programs requires a considerable amount of detailed work on the part of those organizations charged with program development. The completed program document will prescribe a course of action over the designated span of time, generally in terms of intermediate and final objectives, implementing policies, basic method by which the program will be carried out and computed fund and manpower requirements.

26. PROGRAM FORMATS

The formats of the primary programs documents are designed to provide maximum uniformity of presentation and at the same time to provide the most concise but complete description of the individual programs possible.

27. PROGRAM SEGMENTS

Program segments will be prepared by each organizational element in accordance with the approved formats and instructions contained in the program directive. At the same time the organizational agency preparing the segment will insure that the current fiscal year portion of the program segment reflects the actions by the Congress or appropriations for the current fiscal year as enunciated by the Budget Officer.

28. PROGRAM INTEGRATION

Each Program Director will receive, review and analyze his program segments prepared by the organizational elements in conformity with the program directive. He will consolidate these segments together with such information as over-all objectives, policies, and responsibilities originally included in the program directive annex, and pertinent summaries of the program segments into a program document which represents the complete primary program. The program documents are then forwarded directly to the Deputy Chief of Staff for Plans for review. The services of the Army Planning Advisory Board are available to assist the Deputy Chief of Staff for Plans in the review and coordination of the primary programs, if desired. After a review has been completed and all required corrections have been made, the completed programs are submitted to the Chief of Staff for approval.

29. ORGANIZATIONAL PROGRAMS

Simultaneously with the forwarding of the primary program segments to the Program Director, each organizational element will compile all segments of the primary programs pertaining to that organization into one document which will become the organizational program for that agency. When the primary programs have been approved, these documents serve the Chief of each organizational agency as his operating program.

30. PUBLICATION OF PRIMARY PROGRAMS

Upon approval by the Chief of Staff, the primary programs are published and distributed throughout the Department, thereby constituting the basic directive for the accomplishment of those objectives for which they were designed. Their twofold purpose is to serve the General Staff in directing and supervising the activities of the Army and to serve the operating agencies in directing the performance of their operations.

31. PROGRAM CONTINUITY

The cycle of program development beginning with a new Long Range Estimate will be repeated annually and completed just prior to the initiation of the formulation phase of the annual budget. In the course of such annual development, programs will be modified to conform to the results of program execution as well as changes, if any, arising from the new Long Range Estimate. Concurrently the programs will be extended another year. At other times, interim program adjustments, other than changes arising during the execution phase of the current fiscal year program, may be made in the program by the Program Director with the approval of the Deputy Chief of Staff for Plans. Changes arising in the execution phase of the current fiscal year program will be handled in accordance with the procedure outlined in paragraph 40. Each Program Director will maintain at all times a master copy of each primary program for which he is responsible complete with all current changes. During the year periodic publication of corrections will be accomplished when recommended by the Program Director and approved by the Deputy Chief of Staff for Plans.

Section V. TRANSLATION OF PROGRAMS INTO THE ARMY BUDGET

32. GENERAL

Programs are prepared to provide a scheduled course of action toward the attainment of desired objectives. The budget is the instrument used to obtain the allocation of funds for the execution of the program. Since the budget can be justified only by the programs it supports, programs must be developed in such form as to be readily translatable into the budget and as to be readily adaptable for use in budget defense. Therefore, when the programs have been properly developed, the fiscal year segments of the long range programs become the primary source of the basic guidance necessary for the annual budget preparation.

33. PROGRAM FUND REQUIREMENTS

The complete cost of executing a program during a fiscal year period is not normally the same dollar figure as that requested in budget estimates for the given fiscal year. Part of the resources of men, material, and facilities required to carry out the fiscal year portion of a program are usually on hand at the start of the program period and need not be acquired with funds appropriated for expenditure during the fiscal year. Additional resources may become available during the course of the fiscal year, which have already been paid for

out of funds expended in prior years. On the other hand, only part of the resources acquired or contracted for with funds requested for the given year will become available for use during that year, delivery on the balance being made at later dates. Furthermore, in some instances, the complete cost of a primary program includes a portion of the cost truly chargeable to another primary program; that is, ammunition expended in training may be included in the procurement program. Consequently, it is not feasible to establish an exact "complete" or "true" cost of a program. Therefore, primary programs must be costed with the objective of developing the annual budget estimates rather than to show complete or true costs.

