

**USACE 2012**

**FUTURE CORPORATE AND HQ  
DESIGN STUDY**

**APPENDIX D: MISSION ASPECTS  
OF STRUCTURE**

## Appendix D – Mission Aspects of Structure

### Command and Control

The United States Army Corps of Engineers enjoys a unique blend of talented military and civilian senior leadership. Military commanders lead organizations comprised of civilian employees. The military commanders also bring a unique blend of leadership skills and sense of urgency to accomplishing missions assigned by the Army, the Congress and the Administration under the laws of the United States. This mix of military and civilian talent is unique among Federal agencies engaged in water resource issues, and has served the Corps and the nation well.

But, the Corps of Engineers is a military organization. Its organizational structure reflects a military model that has evolved over more than 220 years. And the term “Command and Control” is an inherently Military term. At its most basic level, command and control refers to the way a Military Commander ensures success in accomplishing an assigned mission. All USACE Districts, Divisions and Centers are commanded by military officers. Having military commanders responsible for USACE organizations has enhanced responsiveness and the reputation of the Corps of Engineers. Customers, stakeholders, partners, as well as civilian members of the Corps, understand the authority of military commanders and leverage that authority to deal with controversial issues.

Military commanders at all levels assume responsibility for accomplishing the mission once it is assigned. Oftentimes within USACE, missions are assigned based on some predetermined criteria, such as geographic area of responsibility. But, as subordinate commanders are given their respective pieces of the mission (in the form of mission statements), they assume responsibility for accomplishing their piece of the larger mission, which comes in the form of a new mission statement. And the inherent responsibility for accomplishing the mission influences much of the upward reporting requirement in USACE. Within the military culture, as subordinate commanders are assigned their mission, the preceding superior commander cannot abrogate his or her responsibility for accomplishment of the larger mission. The superior commander wishes to remain abreast of the overall progress in accomplishing the mission, and thus is established a requirement to report on progress. (The business world offers many other models, but rarely will you find the kind of operational progress reporting on the status of projects and programs that you find within USACE in the private sector. Also impacting the requirement for USACE upward reporting is the need to satisfy information requirements of Congress and the Executive Branch.)

Ideally, the future USACE corporate design would rely less on issuing orders to accomplish the “mission,” and more on a sense of completing the business of the organization in the most efficient manner to attain corporate objectives.

District Commanders are ultimately responsible for accomplishing the mission, ie delivering high quality projects on time and within budget. But such project delivery must accommodate the needs of the customer, and therefore relies on effective relationships to help the customer succeed. At all levels the approach of the Corps is broader than the individual project and focuses on the larger systemic world of the customer. The ultimate successful performance indicator is additional work and repeat business from delighted customers, because they want USACE to do their work, not because they are required to have USACE do their work. They come to realize that the Corps understands and helps them with their strategic success, and sees projects in that larger systems perspective.

Important aspects of the role of the USACE and MSC Commanders are to ensure that District Commanders have the necessary resources to accomplish their missions, remove roadblocks to their work, and facilitate success. Resources don't necessarily need to be assigned to the District Commander. They may be virtual, i.e., reside elsewhere in the region or in USACE and can be dedicated to the District Commander for the particular mission (in much the same way as a military Task Force is resourced to accomplish a tactical mission). This notion supports the concept of a Regional Business Center, in which mission success is measured as the collective success within the region, and resources are managed across the region to ensure individual mission accomplishment. Regional commanders should be concentrating on regional issues that exceed subordinate District boundaries, their relationships with their regional counterparts, with their Districts' customers, the quality and effectiveness with which projects are delivered to help customers succeed, and the ability of their Districts to accomplish the mission, as opposed to how quickly money is being expended to execute work.

In the ideal future environment, from a mission perspective, the following are considerations relative to command and control:

How missions are interactively assigned, (who decides to whom they are assigned, are they assigned by geographic area, by program, by capability)?

Are mission statements clear and concise (what is to be done, who will do it, when is it to be completed), allowing for learning during the process that requires changes and adjustments?

What defines mission success? Are the metrics co-produced and do customers agree?

How well has the District Commander organized the right people for the PDT and fully included the customers so that co-production results from concept to completion?

Are the right resources available to the District Commander, geographically present or virtually, to accomplish the mission?

How well do regional commanders and the USACE Commander monitor performance for effectiveness and organizational learning? (The four PMBP learning points are, in

sequence: 1 – check best practices/innovations at project conception, 2 – mid-course learning and adjustment, 3 – AAR at completion, and 4 – enter the learning into the Learning Network System. There must be minimal interference with the District Commander in accomplishing the mission (the District Commander is responsible for determining how it should be done), following the shared value of empowerment.

- Other than establishing policy and providing resources, HQUSACE’s main role in mission accomplishment is for strategic learning, what does this project tell us about the effectiveness of our strategy, and what must change in the future?
- The regional commander must be a facilitator and partner, setting the conditions for the districts to succeed.
- How can the regional MSC Commander be most helpful with respect to District customers?

## Program Management

Quoting from ER 5-1-11: “(Program Management) consists of the development, justification, management, defense and execution of programs within available resources, in accordance with applicable laws, policies, and regulations, and includes accountability and performance measurements. Program management takes project management to a greater level of interdependence and broadens the corporate perspectives and responsibilities.”

