

# DRAFT

## USACE 2012 FUTURE CORPORATE AND HEADQUARTERS DESIGN STUDY



ALIGNING THE  
U.S.ARMY CORPS OF ENGINEERS  
FOR SUCCESS IN THE 21<sup>ST</sup>  
CENTURY

FEBRUARY 2003

# SUMMARY OF RECOMMENDATIONS

*Since the Revolutionary War, the Army Corps of Engineers has been providing vital services to the Armed Services and the Nation. With a critical role in supporting the Army, the Corps is integral in such diverse areas as the quality of life and readiness on installations to transformation of the force for the future. The Corps is critical to the well-being of the Nation's economy and environment through developing, managing, protecting and improving our nation's water resources. Members of the Corps are deployed across the nation and around the world, working hard to maintain the high standard of public service and technical excellence and do what is right. Times have changed and so the must the Corps.*

The USACE 2012 Future Corporate and Headquarters Design study was initiated specifically to address the missions, functions and structure of the Headquarters and Major Subordinate Commands (Division Offices) of the U.S. Army Corps of Engineers. During the course of this study, many issues were raised and suggestions offered that were relevant, but beyond the scope of this study. Recommendations 1-4 below specifically address those issues within the scope of study and contain a much greater level of analysis and detail. Recommendations 5-13 will require additional analysis and evaluation before they can be adopted.

While a structural change is needed to eliminate redundancies and provide better quality products, changing structure alone will not address many of the challenges we face. The transition to the Project Management Business Process promises to make the organization more responsive, but we also need to change our culture to one that respects functional

expertise while encouraging teams to operate along the other axis—regionally or programmatically. The philosophy, rationale and logic used to develop these recommendations are contained in the body of the report.

## THE ORGANIZATION OF THE CORPS

As we enter the 21<sup>st</sup> Century, realignment of the Headquarters and Major Subordinate Commands (Division Offices) of the U. S. Army Corps of Engineers (the Corps) is required to assure we are responsive and that we effectively and efficiently accomplish our missions. The organization must become lean, flexible and responsive in order to adapt quickly to the changing needs of those we serve.

### RECOMMENDATION 1

Adopt and implement the “One Headquarters” organizational strategy. Regional Offices are “Headquarters Forward” and are the eyes and ears of the Chief of Engineers in the geographic area. Functions should reside where they will produce the most value and should not be duplicated.

### RECOMMENDATION 2

Focus the Headquarters office in Washington, D.C. on strategic learning and direction, national relationships, national policy, and creating conditions for success throughout the entire organization. Because of the nature of the strategic relationships in Washington, there is a need to address project specific issues. However, this involvement should be limited and coordinated within the vertical team.

### RECOMMENDATION 3

Focus the Regional Offices on creating conditions for success that enable the accomplishment of missions at the District level. Managing the resources of the Regional Business Center, capacity building, leveraging learning and technology, program management and regional relationship building will do this. Move operational functions to Districts.

**RECOMMENDATION 4**

Align elements of the Washington and Regional Offices to implement the first three recommendations. A Preferred Structural Alternative is included in this report.

**RECOMMENDATION 5**

Define and implement the Regional Business Center 2012.

## **EFFECTIVENESS OF CORPS PROCESSES AND OPERATIONS**

**E**ffective Corps processes and operations require changes in the focus at the various offices and the manner in which services are provided.

**RECOMMENDATION 6**

Retain a small cadre of world-class experts in core mission areas at the Washington level to assure that Corps expertise is state-of-the-practice and to foster wise policy development. Implement the Corps' Strategic Human Capital Plan in support of the President's Management Agenda. These actions will allow the Corps to recruit and retain the world-class technical capability necessary for the 21st century.

**RECOMMENDATION 7**

Concentrate technical capability at the working level of the organization where it is constantly used and will be continuously honed. Undertake a critical examination of how best to leverage this expertise across the Corps.

**RECOMMENDATION 8**

Redesign the Corps strategic planning process. Strategic planning is the major responsibility of Corps senior leaders.

**RECOMMENDATION 9**

Organize the Corps Headquarters along a limited number of mission related functions and, when appropriate, outsource the operational functions of the Headquarters offices.

## RELATIONSHIPS AND RESPONSIVENESS

The Corps must immediately change to become more responsive, thus strengthening the many partnerships and relationships we have in serving the nation.