34. BUDGET GUIDANCE

The fiscal year segment of the program itself may not contain all of the information required for budget preparation and justification since it does not purport to guide the Army beyond a period of one year. However, any additional information required for budget justification to show the ultimate effect that a particular fiscal year segment of the program will have on the future course of the complete program can be determined by reference to the long range program. With the programs as the basis and with the guidance issued by the Secretary of Defense and the Joint Chiefs of Staff as the control, the Budgetary Advisory Committee each year can develop the basic guidance for the budget. Hence, the basic guidance for budget preparation emanates directly from an analysis and evaluation of the Army Program. The quality of this guidance is further enhanced at the time of preparation by a new Long Range Estimate. This new Long Range Estimate, in point of time, is being developed concurrently with the budget guidance. The primary purpose of the Estimate is to serve as a basis for the initiation of a new program development cycle. However, in order to provide the Budget Advisory Committee with the most up-to-date direction available, that portion of the new Estimate pertaining to the fiscal year for which the budget guidance is being developed is extracted from the unfinished Estimate and, after approval of the Chief of Staff, is furnished the Committee by the Deputy Chief of Staff for Plans. Thus, the Army Program, augmented by the latest comprehensive direction, culminates in the annual Army's budget directive.

35. TIME RELATIONSHIPS BETWEEN BUDGETS AND PROGRAMS

In the annual programming cycle the dates for the submission of budget estimates are the controlling factors. Beginning with 15 September when, by law, budget estimates must be submitted to the

Bureau of the Budget, the steps in the preparation of the budget must be retraced to determine the date that the development of budget guidance must be initiated. Essentially this is also the date by which approved programs must be available. Beginning from that date the steps of program development must be retraced to determine the date that the development of the program directive must be initiated. Again this is essentially the date that the Long Range Estimate must be approved. A series of typical cycles is shown in figure 1.

CHAPTER 4

PROGRAM EXECUTION

Section I. BASIC CONSIDERATIONS

36. SCOPE AND RESPONSIBILITY

Program execution is the accomplishment of tasks when and as scheduled. It is completed only when the specified objectives have been reached. Staff responsibility for execution of the approved Army Program rests with the Deputy Chief of Staff for Administration. Responsibility for execution of each approved primary program rests with the designated Program Director. The actual execution of approved programs is carried out by subordinate agencies through normal command channels.

37. CONTROL

a. Control over the execution of programs is necessary to assure:
   (1) Continuous balance in the progress of related programs.
   (2) Performance according to schedule.
   (3) Adjustment when program progress indicates the need for rescheduling.
   (4) Elimination of conflicts requiring policy decision.

b. Control is exercised by means of:
   (1) Inspection of operations.
   (2) Establishment of a reporting and accounting system.
   (3) Establishment of funding procedures.

Section II. PROCEDURES

38. EXTENT TO WHICH PRESCRIBED

After final approval, responsibility for the execution of programs is successively decentralized to subordinate agencies. In accordance with accepted principles of command, all such agencies are permitted maximum latitude in discharging this responsibility within their respective fields. In addition, the procedures employed by the agencies charged with executing the various programs, vary according to the nature of the program and the operating methods of those agencies. Accordingly, this section sets forth only such details of procedure as will serve as guidance or are considered necessary to effect coordination.

39. FUNDING

Funding is the allocation of monies appropriated by The Congress for the accomplishment of approved program objectives. Funding is the final act which puts a program into operation; for, without money, operations are normally impossible. Effective funding requires accurate and current knowledge of the monies previously allocated, the obligations incurred, and the balances remaining; this information is provided through a system of monthly reports. Funds are allocated by the Comptroller of the Army normally on a quarterly basis and in accordance with approved program projections and schedules. However, these allocations must of course be varied as changes occur in available funds or in program objectives. Consequently, each year following the enactment of the appropriation bill and the initial allocation of funds, the various programs must be reviewed in light of the means available and the requirements of the then current situation. Such programs adjustments, when approved, established the basis for the quarterly allocations of funds for the balance of the fiscal year.

40. PROGRAM REVISION

There are three major reasons for revision of the approved programs during their execution. These are: (1) the inadequacy of funds to permit execution of programs as originally developed; (2) the need for acceleration or retardation of the progress of an individual program to maintain its schedule; and (3) the maintenance of proper priorities among programs. In general, organizations charged with the responsibility for segments of primary programs will be the first to discover imbalances between program progress and program objectives, hence proposals for necessary revisions might well originate at the Administrative or Technical Service level. On the other hand, imbalances among related programs will not become evident until the several programs are under the cognizance of one agency. Program revisions which involve two or more primary programs, therefore, would normally originate at the General Staff or higher level. When revisions in organizational programs affect the objectives of the program segment, they must be submitted to the Program Director for approval. If the proposed revision will require modification in the objectives of the primary program, the decision as to final approval must be made by the Deputy Chief of Staff for Administration in consultation with the Deputy Chief of Staff for Plans.