Programs can be defined in either of two ways:

1. A collection of projects with a single funding source.
2. A collection of projects at a single location (military installation, river basin, etc).

In both definitions, there is a customer who is either providing funding to accomplish a specific purpose, or who is the end user of the completed project. Project managers focus on the end users. Program managers focus on the resource providers and the project managers.

In the USACE hierarchy there is another class of customer, the internal organizational element assigned the mission to be executed. Thus HQUSACE has as a primary customer MSCs, and MSCs have Districts as their primary customer.

This duality of purpose, to support those providing resources or using the project, and to support those actually delivering the work that is done, is at the very heart of how USACE needs to organize itself from a program management perspective.

In the Military Construction Program, USACE involvement in program development is very limited. The vast majority of programming decisions are made in the Pentagon, at the military installation or with the Major Service Commands. USACE is an execution agent responsible for maintaining the technical capability to deliver program requirements. Resources pass from the Pentagon to HQUSACE to MSCs to the Districts. MSC involvement is simply as a pass-through office. In the case of installation support, resources pass from the installation directly to the District for execution. This may change with the recent creation of the Installation Management Agency, a Washington level command responsible for overseeing all installation management activities, but this is a work-in-progress. USACE must organize itself to most effectively accomplish program management given these realities.

In the Civil Works Program the program is developed by the Corps of Engineers in close coordination with local sponsors, stakeholders, members of Congress and the Administration. The ability to develop the Civil Works Program requires certain technical expertise and effective working relationships with customers and other stakeholders. The majority of this expertise is concentrated in the Planning arena. Planners know what policy exists regarding water resources development, what policy is required and how it is developed. Authority to accomplish Civil Works projects in support of the Nation comes from the electorate through the Congress. Resources (in the form of funding) come from Congress and the President in the form of the laws of the United States as well as from local sponsors. Congress plays a major role in helping local sponsors identify strategies to support local needs. USACE interacts at the Washington level with Congress and other Federal agencies with water resources related responsibilities. MSCs interact at the regional level with key members of Congress and Federal agency counterparts likewise engaged. Districts interact with local sponsors and state agencies charged with water resource responsibilities.

Program management is supposed to facilitate mission accomplishment. Program managers help accomplish the mission by providing needed resources. Therefore, program managers must be able to determine what the requirements are so they can be supported. Requirements are communicated through trust-based relationships and performance indicators.

At the HQUSACE level program managers are focused on major resource providers (Congress, the Air Force, FEMA, etc). These resource providers are their major customers. HQUSACE provides resources to the MSCs who are the regional mission implementers. In turn, the regional MSC provides resources and assistance to the Districts. Program managers at the MSC are focused on providing Districts the resources needed to accomplish the mission and generally knowing where those resources come from. Whether the resources are funding or technical capability, it is the Regional Business Center that is the first line of supply outside the District for the Districts executing the mission. It is a primary function of the Regional Business Center to leverage resources across the region. The regional (MSC) commander also acts as a checkpoint or gauge for the success of mission accomplishment by interacting with regional interagency counterparts and with customers serviced by assigned Districts.

From a mission perspective, as the ideal future corporate design is implemented, program management must:

- Provide the customer regular, honest and transparent information (status of mission execution, program requirements).
- Co-design with customers how mission success is measured.
- Distribute funds across USACE to most efficiently satisfy program requirements.
- Leverage resources across the region.
- Distribute technical capability in order to develop water resources policy and program requirements in the Civil Works Program.
- Define how quality control of Civil Works programming documents is accomplished to facilitate execution.
- Define program management in the Military Construction Program and how it is best accomplished to facilitate mission execution.
- Quickly and accurately transmit information to support program development and execution.

## National Interface (Strategic Relationships)

In the context the term is used here, “National Interface” refers to interaction with agencies or organizations (stakeholders) that have responsibility for the management of programs affecting or involving the Nation as a whole. These agencies and organizations may be governmental (Federal Department level); professional (American Society of Civil Engineers, American Society of Consulting Engineers, Society of American Military Engineers, etc); special interest (American Rivers, Nature Conservancy, etc); international (foreign governments, agencies of foreign governments); or private.

While “National Interface” refers to interaction with agencies at the Washington, DC level, there are agencies and organizations with responsibility for managing National programs that reside outside the city of Washington, DC. It is one of four missions that have been assigned to HQUSACE. In some cases, national interface may occur at the MSC level, such as Northwestern Division’s US Entity responsibilities in the Canada-US Columbia River Treaty.