### RECOMMENDATION 10

Adopt the “One Policy/One Review” rule in the Headquarters and develop business processes that support this rule.

### RECOMMENDATION 11

Include stakeholders and partners on our Project Delivery Teams as co-producers; assure they are full partners.

### RECOMMENDATION 12

Institute protocols to ensure that business practices do not negatively affect our responsiveness to those within and outside the Corps. This includes tele-commuting, alternate work sites and flexible duty schedules, long meetings, voice mail and email.

### RECOMMENDATION 13

Develop action plans to institutionalize our Communication Principles throughout the Corps.

# FOREWARD

The U.S. Army Corps of Engineers has constantly worked to improve its people, processes and communications. Over the past 20 years, numerous studies were conducted and proposals developed to reorganize various components of the organization. Thousands of man-hours were devoted to these studies, credible conclusions were reached and sound recommendations were advanced. Changes were made, but not to the degree that we need to be responsive in today's environment.

The objective of this study is to create the ideal future corporate design for the U.S. Army Corps of Engineers. This has been a strategic need of the organization for a long time. Describing the ideal future is one thing. Leaders understanding the need to change, how to change and then changing, are much more difficult and significant challenges both for leaders and the organization.

Previous studies started with the existing organization and reconstituted some of the various pieces, along with the various missions and functions, into new structural proposals with good intentions, but the same traditional, industrial-age, hierarchical culture. The results were an organization where structure does not foster responsiveness to our stakeholders, partners and overseers. We have too many layers, there are too many separate functional decisions to be made and there is too little collaboration across organizational lines.

The approach this study team has taken is fundamentally different – we have approached the problem from a number of perspectives:

- **Those We Serve.** We conducted personal interviews with members of the Executive Branch, Congress, Department of Defense customers, sponsors, partners, associations and other stakeholders. We solicited views on missions, roles, technical expertise, areas for improvement, business

*“If you don't like change, you will like irrelevancy a lot less”*

*GEN Eric Shinseki  
US Army  
Chief of Staff  
2002*

*“Even though change is difficult, let me assure all the elements of the Army organization—Soldiers in the Active and Reserve Components, civilian employees, contractors, and their families—and the American public that these changes are essential if we are to achieve the goal of providing the maximum possible security for the citizens of the United States.”*

*Honorable Thomas White,  
Secretary of the Army*

practices, the ideal vision of the Corps, and other areas of concern.

- **Those Who Serve.** We conducted personal interviews with Corps senior leaders and obtained the perspectives of emerging leaders and over 350 Headquarters and Division team members. Functional leaders of all Headquarters staff elements provided their vision for the Corps and their respective functions in 2012.
- **Missions We Perform.** As each alternative was developed, we analyzed and considered the missions of command and control, policy development and implementation, program management, national/regional interface and quality assurance.
- **Lessons Learned.** We incorporated lessons learned into the formulation of each alternative based on our previous attempts to change.
- **Systems approach (7S Model).** We created the *Ideal Future Design* using a systems approach. Our *Ideal Future Design* is based on a point 10 years into the future and uses the 7S framework (see box).
- **Alternative Structures.** Five alternative structures were developed during offsite meetings of the team. These alternatives are focused on only one of the 7Ss: Structure. The team selected important elements from these structure models and developed a sixth Preferred Alternative to move toward the Ideal Future Design.
- **Vetting.** After developing the *Preferred Alternative*, the team leader held a series of meetings with the leadership of the two major program directorates (Civil Works and Military Programs), the USACE Chief of Staff and the Deputy Commanding General. Draft copies of this report were presented, discussed and issues clarified. Suggestions were made to the study team to improve and strengthen their recommendations. With these recommendations in hand, the study team agreed with the suggestions and developed Alternative #7, *Integrated*

#### 7S or Seven S Model

*The 7S model (better known as McKinsey 7-S) was originally developed as a diagnostic for organizational effectiveness, and consists of seven elements -- Structure, Strategy, Systems, Shared Values, Skills, Style and Staff). The Learning Advisory Board modified the 7Ss (to Structure, Strategy, Systems, Shared Values, Stakeholder Values, Style of Leadership, and Skills) for use by USACE's leaders as a systemic tool to align all elements of culture for transformation. The USACE Learning Organization Doctrine discusses the 7Ss more fully.*

*Corporate Alignment*, the Preferred Structural Alternative, which is presented in this report. The other six alternatives developed are presented in Appendix F, *Alternative Analysis*.