CHAPTER 5

PROGRAM REVIEW AND ANALYSIS

Section I. BASIC CONSIDERATIONS

41. SCOPE OF PROGRAM REVIEW AND ANALYSIS

Program review and analysis is the appraisal of the effectiveness of program execution. It includes the utilization of an effective reporting system which permits the periodic review and analysis of Army programs in whole or in part. The objective of program review and analysis is to provide information at all levels which will facilitate the development and execution of programs; increase the efficiency of performance; and achieve economy in the use of available resources. The review and analysis system must be kept simple so as to provide timely information and preclude excessive administrative burden on operating agencies. Information from all available sources is correlated to produce a clear, accurate picture of program execution.

42. RESPONSIBILITY

Staff responsibility for the review and analysis of the Army Program rests with the Comptroller of the Army. Each Program Director and the head of each organizational element charged with responsibility for a program segment is responsible for the review and analysis of his respective portion.

43. USE OF REVIEW AND ANALYSIS

Review and analysis is used to measure the progress, efficiency, and economy of program execution; and to provide information for use in solving problems that may have developed during the execution of programs. Review and analysis techniques and the results of their application are also utilized in the development and evaluation of policies and procedures; in the determination of organizational responsibility; in the determination of the program structure; in establishing final and intermediate program objectives; and in the development of program directives.

Section II. PROCEDURES

44. GENERAL PATTERN

Basic directions for review and analysis of Army programs come from the Department of the Army. The actual accomplishment of this element of program management, however, begins at the lowest operating level. The general pattern of review and analysis is as follows:

a. At the lowest appropriate level, those responsible for review and analysis collect, through field inspections and carefully designed reports, information covering the execution of each program.

b. This information is reviewed, analyzed, evaluated, and integrated with other pertinent information.

c. An integrated evaluation is submitted to each agency participating in that particular program. This evaluation outlines the status and trend of execution, and highlights the manner of performance.

d. Based upon this evaluation appropriate recommendations are made to the head of the responsible agency for such action as may be required to correct any deficiencies noted in program execution at that level.

e. At each successive higher level a similar procedure is followed until reports covering the Army Program reach the Chief of Staff and the Secretary of the Army. The results of the evaluation at any one level are portrayed, together with any corrective action taken, in the reports rendered to the next higher level. This procedure, wherein each operating level participates in the review and analysis function, enables each to obtain a clear picture of the status of its participation in program execution.

45. AGENCIES CHARGED WITH PRIMARY PROGRAMS AND PROGRAM SEGMENTS

Each agency charged with responsibility for a program has a corresponding responsibility for its periodic review and analysis. Adequate review and analysis is essential at each echelon. The extent of such review and analysis depends upon the size and complexity of the program and is determined by the responsible agency. The minimum review and analysis at any echelon will include periodic comparison of actual performance with scheduled performance.

46. COMPTROLLER OF THE ARMY

At the Department of the Army level the Comptroller of the Army reviews and analyzes the progress attained and the efficiency and economy with which the Army Program is being executed. The

Comptroller is concerned primarily with assembling and highlighting the status of the entire Army Program as a means of assisting the Chief of Staff in exercising his responsibility in program management. This is accomplished by—

a. Reviewing and analyzing the reports of the directors of all primary programs to determine the degree of accomplishment of Army objectives, and to evaluate the efficiency and economy of execution of the Army Program.

b. Conducting a comparative analysis of performance in all primary programs to detect imbalances and misalignments in the Army Program.

c. Integrating the results of this review and analysis into a summary report on the Army Program which contains key information on the status of primary programs, calls attention to or explains significant items and discrepancies, and indicates the need for corrective action.

Section III. REPORTS

47. BASIS

An effective review and analysis system is based upon the timely collection of appropriate information and the proper interpretation and utilization thereof. Required information, collected through the Army reporting system, is studied and used by personnel involved in program management at each echelon. It is evident, therefore, that the first requirement is the securing of information from reports.

48. TYPES

a. *Routine.* The normal administration of the Army requires many reports, some of which are not readily identifiable with any designated program. Among others, these include fiscal, cost, operating, capital, property and accounting, work-measurement, progress, statistical, and inspection reports. In program review and analysis, maximum use must be made of these reports in order to eliminate duplication and to avoid any unnecessary increase in the work-load of preparing agencies.

b. *Statutory.* The National Security Act of 1947, as amended, establishes certain requirements for the submission of information relating to the cost, expenditure, work, and accomplishment in the conduct of activities engaged in by the Army. The reports which are developed and timed to facilitate compliance with statutory requirements are also useful in the review and analysis of programs.

c. *Specific.* Certain information, in addition to that furnished by the aforementioned reports, may be required in the review and analysis of the Army Program or any portion thereof. This information

is obtained from specific reports requested by agencies responsible for program review and analysis. These reporting requirements are held to the least possible number of key items which represent the significant factors in the program. This fact must be recognized when the objectives of programs are established and when standards of performance are prescribed in order that later review and analysis of programs can be facilitated.