When implementing the ideal corporate design, the following are considerations concerning National Interface:

- **HQUSACE retains responsibility for National Interface but in these and with** other particular relationships, organizations or programs, strategic changes are worked interactively with subordinate headquarters.
- National Interface includes the development of policies and procedures that have impact on the ability of all of USACE to execute its missions. Interactive planning with field headquarters produces better policy and procedures on matters affecting execution.
- National Interface involves protocols and interaction at a level that usually doesn't exist outside HQUSACE.
- National Interface may entail the involvement of another governmental agency, for example, consulting with a foreign government on water resource matters may require coordination or interaction with the State Department.
- Interaction with another governmental agency may require coordination and approval of the Department of the Army or Department of Defense.
- National Interface requires careful consideration of the appropriateness of interaction with or without involvement of the Assistant Secretary of the Army for Civil Works.
- National Interface is all about relationships. Developing these strategic relationships takes time. They are cultivated over an extended period. While the Chief of Engineers, the Deputy Chief of Engineers, or the Director of Military Programs or Civil Works may be the point person for contact with another agency, effective relationships will usually entail a longer term relationship with a USACE civilian employee. General officers in HQUSACE are usually assigned for three to five years. The primary role of the Chief of Engineers must be to maintain effective and close personal relationships at the Washington level.
- Interaction at the National level usually involves non-traditional, special considerations outside the scope of established policy and guidance. In effect, it typically requires the establishment of new policy that requires careful legal and jurisdictional considerations.
- The effectiveness of National Interface depends on how well HQUSACE leaders listen, learn, and responsively adapt to what it requires to help stakeholders succeed.

## Regional Interface (Strategic Relationships)

More and more, governmental agencies are relying on a regional approach to accomplish work. Most Federal agencies have regional offices which act as extensions of their headquarters in Washington, DC for purposes of overseeing activities in a given geographic area. The Departments of Energy (Power Administrations), Interior (Fish & Wildlife Service, Geologic Service, Park Service), Agriculture (Conservation Service, Forest Service), Transportation (Highway Administration), National Marine Fisheries Service, Federal Emergency Management Agency, and the Environmental Protection Agency all operate regional offices which interact regularly with the Corps of Engineers in the accomplishment of Civil Works activities. This is logical given the breadth of responsibilities and the insurmountable challenges faced by trying to manage activities out of a single location in Washington, DC. This expresses the USACE 2012 ideal future design focus on solutions to complex systems problems, rather than a project-by-project approach.

On the military side, the Department of the Army consolidated its human resources activities into regional Civilian Personnel Centers (CPOCs), and Regional Support Commands to administer programs for the Army Reserve, that have been in operation for some time. More recently, the Army established Regional Installation Management offices that will integrate installation management activities for Army Posts in their geographic area of responsibility and Contracting Centers to consolidate all contracting activities in a geographic area. In the past, the Air Force used Regional Civil Engineer offices to administer design and construction programs before placing that responsibility on Major Commands (MAJCOMs).

And the Corps of Engineers has Regional Business Centers operating out of their Major Subordinate Commands (eight Divisions commanded by general officers) dispersed throughout CONUS and Hawaii.

One challenge associated with all these regional operations is that the geographic boundaries of all regional Federal offices do not align exactly with one another. Each agency has a somewhat different geographic boundary based on some particular condition (USACE is based on watersheds, EPA and FEMA on standard Federal regions). But, the trend for management of programs has been that regional partners interact to resolve issues that may have otherwise been referred to Washington for resolution, and oftentimes there are overlapping regional relationships. Likewise, regional offices act as extensions of a corresponding headquarters in Washington, DC.

Notwithstanding the complexities associated with the inconsistency in establishing boundaries, regional interface is a key component in effective mission accomplishment. Generally, regions are established based on unique characteristics that define the area. Similar conditions (climatic, topographic, environmental) create similar challenges that call for synergistic solutions. The best way to approach these solutions is on a regional basis.

A good example of an effectively working regional approach is in the South Eastern United States where the South East Natural Resource Leaders Group regularly meets to

address environmental and natural resource issues impacting the region. The body is made up of regional directors of Federal agencies in the South East who meet to develop strategies and identify specific actions to fully integrate a set of Guiding Principles into agency cultures at all levels throughout the region. Typically an agenda would include the opportunity to share concerns, identify common challenges and work to resolve specific issues before they are referred to the Washington level. This is an excellent forum for Corps' strategic learning.

Regional offices of other Federal agencies are principle customers and strategic partners of USACE Divisions. Very clearly there is a regional interface role for the foreseeable future. It is equally evident that this trend will increase as resources continue to shrink, technology advances and agencies look for ways to operate more efficiently.

As the ideal corporate design for USACE is implemented, the following are important to regional interface:

- Regional partners must be actively engaged with USACE Division offices.
- Regional partner involvement in programs must be clearly understood.
- A primary role for the Division Commander includes interacting with regional partners.
- Regional interaction must facilitate mission accomplishment.
- There are increased opportunities for greater efficiency using a regional approach.
- Define how to improve customer care benefits through regional engagement.
- Take advantage of economies realized by a regional approach.
- Clearly identify which USACE office (District or Division) is best to provide regional interface?

## Policy

Webster's defines "policy" as:

- a. "A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions."
- b. "A high-level overall plan embracing the general goals and acceptable procedures especially of a governmental body."

Policy is generally developed at any level of an organization where there is latitude to accomplish objectives from a variety of choices, and generally reflects the guidance of the leadership of the organizational unit. It may be grounded in law, and entail an interpretation of some aspect of law for purposes of clarification and guidance to other elements of the organization.

In the context within which USACE uses the term “policy,” it is implementing guidance, grounded in some higher authority, typically law, ie a WRDA Bill. But policy may entail a statement of preferred alternative when choosing among options, especially when addressing technical matters (such as options which conform to a building code). Within USACE, policy is promulgated in the form of Engineer Regulations, Engineer Pamphlets or Policy Letters.