The reader is encouraged to fully consider: the views of internal and external stakeholders; the missions the Corps is charged with executing; lessons from previous structure change initiatives, and; all elements of the 7Ss model and their interactions. All parts must be understood as a whole social system (organization or culture) to understand the logic behind the structure proposed, and to realize the structure's potential to contribute to a more effective Corps. The collective leadership of the Corps must align all of the "Ss" with the *Ideal Future Design*. ***To only consider the recommendations of the report without understanding the systemic nature of the Corps' organization and work will likely leave the reader confused, or at minimum, expecting too much out of changing the structure.***

*United States Army: Transformation Initiatives For Major Commands And Field Operating Agencies*

*...transformation requires a holistic approach to meeting the demands of the National Security Strategy. —It includes a fundamental review of how The Army organizes, mans, equips, trains, and develops its leaders to execute its doctrine in the 21st Century.*

*The changes The Army is undertaking are intended to achieve efficiencies and increase responsiveness with tailorable operational headquarters capable of supporting a range of coalition, joint and Army contingency operations.*

*To the maximum extent possible, The Army is integrating common headquarters functions into a single, functional organization.*

The main body of the report is designed to be relatively short with more detailed analysis provided in the appendices. While there is a short statement of the *Ideal Future Design* in the

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body of the report, this cannot be fully understood without reading the full description of USACE 2012 in Appendix C.

# DRAFT

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# THE CASE FOR CHANGE

In the year 2012, the U.S. Army Corps of Engineers will:

- Be respected and valued by the Army for its support to the war fighter;
- Be trusted and respected by the Executive Branch, Congress, the media and the public;
- Meet the Nation's water resources needs efficiently, effectively, and economically while sustaining the environment;
- Be led by a Headquarters organization that creates the conditions for success to meet the expectations of those we serve;
- Spend more time working with stakeholders and less time managing the internal bureaucracy;
- Be a preferred Federal employer with team members performing meaningful jobs in a smaller organization;
- Have information systems that work seamlessly and reliably from any geographic location;
- Use a web-based Learning Network that provides best practices, e-learning, innovations, and regular dialogue for Communities of Practice;
- Have a reputation of doing what we say we will do;
- Be led by strategic thinkers continually learning from customers and partners, other stakeholders, Federal and state agency partners, and from the organization's experience of what works,

OR

*The U.S. Army Corps of Engineers will no longer exist in 2012, because we did not have sufficient courage to change.*

The Corps is unique among Federal agencies. We build and operate civilian and military facilities and water-resources infrastructure, yet we also have a regulatory environmental function. We are part of the Army, a service organization for

## Deep Change or Slow Death

*"As fast, furious, and constant change takes root in our everyday work lives, putting pressure on both organizations and individuals to adapt or perish, many of us are choosing a dangerous tactic: keeping our heads down, our mouths shut, and simply taking our paychecks to the bank--a no passion, no-commitment work ethic. .... a path of slow career death--a path that also affects the competitiveness, progress, and overall health of the organizations in which we work."*

*Robert E. Quinn  
"Deep Change"*

governmental agencies and partners with the private sector. Officers of the U.S. Army lead the largely civilian workforce. Professional civil servants under the leadership of military officers generate a unique synergy: an experienced cadre of civilian technical expertise under disciplined military leadership. We are part of the Executive Branch and take direction from them while serving the mandates contained in the funding provided by the Congress under the laws of the United States. Additionally, our cost sharing sponsors not only provide funding but are essential partners in successfully accomplishing our work. The satisfaction of one stakeholder often rankles another. Few Federal agencies have such a complex culture, multi-directional relationships, and varied missions.

The Corps increasingly faces an economic and political context challenging 226 years of tradition and service to our Nation. These challenges include complex demands and systemic problems of customers and stakeholders; new kinds of work; the need to attract, retain, and motivate a changing professional workforce, and a global and national environment that demands a lean, flexible organization with highly efficient practices. These new stresses exacerbate normal tensions between internal elements and structures, especially when there is no shared strategy to reshape the whole organization to meet these challenges.

The context within the Federal government is also changing. In the eyes of the public, the Federal government is not performing nearly as well as it should. This has led to a multitude of management initiatives. Agency performance is being measured against specific program performance objectives. Many of the current proposals to consolidate Federal agencies or to increase competitive sourcing of non-core functions are viewed by some as threats. Strategic agencies will embrace these initiatives as opportunities to improve their organizations to better serve the people of the Nation. Agencies that resist these changes run the risk of becoming irrelevant in the future.

