



2003 PEO Guidance and Sailing Plan

BACKGROUND

We have been on contract for seven months. Our collective effort has been demanding and the initial quick look mandate in July of last year for FY 2002 Delivery Task Orders left no time to spare. Quite the contrary, we have been at a sprint since day one. With the advent of the necessities of homeland security, the stand-up of the new Department of Homeland Security, the challenge of funding sustainability, the press of defining post 9/11 requirements, program management process adjustments, and establishing the foundation of a partnership with ICGS, the sprint has been transformed into an endurance race. We all appreciate that the journey is long and the race must be won.

The intent of this Guidance is to reflect upon what we have learned, emphasize areas of concentration for the new year, and point out core principles of alignment with strategic precepts as we tack, adjust trim, and sail ahead.

STRATEGIC DEPLOYMENT AND ALIGNMENT

Change is inherent in our enterprise. In a large part, IDS is a change management effort that significantly impacts our culture and organizational processes. We have not worked with a system integrator on this scale before. We have not employed integrated product teams across multiple domains nor have we formally utilized this management technique for inter-Directorate efforts of such a complex undertaking. We find ourselves at the center of gravity of the largest government reorganization since the Second World War. The new Department of Homeland Security will have a major impact on our world of work, the full extent of which has yet to be determined.

With such profound levels of organizational change, is our IDS Strategic Plan sound? I believe it is. It is grounded in the precepts of the Commandant's Direction and the mandate of operational excellence. Our vision comports directly with the Commandant's desire to attain operational excellence in everything we do. If our customer is properly equipped and fully prepared to meet every maritime challenge in the 21st century, then we will have attained the essence of operational excellence and our vision. The alignment between the Commandant's Direction and our Strategic Plan is strong. An assessment of the Coast Guard's Business Plan for our first Award Term reinforces the imperative need to develop, acquire, deploy, and sustain the IDS. The urgency of our mission has never been more pronounced!

Our Coast Guard is in high demand. As the lead agency for America's maritime homeland security, our efforts in Deepwater contribute directly to the principal goals of the National Strategy for Homeland Security as well as the strategic objectives of the Coast Guard's Maritime Homeland Security Strategy. You should review these strategic documents. Your review should be

complemented by a review of the Commandant's Direction and the Coast Guard's Business Plan for FY 2003-FY 2007. Our stewardship necessitates familiarity and complete alignment.

PEOPLE

Our focus on the importance of People comports directly with the Commandant's Direction and the desire to place people center-stage. Our commitment to establish a learning organization, excel at human capital management, leverage diversity, and fully address human systems integration on the front end of acquisition is the right course to steer.

Our emphasis upon civility and respect is fundamental to our success. IPT's thrive on trust and die in the swirl of back drafts. We must improve our ability to work together and attain the Commandant's desire to strengthen our organizational culture, nurture innovation, while improving organizational communications. We took much for granted in the realm of IPT performance. We have learned there is much to learn and it is safe to say there is room for improvement. Everyone shares that responsibility. Excellence in this arena is not easy.

We must all live in the light and strive for the concrete **accomplishment** of our mission. We must maximize collocation. We must invest the time and effort essential to attain IPT effectiveness with appropriate training and education. We must continue to focus upon IPT performance improvement. Successful mission **accomplishment** will only be attained through a commitment to stewardship through partnership.

STEWARDSHIP THROUGH PARTNERSHIP

Our **accountability** is straightforward. We work in the arena of cost, schedule and performance balanced with a need to serve the customer, the men and women in the field. We must be ruthless in our execution and implementation. We must attend to alignment with the Coast Guard Business Plan that mandates streamlined acquisition processes. We must pursue complete alignment with the President's Management Plan in delivering measurable results, the ownership of which crosses all Directorates. We will fully employ the Balanced Scorecard and maximize the integration of the Readiness Management System. We must quickly insure the full employment of a highly effective integrated data environment complemented by E-Coast Guard.

We must seek innovation and process change at every turn. The Commandant is clear on this issue...we all share accountability for imparting innovation with the most productive use of technology. This requires adroit risk management. We must be disciplined and diligent in the full employment of our risk management processes. Successful risk management is essential to our accountability. We fully share this responsibility with ICGS. We must embrace the use of spiral development and permit time to work as an asset rather than a liability.

Additional personnel are at a premium. I believe there will be few or no additional personnel assigned to IDS after this year and near term additions in FY 2003 are far less than expected. We can compensate for this in two ways...a full partnership with ICGS that makes one team a reality. Second, a full acceptance of the Commandant's Direction that "exhorts our people to identify and embrace necessary change, employ their creative talents, and deliver the highest quality of service." Both will be accomplished through the establishment of a sense of trust. Trust denotes the acceptance of risk. So be it. I believe this is the responsibility of all individuals involved in this effort. The new Department is focused on results and performance; an explicit aversion to staffing should be taken at

face value. We must attain successful stewardship through partnership with ICGS. We have no choice.

IDS is not the old way of doing business. It is hard and replete with challenge. But our focus upon partnership, performance and results is the essential sail plan to attain operational excellence.

READINESS THROUGH PERFORMANCE

The accomplishment of readiness is found through a constant commitment to performance. We have established the right strategic goals that align directly with the Commandant's desire to attain operational excellence in all mission areas. A commitment to quality management, performance measures, customer service, and the appropriate balance between operational effectiveness and affordability defines the way ahead. This discipline must also define our approach to homeland security objectives. We must aggressively manage risk, fully integrate our logistics systems and infuse them with innovation, invest in our legacy assets where required while keeping the importance of implementing IDS and recapitalization central to our effort. This is a careful balance and one that warrants the realization that we may have to reduce capability in the near term to recapitalize in the long term. The Commandant has directed that we do not rule out his option but fully consider it in defining the most productive way ahead.

We will not sacrifice C4ISR investment at the expense of competing needs. The Commandant's Direction is clear on this issue. The attainment of maritime domain awareness is paramount. The full infusion of intelligence is an essential part of this equation. We must partner with the Assistant Commandant for Intelligence to leverage our efforts. We must keep the results of the C4ISR study, interoperability with Rescue 21, and the aggressive deployment of the Readiness Management System central to our implementation effort. The recognition that a fully integrated logistics system is fundamental to our success warrants constant attention. As we address these priorities we must leverage partnerships external to the Coast Guard. The utility of strategic partnerships such as National Fleet is significant. We must expand such leverage across all aspects of our worlds of work and mission execution.

The best way to achieve operational excellence and performance is to measure it. The commitment to a balanced scorecard that imparts a focus on results and outcomes lies at the foundation of quality and accountability. We have made significant strides in this area. More work is required. It is my highest priority. Accomplishments in this arena will insure service to the field and compliance with our collective commitment to operational effectiveness and affordability. A system of systems approach is grounded in results-based performance measures. No compromises will be made in this regard if we are to live in the light. We must make every effort to excel in this area!

TRANSFORMATION

The need is real...change is central to deploying IDS. The time is now...a sense of urgency defines our multi-mission responsibilities and our homeland security efforts. Business as usual is no longer the way ahead. Press on with these priorities and points of focus in mind. We have but one alternative in this transformational effort, and that is to succeed.