It is important to remember that policy is a chosen course of action. It may be grounded in law, but it is guidance and not law. It may be modified by the element promulgating it, without approval or additional authority, as long as it remains consistent with the overarching legal source document but it should be generated at the highest possible level that will influence consistency over the range of activities impacted by the policy. This creates a challenge when different offices in USACE produce uncoordinated, conflicting policy on the same subject.

USACE defines a primary role of the Headquarters in Washington, DC to generate policy. This is particularly true in the water resources arena but is also applicable to the technical functions of engineering, construction or operations, and to support functions (Resource Management, Information Management, Legal, etc). A primary purpose of policy is to ensure consistency along a desirable course of action. Therefore, it is important that the policy be generated from the Headquarters (at least in the context with which it is being used here).

USACE also promulgates implementing policy based on the policy of its higher headquarters, the Department of the Army. And the USACE staff is regularly engaged in coordination of policy issues with the Army staff.

When completing projects, an interesting inconsistency in USACE process is that for most water resource related document reviews we specify a policy check at the MSC level (note this is a policy check for policy generated at the higher headquarters), and an additional check at the USACE Headquarters in Washington, DC. This double check introduces delays in the overall process, and at times, has resulted in divergent opinions regarding the desired course of action. The Witherspoon Report established the Divisions as extensions of HQUSACE so the review could possibly be done at that level. A better approach would be to have them done at the Washington level to ensure consistency across the eight regional offices. Policy reviews are one area where improvements need to be made in the USACE project delivery process. An Office of Water Policy Review has been proposed and should be implemented at the Washington level.

Ideally, Districts, as the execution arm of USACE, would have all the needed skill, talent and ability to execute projects without any policy review by higher headquarters. But Districts develop projects in conjunction with local sponsors, and they do their best to satisfy sponsor objectives (customer care). Sponsor objectives may include features that are not specifically contained in authorizing legislation. The policy check is required to ensure that the project conforms to the law authorizing the project.

In the future, HQUSACE should continue to be the generator of policy which affects the quality of projects designed and constructed by USACE, and which implements requirements grounded in law, such as a WRDA Bill. Since clarification is often required which mandates interaction with lawmakers or higher headquarters to ensure compliance of a given policy with their intent, this interaction is best accomplished at HQUSACE.

The development of policy should also be an interactive planning process with the field (in this case the MSC, as the Regional Business Center), which should also interact with the Districts. This interactive process would bring the practical perspective to the policy being generated, basing it on practical experience associated with managing execution of the mission. And it would recognize regional factors so final policy is not overly restrictive given the unique conditions found in each of the MSC regions. In the manufacturing era it could be assumed that those at the top of hierarchies had the best view, but this was a time of standardized products. In today's knowledge and service based work, where products are co-produced with customers and customized to their needs and strategies, regional headquarters and front-line teams have more knowledge about customers than those distant from them.

The following are considerations when addressing "Policy" from a mission perspective:

- What documents require a policy check?
- Where should policy checks be accomplished with least impact to the mission?
- When developing policy how are regional factors best incorporated?
- The number of policy reviews should be minimized.
- How are lessons learned regarding impacts to mission accomplishment aggregated for purposes of revising policy when it is warranted?
- Which policies from different offices within HQUSACE are in conflict?
- Identify priority items for policy review and restrict reviews only to matters of policy (as opposed to alternatives development).

## Quality Assurance

ER 5-1-11 defines quality assurance as: “ An integrated system of management activities involving planning, implementation, assessment, reporting, and quality improvement to ensure that a process, item, or service is of the type and quality needed to meet project requirements defined in the PMP.

For years the U.S. Army Corps of Engineers has relied on construction contractors to perform quality control (QC) on construction work. The Corps’ field staff has a quality assurance role. The construction contractor is responsible for ensuring that construction is completed in accordance with the contract plans and specifications, and for coordinating requirements to produce a quality project. The quality is actually specified in the requirements detailed in the contract drawings and specifications. The contractor must put in place controls (checks, tests and reviews) to ensure that those requirements are satisfied. The Corps performs its quality assurance mission by first reviewing and approving the contractor’s plan for ensuring the quality of the project (Quality Control Plan), then during the course of construction, spot checking, first the contractor’s process, then the actual work, to gauge the success of the contractor’s commitment to produce the desired quality. In the 1950s and the 1960s the Corps of Engineers field staff actually did quality control. Corps’ field inspectors took concrete cylinders and tested them for strength in Corps labs, paint samples were tested through Corps laboratories for compliance with Federal and Military Standards, roofing materials were tested by Corps personnel for compliance with published standards. Transitioning to the contractor QC system involved significant cultural change, and for years Corps field staff had to adjust their way of doing business from QC to QA. Today, QC/QA is fully accepted throughout the U.S. Army Corps of Engineers, the transition is complete. Contractors and Corps field staff understand their responsibilities to work collaboratively to produce the desired level of quality.