Although the Corps has some unique challenges, we share many of the same problems being experienced throughout the entire Federal government. Selected quotes from the recently

released report of the National Commission on the Public Service, chaired by Paul Volcker, former Federal Reserve Chairman, are presented on the following pages.

Selected Quotes from  
URGENT BUSINESS FOR AMERICA  
REVITALIZING THE FEDERAL GOVERNMENT FOR THE  
21ST CENTURY  
REPORT OF THE NATIONAL COMMISSION ON THE  
PUBLIC SERVICE  
JANUARY 2003

*The need to improve performance is urgent and compelling. Across the full range of government activities, new demands are accelerating, and the pace of change is quickening. At the same time, the Federal government has had difficulty in adapting to the knowledge based economy and taking advantage of the significant advances in technology.*

*The Federal government is neither organized nor staffed nor adequately prepared to meet the demands of the 21st century.*

*Capacity and performance in government do not now equal public demands and expectations.*

*The seemingly coherent mid-20th century organizational structure of the Federal government has been overtaken by events. Today, we have inherited an accumulation of particular organizations that follow no logical pattern. As a consequence, public servants often find themselves in doubt about the relevance and importance of their agency's mission while spending inordinate amounts of time coordinating or battling with their counterparts in other agencies. In energy policy, health care, environmental protection, resource management, and scores of other important public matters, decisions are made and remade from different perspectives.....but central principles and core structures changed little.*

*This ad hoc layering of agencies, departments, and programs greatly complicated management, expanded the influence of powerful interests, and diminished coherent policy direction. The Federal government today is a layered jumble of organizations with muddled public missions.*

Selected Quotes from  
URGENT BUSINESS FOR AMERICA  
(Continued)

*American citizens and their national government face a variety of new and demanding challenges in the 21st century. People live longer and the average age of the population will continue to increase.*

*New technologies are bringing far-reaching changes in the way we work, produce our food, obtain and communicate information, and care for ourselves.*

*Globalization, the extraordinary needs of developing nations, and the availability of weapons of mass destruction to non-state actors are redefining national security and international relations. In the United States, there are accelerating demands on limited resources like fuel and water.*

*Those with policy responsibility find their decision-making frustrated by overlapping jurisdictions, competing special interests, and sluggish administrative response. Those who enter the civil service often find themselves trapped in a maze of rules and regulations that thwart their personal development and stifle their creativity. The system has evolved not by plan or considered analysis but by accretion over time, politically inspired tinkering, and neglect.*

Another less tangible, but equally alarming development has occurred in recent years.- Trust and credibility-- a hallmark of the U.S. Army Corps of Engineers for over 226 years—has eroded in the eyes of many of our diverse stakeholders, partners and overseers. The bonds between the Corps and those we serve, essential to our service to the Nation, are frayed. The credibility and reliability of our work products have been called into question. Our responsiveness, efficiency and too often our integrity are broadly challenged as we enter a new century.

The case for why the Corps must change is well laid out, and change provides the Corps with unprecedented opportunities. Technology is increasing exponentially as is our ability to solve problems by leveraging the expertise of our partners, customers and stakeholders. Scarce resources can mean that if we focus on getting the best talent available, we can keep it constantly honed by performing exciting work. Virtual teaming allows for the expert to be a continent or even several continents away, but still an integral member of the team. Managing programs and expertise at a regional level means providing meaningful, challenging work for our employees that is not just confined to the local area. The complexity and criticality of our work, scarcity of resources, and the instant nature of communication argues for us to do our best the first time without rework or lost effort.

This study addresses these new realities and calls for needed changes in the size and functioning of the Headquarters but, more importantly, how we view the work and work practices that we perform in the Headquarters of the U.S. Army Corps of Engineers. Clarification and consolidation of responsibilities of the Headquarters staff, combined with greater delegation of operational responsibilities to regional and local Corps managers, must be the hallmark of our progress.

After considering the views of internal and external stakeholders and factors affecting the Ideal Future Design, this report analyzes a number of structural alternatives, and recommends one structural change as best approximating the ideal future. ***But the results of structural change are always over-inflated, since changing structure can only be a part of what is necessary to change culture for the ideal future.*** Through a rigorous analysis of where we are today, and accepting a short delivery date, this report also provides the missing picture of the Corps in 2012 as best as our foresight allows.