d. *Performance reports.* Any report which measures the accomplishments and progress of a program may be called a performance report. These reports may be those rendered in the course of routine administration, those required by statute, or those specifically requested to satisfy review and analysis requirements.
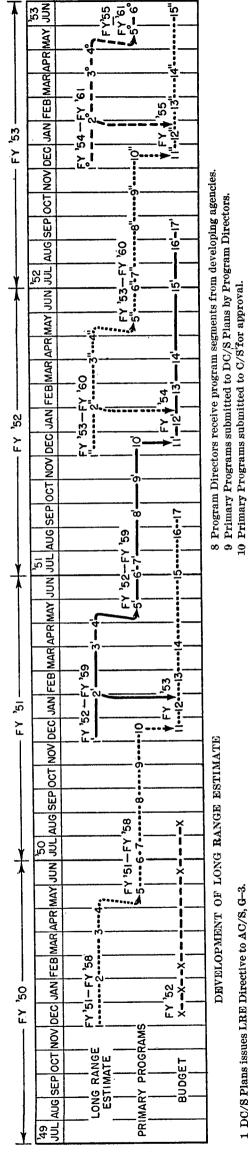
49. USE OF PERFORMANCE REPORTS

Information furnished by performance reports, when properly reviewed and analyzed, provides guidance for the—

a. *Direction of present operations by—*
   (1) Revealing delays and difficulties encountered in the execution of programs and permitting their timely correction.
   (2) Indicating the need for revision of programs.
   (3) Constantly reflecting the current status or degree of accomplishment of program execution.
   (4) Evaluating the current efficiency and economy of performance.

b. *Analysis and evaluation of past accomplishments by—*
   (1) Rendering an account covering the completed execution of programs in terms both of quantity (physical units) and quality (economy and efficiency) of actual accomplishment as compared with scheduled accomplishment.
   (2) Indicating the soundness of basic plans, organization structure, methods, and procedures used in the execution of programs.

c. *Development of future plans and programs by—*
   (1) Furnishing data bearing upon the feasibility of war plans and mobilization plans and their related programs.
   (2) Furnishing data as to the adequacy of the program structure.
   (3) Providing data as to the current status or inventory position to be used as the initial point for the projection of new or revised program objectives.
   (4) Providing factors and standards of performance to be used in the development of new or revised plans and programs.

50. REPORTING REQUIREMENTS

Careful study of each approved program is made to determine the information required for review and analysis. Further study is made to determine the availability of this information in existing reports. Specific reports are then designed to provide the information not otherwise available. Each echelon makes such an analysis of reporting requirements to meet its own needs and those of higher echelons. These reports should cover only the important elements of programs rather than all aspects thereof. The number of reports must be limited to the minimum essential for effective program management.

Figure 1. Program and budget cycle.

DEVELOPMENT OF LONG RANGE ESTIMATE

1 DC/S Plans issues LRE Directive to AC/S, G-3.

2 AC/S, G-3 submits review of FY '52 segment of LRE to DC/S Plans for use in FY '52 budget development. (Subsequently submitted to C/S for approval and furnished Comptroller for guidance.)

3 AC/S, G-3 submits FY '51-'58 LRE to DC/S Plans.

4 DC/S Plans submits FY '51-'58 LRE to C/S for approval (development of Troop Program initiated upon approval of LRE).

DEVELOPMENT OF PRIMARY PROGRAMS

5 DC/S Plans issues Preliminary Program Directive to Program Directors who prepare annexes and resubmit to DC/S Plans.

6 DC/S Plans issues Program Directive with annexes (major assumptions previously approved by C/S).

7 DC/S Plans submits Troop Program to C/S for approval.

8 Program Directors receive program segments from developing agencies.

9 Primary Programs submitted to DC/S Plans by Program Directors.

10 Primary Programs submitted to C/S for approval.

DEVELOPMENT OF THE BUDGET

11 Preliminary budget planning initiated by Department of the Army.

12 Secretary of Defense issues FY '53 budget assumptions.

2' AC/S, G-3 submits review of FY '53 segment of LRE to DC/S for approval and furnished Comptroller for guidance.
(Subsequently submitted to C/S for approval and furnished Comptroller for guidance.)

13 Department of the Army budget directive issued.

14 Preliminary Service Operating Plans submitted to JCS and Secretary of Defense.

15 Preliminary Budget Estimates submitted to Secretary of Defense.

16 Secretary of Defense decision of Budget Estimates received by Department of the Army.

17 Budget Estimates submitted to Bureau of the Budget.