With quality control of planning and design documents the transition is not so complete. Historically, Corps Divisions performed a technical review function. Contract drawings were actually reviewed by technical personnel assigned to the Division Office (and to a lesser degree HQUSACE technical personnel) for technical adequacy. Planning reports were similarly reviewed at the Division and HQUSACE for appropriateness and the identification of alternatives. The Board of Engineers for Rivers and Harbors did a comprehensive critical evaluation of projects that were presented by Districts and Divisions for approval. In the early 1990s, the technical review function of the Divisions was eliminated, and the Witherspoon Report identified “Quality Assurance” as a mission of the Division office. The Board of Engineers for Rivers and Harbors was eliminated and the personnel in that organization were moved to HQUSACE. Districts were charged with ensuring the quality of their work (Quality Control). They were assigned responsibility for developing a Quality Management Plan that would drive their quality control program. Technical adequacy of technical products would undergo “Independent Technical Review,” by either another Corps organization (other than the one developing the technical product), or an independent contractor. Division offices and HQUSACE were to perform a check for policy compliance. Unfortunately, little changed in practical application at the Division level with the Witherspoon Report. All too often, projects continued to undergo some level of review by Division technical personnel for their

technical adequacy under the guise of a quality assurance check or policy review. Consider that the same people, who for years were doing technical reviews, were overnight transformed into policy compliance checkers. Their quality assurance role was never adequately defined. The result was delays in approval of technical documents that are forwarded to the Divisions and HQUSACE for a policy check, and feedback with suggested changes in approach as a result of what obviously are wholesale technical reviews. This is particularly evident in the review of planning documents. HQUSACE planners readily admit that it isn't possible to perform their policy review without including a review of the technical aspects of what is being proposed and questioning why various alternatives were or were not considered and/or chosen. These delays and the resulting feedback from Divisions and HQUSACE have been a source of continuing frustration for District personnel and customers (particularly Civil Works local sponsors). This process has negatively impacted mission accomplishment as well as customer satisfaction. In other words, the process has delayed the timeliness the customer seeks, and should be redesigned to provide what the customer values.

The Witherspoon report also characterized the Divisions as extensions of HQUSACE. A logical extension of this characterization would be a single policy check of planning and design documents. This would move toward the ideal future design of USACE 2012 as an organization with less bureaucracy, which more effectively aligns with national stakeholders, including customers and agency partners. Presently, both the Division staff and HQUSACE staff review documents, particularly planning documents, for policy compliance. This imposes unnecessary delays in processing documents, adds to project delivery time, and undermines the shared value of customer focus. The check should be accomplished at the national versus regional level, and only at the national level, to ensure consistency across regional and District offices and not negatively impact execution.

The role of the Division staff should be:

- To first ensure that Districts have the necessary processes in place to ensure high quality projects (a District Quality Management Program). Quality is designed in from the start.
- To gauge the success of the District's quality management program by first hand interaction with customers. This can be done by discussion, and supplemented by gap surveys, to assess their satisfaction with completed construction projects, the quality of the completed projects, and the performance of completed projects in accordance with their intended purpose.
- Ensuring PMPs contain QMPs.
- To assist quality assurance by making available high quality technical expertise to the region.

- Assist with the creation of “lessons learned.” Information should be shared across the region to District technical staffs, and, entered into the Learning Network web-based system (under construction 2003 for learning). The lessons learned function is something the Corps of Engineers has never done well. It is part of becoming a Learning Organization and the Division staff has a key role in validating the importance of learning from what works and what does not work, and facilitating the lessons learned process.
- Ensuring quality metrics are in place and regular feedback is provided to the Division Commander regarding project quality.
- Ensuring technical skills of PDT members and ITR team members are appropriate for the project being accomplished.
- Monitoring ITR processes and ensuring ITRs are independent.
- Minimizing the impact to mission accomplishment while still performing policy checks.

HQUSACE would be responsible for:

- Setting up the “Lessons Learned System.”
- Establishing a registry of technical skills.

A related issue entails those areas of expertise in which the Corps should be the recognized expert. We have heard time and again from stakeholders that the Corps’ credibility is tied to its expertise in such subjects as economics, cost estimating, hydrology, water resources and coastal planning. Practitioners belong in Districts to execute the work. But there is a need for world-class technical expertise in select areas at HQUSACE, particularly in these “credibility” areas, to respond to Washington level stakeholders and to act as team leaders in assembling technical experts from the field (including the labs) to prepare policy.

The Corps also has a very important responsibility to provide high quality budgetary information to the Executive Branch and to the Congress. This responsibility requires certain technical skills that help define core competencies. The Corps needs to home in on those areas of expertise, *those things the Corps of Engineers does better than anyone else*, the “core” technical expertise that defines the Corps of Engineers, and concentrate to ensure it is the world’s preeminent expert in those areas. In addition, as we learn that other forms of expertise are required to address the systemic problems of our customers and other stakeholders we should either develop the needed competence, or partner with others who can provide it.

Resourcing constraints and declining workload prevent the Corps from maintaining the same level of technical capability in all its Districts. The notion of a Regional Business

Center is built on the premise that what is important in a region is that high quality technical expertise exists somewhere in the region, and is available to all Districts in the region. Today's technology enables dispersed teams to work together virtually. This means that all expertise does not have to exist within a geographically defined region. The Division has a responsibility to organize the region for success, ensuring that the highest possible technical capability is organized and utilized, no matter where they are resident, to be effective for the customer.