The team producing this report recognizes that this report must be discussed fully by the senior leadership in the Corps, and interactively by them with other leaders inside and outside the organization. Corps team members have a stake as well as they have often voiced passionately how we need

*With every passing day, the gap between expectations and responsive capacity is growing. If we do not make the necessary changes now, when our needs are clear, we will be forced to cope with the consequences later in crisis after crisis.*

*The Volcker Report*

to change. Decisions to change will not be easy and may not even be agreed upon, but if we are to continue to serve, change must emerge from this interactive leadership dialogue. If this document remains a report on the shelf or the hard-drive, we have failed.

Corps senior leaders must decide to do today what is necessary to realize the Corps' ideal future tomorrow. This is our *strategic* responsibility. If we decline to accept this responsibility, we will be driven only by the urgent, but largely reactive, operational crisis of the moment.

# VIEWS OF THOSE WE SERVE AND THOSE WHO SERVE

The U.S. Army Corps of Engineers has served the Nation for over 226 years. One of our great strengths has always been our ability to adapt to and meet the changing needs of our country, and increasingly, our global partners. Feedback received indicates that if we want to continue to serve in the 21<sup>st</sup> century, we need to continuously improve, because what was good enough in the 20<sup>th</sup> Century, is not good enough today.

Significant improvements in Corps business processes, responsiveness, teamwork, sharing of lessons learned and communications practices are needed in order to improve our credibility and relationships. These are the key messages received from over 30 personal interviews with *those we serve* in the Executive Branch, Army, Air Force, Department of Defense, Congress, other governmental agencies, private industry, and associations. These are virtually the same messages received from *those who serve* – Corps employees – from over 80 personal interviews with Headquarters, Division, and Laboratory representatives, District personnel, and more than 350 online responses from Emerging Leaders, and Regional and Washington Headquarters employees.

Interviews and questions focused on areas of concern and recommended areas for improvements. We did not ask respondents to tell us what we were doing right. Despite this, many respondents noted that they were impressed with our professionalism, that they depended on our diverse expertise to accomplish their work, and that many relationships were solid. The results of all interviews were summarized and analyzed. Appendix B contains the actual questions used and analyses of the most frequent responses. Significant improvements in our Strategic Vision focus areas -- *People, Process and Communication* -- are key to accomplishing this transformation. The following key quotes and themes extracted from the interviews express these concerns.

*“If you spend more time asking appropriate questions rather than giving answers or opinions, your listening skills will increase.”*

*Brian Koslow,  
Business Consultant*

*“We are born to have two ears – one left, one right so we can hear both sides, collect both the compliments and criticisms, to see which are right.”*

*Our Greatest Wealth,  
Anonymous*

## PEOPLE

### Those We Serve

*“We’re all stakeholders on an equal basis, there are no external or internal stakeholders. Any failure is OUR failure.”*

*“There is underlying concern (in the Congress) about the integrity of the Corps.”*

*“A lot of Headquarters and Division managers tend to manage by passing messages back and forth and are not as responsive as they need to be.”*

*“Things can happen quickly and they (Congress) needs information quickly. They hate surprises.”*

*“Corps attitude is “our way or no way”.*

*“I wish the Corps recruited and rewarded engineers who are focused on environmental restoration as much as they do engineers who are focused on other traditional engineering things.”*

### Those Who Serve

*“Our offices are competing with each other versus having a corporate, holistic focus.”*

*“Credibility with both customers and employees is on the line.”*

*“One word, “leadership”. There is serious lack of trust that leaders will do the right thing, or anything at all that is of actual benefit to workers.”*

*“I met a customer from HQ USAF, he was at HQ for another issue, and went to see the (Project Manager) to talk issues while he was here and found nobody! They were all out telecommuting that day.”*

*“We’re not responsive to the needs and desires of our customers.”*

*“Acknowledge that I am important and do good things for our organization...we only promote men with P.E’s.”*

The primary areas of concern revolved around people, culture and our interaction with one another. Typical concerns expressed by respondents were that the Corps: adopts a “we versus them” attitude and does not treat others as equal partners; may not be credible; passes papers around in a

bureaucratic maze; fails to respond when someone asks for help; is arrogant and inflexible, and; disproportionately addresses the needs of some stakeholders over others.