Projects are a reflection on the entire U.S. Army Corps of Engineers first, the region second, and the District third. The role of HQUSACE and Divisions is to help the Districts deliver the highest quality projects. In an ideal organization, the quality assurance program would:

- Leverage appropriate technical expertise throughout the Corps to deliver the highest quality projects.
- Ensure District Quality Control Programs and processes are working.
- Identify up front which technical documents really require a policy check, and where those checks should be accomplished?
- Establish core disciplines in which the Corps needs to be the technical expert vice contracting for that expertise.
- Ensure availability of technical expertise to Districts for execution of projects.

## Strategic Thinking and Planning

Strategic thinking and working on strategic development of the organization is the primary responsibility of Headquarters (= HQUSACE + MSCs) leaders. This is defined more fully in the ideal future corporate design in this report. In 2002-2003 a great part of headquarters leaders work is operational. In the future, headquarters leaders will see that thinking strategically, creating strategic dialogue among themselves and with stakeholders is real work, and must be what their daily agenda is all about. One of the goals achieved by creating the ideal future corporate design is to free headquarters managers and leaders to do strategic work.

Strategic planning needs to emerge from interactive collaboration with stakeholders between levels, and from across the organization. No one office can be responsible for strategic planning. It should result from a strategic dialogue among line executives. It does not come from the work of staff units though these units can help do research that assists the executives. All senior leaders need to be involved in the strategic planning equation (either directly in open forum or through a designated representative, e.g., the Commander). The USACE Commander is ultimately the decision maker when it comes to strategic ideas, choices, and the strategic plan, which reflects his or her foresight and vision for the future. A commander's strategic plan should drive everything the

organization does. It must be regularly refocused when new learning, changes in the larger environment, and innovations indicate a better choice. It should help subordinate commanders schedule their effort and be a guiding force for integrating and determining investments of scarce funds and initiatives designed to shape the future. USACE has struggled to create a strategic planning process.

The current attempt at strategic planning involves a Commander's Planning Group (CPG) located in HQUSACE which is staffed with personnel who act as facilitators. They do not do strategic planning per se nor do they operate in a vacuum. *Strategic planning must actually be done by the senior leadership of the organization.* Today there is no regularly scheduled forum for strategic dialogue. Instead, mission related, operational issues marginalize the discussion of strategic matters on a regular basis. The Corps created a "Command Council" to promote discussion of strategic issues. But, to date, most discussion at the Command Council has been in the form of downloading status reports and "data dumps," or briefings related to mission accomplishment, and not strategically focused (one notable exception was a meeting at which each MSC Commander was required to present initiatives underway in their region for discussion with the rest of the command).

The Corps has also created an Issues Management Board, where Senior Executive Service (SES) members and general officers assigned to Corps Headquarters meet to discuss issues. Again, in practice, the focus is more on operational matters related to mission accomplishment instead of strategic planning. And the IMB does not include senior leaders from the MSCs (SEs or general officers). The Corps tried a Strategic Management Review forum to address strategic planning issues, but it never gained momentum or reached its full potential. A forum where dialogue on strategic issues is encouraged and demanded would help. The Command Council could also serve that function. But the experience of having brought into existence a CPG, a Command Council, an IMB indicates that *creating new structures like these does not create strategic thinking and planning.*

General Electric under Jack Welch used a unique approach to strategic planning in which the CEO gathered his subsidiary "mini-CEOs" and had a free flowing dialogue about what was happening and what should happen in the future. Each subsidiary contributed ideas based on what was going on (mission accomplishment) in their business. This was done regularly in intense sessions that were focused and led by a strategic thinker who saw himself as continually learning as well as educating. He drove his subordinate leaders to do the same. USACE should learn from the GE example, and stop investing false hopes in processes and structures that only waste executives time and produce no strategic thinking or dialogue.

The strategic planning process is further complicated by the dominant style of leadership. USACE senior leaders are Army general officers and SESs who were successful because of their focus on mission accomplishment. Military officers who attain the rank of General represent the best talent in the Army. They were promoted because they possess extraordinary abilities and demonstrated success serving in a variety of assignments including success commanding troops. Typically, they serve as Commanders in USACE for one to four years, until they move to a follow-on assignment. Their success is based on mission accomplishment during their tour. This short-tour-operational-focus dynamic makes it difficult for Commanders to become familiar with USACE and its diverse missions and at the same time, think strategically and plan the strategic direction of the Corps. However, as General Marshall noted half a century ago, our Army's senior leaders must become political soldiers and "become...expert in a whole new set of skills."

Strategic Leadership

*"It became clear to me that at the age of 58, I would have to learn new tricks that were not taught in the military manuals or on the battlefield. In this position I am a political soldier and will have to put my training in rapping-out orders and making snap decisions on the back burner, and have to learn the arts of persuasion and guile. I must become an expert in a whole new set of skills."*

General of the Army George C. Marshall  
(From FM 22-100, Army Leadership)

Civilian members of the SES also attained their position through demonstrated excellence serving in a variety of positions at different levels inside and outside USACE. They too possess unique leadership abilities. But oftentimes, their success was gauged by mission accomplishment, operational success as opposed to dealing with strategic issues.

USACE seems to have expected that creating structures is sufficient for strategic planning, but the evidence indicates that strategic planning is still not getting done. Most of what is done, even when labeled "strategic" is operational planning. Division and District Commanders have a role to play in crafting the strategic vision, as do members of the Senior Executive Service. Their experiences accomplishing the mission are essential to shaping the strategic objectives for the organization but their focus needs to be on the strategic, not operational.

Another element in USACE that has a role in supporting the strategic planning process by making a research contribution is the Institute for Water Resources (IWR). They are "deep thinkers" on water resource issues and need to be generally recognized as world-class experts. In recent years, funding constraints and stresses created on the HQUSACE organization, have refocused IWR away from strategic issues to more operational issues. Their strategic planning role is essential to the health and credibility of the organization and should be reconstituted and encouraged.

The latitude for meaningful strategic planning contributions is probably more evident in the Civil Works arena than the Military Construction Program where USACE is an executor of strategic planning done at the Army Staff level. Even so, USACE should

look for opportunities to contribute to the Army strategic planning effort either through the Office of the Chief of Engineers in the Pentagon, or the Chief of Engineers who sits on the Army Staff.

From a mission perspective, as the ideal future corporate design is implemented, USACE needs to consider the following with regard to its strategic planning:

- Strategic planning must consider presently assigned missions, the operational environment and how it could impact those missions, potential future missions, and compatibility of the strategic vision with the organization's capabilities and core competencies.
- Strategic planning requires understanding the dynamic forces changing the social, political, and economic considerations, new scientific knowledge, innovations, and the changing needs and strategies of stakeholders. This requires foresight and continuous learning, including learning from stakeholders, best practices, and learning cases of Corps' practices.
- Strategic planning must emerge from regular interactions between HQUSACE and MSCs which also have interactions with Districts.
- An interactive planning process and meeting culture needs to be created. The style of leadership for HQUSACE leaders must be clearly defined in terms of strategic thinking and behavior. These changes involve all strategic levels throughout the organization. The focus is how to align all aspects of the culture (the 7 Ss) with the ideal future, so everything the Corps does moves toward the future.
- Who should be engaged in the strategic planning process needs to be clear. The process should be regular and inclusive. The strategic process is a major focus of all HQs offices.
- The purpose and definition of strategic planning has to be clarified and shared by headquarters leaders. Leaders must agree to the answer of the question: strategic planning for what? Recognizing that the Corps is not a business, but a governmental agency, do the leaders agree that the purpose of strategic planning is to make the Corps a lean, flexible, responsive organization that quickly adapts to the changing needs of principle stakeholders? In other words, how to be an organization that continually learns how to increase effectiveness.
- There needs to be a repository for research, ideas and factors to facilitate the organization's strategic plan and ongoing strategic process. That repository is rightly located at HQUSACE.
- USACE's strategic thinking and planning must contribute to and align with Army strategic planning.

## Regional Business Center (RBC) 2012

Notwithstanding the assigned missions of Command and Control, Program Management, Regional Interface and Quality Assurance, the primary mission of the Divisions is and should be to operate the Regional Business Center. The term “Regional Business Center” refers to a concept of operation, a way of doing business, which concentrates on delivering projects efficiently (doing things right) and effectively (doing the right things) by leveraging the total available resources across a region.

It is helpful to put the Regional Business Center concept into historical context by briefly reviewing the evolution of the Corps structure over the past 200 years and contrasting that with the evolution of the private sector Architect-Engineering-Construction (AEC) industry. As Army Corps of Engineers geographical district headquarters developed across the United States in the early 19<sup>th</sup> Century, their organization and processes reflected their era of great distances and limited communication and transportation connections. They were, by today’s standards, quite isolated and local commanders required a full suite of expertise to execute their mission. These early Corps Districts, entirely consistent with military doctrine of the day, were highly decentralized and independent. Most private firms operated in a similar fashion since they too were constrained by the same limited communications and transportation systems.

As communication and transportation systems improved, many industries, most notably heavy industries such as automobile manufacturing and steel, consolidated their operations. This trend accelerated significantly during and following the Second World War. However, with the exception of a handful of large international construction firms, the U.S. Architect-Engineer-Construction (A-E-C) industry continued to operate with local offices of large firms acting as independent “profit centers” (similar to Corps Districts) with each office maintaining a large suite of expertise and in direct competition with other offices of the same firm, as well as other firms. For example, the Denver office of Firm X would compete with Firm X offices in Seattle and Los Angeles, as well as a dozen other firms, for work in Salt Lake City. This trend continued into the 1960s when U.S. A-E-C firms started developing integrated teams, pulling together their best and most competitive assets, regardless of where they sat. This changed the profit center for these firms to a regional or, in many cases, corporate level. Firms following this integrated approach very quickly began to dominate the market as a result of the high quality and low costs that they were able to achieve.

Following this initial trend was a movement across the A-E-C industry to regionalize or centralize design into “centers of excellence” whereby a relatively high, consistent volume of interesting and challenging work allowed firms to significantly reduce overhead costs, eliminate redundancy, and, attract, retain and train a high quality workforce. This latter trend proved to be particularly challenging; the issue was how to provide high quality, low cost deliverables, while remaining close and responsive to the client. Those firms who successfully met that challenge survived; those who did not either went out of business or were taken over.