Team thinking and behavior are essential skills to produce successful solutions to problems. As such, we will succeed or fail together. *Those we serve* feel they are not always treated as full and equal members of the team. *Those who serve* feel there is too much internal focus on “my turf” versus thinking corporately. In both instances, a failure to build relationships often contributes to the problem.

Trust is the foundation for all relationships. Feeling secure that a person’s word is their bond is necessary for successful partnerships. In some circles, there is concern with our integrity and credibility. Where hundreds or millions of taxpayer dollars are involved, our customers and stakeholders depend on us to provide technically accurate, balanced information and decisions. If someone we serve or our own employees feel the need to seek out other sources of information to verify what has been presented, or determines they have been given distorted, biased or inaccurate information upon which to make a decision, a significant loss of trust occurs.

We are perceived by some as being involved in a paper game whereby we shuffle paper from office to office versus talking to each other to arrive at a timely decision. In addition, we are seen as being so preoccupied with this shuffling that we do not answer when a customer or a co-worker calls. Our work schedules, locations and level of response are based on what is convenient for us, not necessarily what is in the best interests of our customers or co-workers. Even worse, in some instances no one is physically present to answer the phone when help is needed.

An arrogant attitude and being afflicted with “not invented here” syndrome are two more common maladies described by respondents. Different opinions and different levels and types of expertise exist, yet we tend to put greater weight on our Corps expertise. Inside the Corps, we are perceived as reinventing products or services that are readily available from elsewhere to ensure that it has the Corps brand.

There is a perception and concern that we value input of certain stakeholders over others. Interviewees expressed that the Corps does not provide balanced consideration for diverse points of view and needs when preparing a decision document or planning work, and fails to provide balanced support and opportunities for all employees.

## PROCESS

### Those We Serve

*“You don’t measure success with my (customer’s) yardstick.”*

*“As a first class benchmark, the Corps needs to execute all of its programs as effectively as we do emergency operations.”*

*You should fire all 41 people engaged in determining timelines in your Districts – a contractor will take as long as you give him.”*

*“The Corps is a four level organization (District, Division, HQ, ASA,) and if you add OMB, it is really 5 levels: the Corps lacks strong coordination among all levels.”*

*“Does the Corps need to perform these services (Project Management) or can more of this type work be accomplished by the private sector?”*

*“Do not get into a “one size fits all” mentality. Your support must be tailored and scalable.”*

### Those Who Serve

*“We need clear measures of success specifically, and most importantly – customer satisfaction measures”*

*“We need to cut down on all the bureaucratic wasted efforts and let us do our jobs.”*

*“I sent a PCA out in April for a normal 60- day review and I’m still trying to get it worked out 210 days later.”*

*“All Districts and Divisions operate as their individual fiefdom/kingdom.”*

*“My customers are tired of talking to non-engineers on engineering problems. They say they don’t need program managers, they need engineer experts.”*

*“One size fits” all guidance is not empowering us to make the right decisions for our*

*situation.”*

The primary focus of comments on *Process* related to the way we conduct business, failing to measure success with our customers’ yardsticks; meandering through a bureaucratic maze; being slow and expensive; failing to be responsive; and adopting the philosophy of “one size fits all.”

Regardless of how smoothly a product was produced or how high the resulting quality, if the outcome was not what the customer wanted or needed, we have not created lasting relationships to better serve the Nation. We have been told that we do not consistently define what success looks like for employees, how we will measure their performance, or how we will know that we have achieved success.

From an external perspective, a maze best describes the Corps complex, bureaucratic organization. A perception exists that everyone is concerned only with accomplishing their portion of the project. When an issue requires resolution, one must search for the “answer person” or decision-maker. If they successfully jump the first hurdle and receive an answer, they may discover more hurdles ahead - other “answer people” waiting to give them two or three more decisions. We may end up with three totally different answers, yet each source is fully convinced that their opinion is the correct one because it favors their office or their customers’ interests. These repetitive layers of review and divergent opinions that take significant time to resolve, if ever, are contributing factors to the criticism that we are too slow and too expensive.

Providing the right contact for the right situation is another challenge we face. Most see value in the concept of having a single point of contact for a particular project or for a particular stakeholder group. The idea of searching endless telephone listings of people in offices and guessing which is correct, being bounced from one person to another, or navigating endless pages on the Internet is distasteful and undermines our effectiveness. The point of contact needs to be the “right” one -- someone who has a healthy relationship with those they serve or work with, and who has the knowledge necessary to answer the question being posed.