Throughout this period of revolutionary change in the A-E-C industry, the Army Corps of Engineers, the world's premier public engineering organization, remained immune to these changes and continued to operate as it had in the early 19<sup>th</sup> Century. It did so despite the increasing demands of its customers and stakeholders that it operate as a "best in class" business, effectively utilizing lessons learned from the private sector and leveraging 21<sup>st</sup> Century technology and systems. The rest of the Army, meanwhile, had dramatically modified its doctrine for the new age and no longer allowed commanders at the brigade level to maintain an entire suite of expertise integral to their units - they are forced to draw upon centralized support, not unlike the A-E-C industry's "centers of excellence."

In the late 1990s, USACE leaders decided that the Corps should move from 41 independent "business units" to eight regional business centers organized around existing Divisions. This marked a huge shift in the culture, organization and processes of the Corps

The Regional Business Center is not a physical unit, a geographical location, a body/organization of people, or a block on an organizational chart. The Regional Business Center is a concept used to describe a way of doing business that grew out of a continuing period of declining workload and resources and improvements in transportation and telecommunications. The U.S. Army Corps of Engineers can no longer afford forty-one full service Districts that look the same and possess the same level of technical capability. The workload assigned to many of the Districts simply will not support "full service" capability. Coupled with the political mandate to not close any District offices it is apparent that a new way of doing business is needed as the Corps enters the 21<sup>st</sup> Century.

The Regional Business Center is characterized by utilization of the Project Management Business Process as the basic business process. Districts share experiences and build trust through collaborative relationships. Workload is shared, so the best talent is devoted to an issue. It is not so important who is assigned the work by virtue of an assigned mission or geographical location, as it is that the best talent in the Corps of Engineers is brought to bear to accomplish the mission. Delivery of high quality projects on time and within budget to a delighted customer is of paramount importance. Relationships are fundamentally important and the primary responsibility for maintaining an effective trust-based relationship with the customer is vested in the project manager. Learning opportunities are maximized through formal training, mentoring, partnering with other Federal agencies, professional organizations, universities and the private sector, and most importantly, experiences, good and bad, are shared with counterparts across the region (and throughout USACE).

Customers benefit from this new way of doing business because it provides access to a broader range of high quality talent, resulting in better quality products and services delivered more consistently. Customer care is improved through streamlined operations

(“One Door to the Corps”), simplified operating procedures (greater ease of doing business), lower costs, improved efficiencies, and greater responsiveness.

Corps employees also benefit. By leveraging resources to meet fluctuating peaks and valleys in workload, employees enjoy more stability. They have the opportunity to work on a broader variety of work assignments, providing more challenging opportunities. Jobs are no longer location specific; collaboration and cooperation increase individual skills and expertise, enhancing technical capability. Training, development and learning opportunities are significantly enhanced. By becoming part of the larger team, individuals benefit from the experiences of counterparts located elsewhere in the region. Professional growth opportunities are enhanced, as is job satisfaction.

Finally, to USACE itself, a regional approach lowers the overall cost of doing business, delivers higher quality products and projects quicker and more efficiently, and makes the Corps of Engineers the preferred source of design and construction services for other Federal agencies. Leveraging resources to accomplish a regional mission facilitates the learning process across regions providing for a better Corps of Engineers. Technical capability centers, concentrated in a few Districts, enhance technical collaboration throughout USACE. Improved technology transfer leads to state-of-the-art expertise guaranteeing high quality projects and customer satisfaction. Forward deployed project managers bring the technology to bear on assigned projects.

The arguments for a regional approach to mission execution are compelling. Notwithstanding the benefits and sound reasons to operate as a Regional Business Center, cultural barriers stand in the way. First and foremost among the barriers is loyalty to the District as opposed to the region. Traditionally, Districts succeeded by what they accomplished within their boundaries, with their organic resources. Similarly, the success of commanders and senior leaders was based on individual accomplishment within their respective organizations. USACE performance indicators and measures of success have focused on the District as the operating unit as opposed to the region, creating a reluctance to rely on capability outside the District to accomplish the mission. In addition, these metrics create an atmosphere of competition between Districts as opposed to collaboration to accomplish a greater mission. Employees operate in a comfort zone centered on the District. Anything else is viewed as a threat to job security. Control creates comfort, that which you control is preferred to that which is under the control of others. There also is the natural resistance to change and fear of the unknown.

Oftentimes, regionalization and regional operations are viewed in the context of winners and losers. The Regional Business Center is not about District “X” and District “Y.” It is not about giving something up or gaining something. It is about the U.S. Army Corps of Engineers delivering high quality products and projects and organizing itself in the most efficient manner in a resource constrained environment. USACE will have succeeded in implementing the concept when employees stop identifying themselves as working for District “X” or District “Y,” and instead identify themselves as working for the U.S. Army Corps of Engineers in location “X” or “Y.”

Senior leaders must become rabid advocates for this vision of the future. They must communicate the benefits of operating as a Regional Business Center to District employees, and look for opportunities to employ a regional approach. Immediate changes to the manner in which we measure success and gauge success for employees in the District will facilitate the cultural change needed to adopt this new way of doing business. Regional leadership development initiatives, regional technical experts and regional points of contact for key customers all enhance the Regional Business Center concept. Collaboration and cooperation must be rewarded before individual achievement. The vision must be understood and embraced throughout the Corps in order to produce the necessary change.