We sometimes fail to leverage, and sometimes even discourage, existing relationships between our employees and those they serve.

One size fits all rarely fits well, yet we are viewed by some as attempting to wedge customers' needs into tidy, existing packages versus providing customized solutions that serve both the customer and the Nation. Those who seek solutions from us expect the best solution for their particular circumstance. The same is true for our workplace, in that we are often told, "you must do it this way, no exceptions."

## COMMUNICATION

### Those We Serve

*"Need to remain relevant to the public interest. The Corps is not the only game in town."*

*"Generally, we hear bad news from others. We should hear it from you."*

*"When west coast ports shut down due to a labor dispute, it became a national security issue. When ports shut down due to lack of dredging it is not an issue."*

*"The Corps is content to sit back and watch and wait."*

*"There is wide variation in the sophistication between Districts. Need to operate regionally and share expertise among Districts."*

*"Communications with District are good and frequent, but when HQ and MSC's become "hands on" it takes a long time*

### Those Who Serve

*"The Army and the nation don't think we are relevant."*

*"We don't pay for our mistakes or admit them."*

*"Need to be proactive with news releases and public outreach for the "good" things the Corps is doing worldwide."*

*"Get our heads out of the sand and stop thinking we are untouchable."*

*"I'm asked, why can't you do it like X District or Y Division?"*

*"I recently came from the field to the Division. I am a very-involved-in-resolving-issues person. I was told to get out of*

*to get them spun up.”*

*the mode of “helping” those in the field -- “we don’t do real work, we just oversee it.” Seems like a really bad attitude to me.”*

Of greatest concern to the survey respondents were our lack of communicating our value to the Army and the Nation, our reluctance to admit mistakes, a seemingly arrogant and untouchable attitude, a failure to share lessons learned, and inconsistent communication across the organization.

Despite having played a vital role in our country’s development, few of those we serve, or those who serve know the diversity and value of how the Corps serves the Nation. Those who deal with civil matters (emergency response, navigation, flood and coastal storm damage reduction, environmental, etc.) generally know little about the military support we provide or that we are currently working to improve quality of life in over 90 countries. Those who deal with military matters (providing engineering, construction and environmental support, along with research and development to the Armed Services) are unaware that in addition to our engineering mission, we manage 12 million acres of lands and waters and are the leading federal provider of recreation - pumping \$15 billion back into our economy annually.

Organizations are comprised of people, and people are not infallible. Despite careful planning and technical expertise, occasionally things will go wrong. What one group sees as a total success, others may see as a failure. Finding the right balance and taking a more holistic (watershed) view are areas where improvement is needed. In some instances, we are reluctant to release information in order to counter rumor and misinformation. We appear to think that if we quietly do good work, someone will notice and tell our story for us. Yet, it is difficult to tell someone’s story if you have not heard it. What people “see” may be interpreted in different ways, or is a partial story.

“The Corps has always been here, why should we change now?” is a sentiment of concern to many. We do not live in a

static world. Our Nation has undergone periods of extensive expansion and industrial development in order to improve our quality of life. Today, the essence of work is knowledge and service customized to what solution helps the customer succeed. We are more concerned about the environment and many desire sustainable development. Policies and regulations developed in the past may not address the changing needs of today. To be relevant, we must communicate and show that we are making necessary changes and would like to work in unison with partners versus in isolation.

Some said no two Corps offices do things alike. Instead, a sense of competition often exists between offices versus corporately sharing lessons learned from successes and mistakes. It is particularly challenging for those who find themselves in the position of having to work with more than one Corps office in a state, or having to work with offices at the local, regional and national level in order to solve a single problem.

It takes courage to ask others where you can improve, more courage to listen to their candid replies, and still greater courage to act upon their suggestions. There is an amazing level of agreement among those we serve and those who serve about desired changes in the Corps. Our challenge is to find mutually satisfying solutions.

# IDEAL FUTURE CORPORATE DESIGN

The study team looked at how forces shaping our work in 2003 will likely play out and why the Corps *will have to be significantly different in 2012 from what it is today*. Today's senior leadership of the Corps will be retired or working elsewhere in 2012. The challenge for them is to act today to advance these changes. Instead they will feel strong pressure to react to the crisis de jour, or the project that needs tweaking *irrespective of what the Corps should be developing toward*. Strategic leaders focus on the development today of the ideal future for the whole enterprise. For them, the ideal future design will be a compass. This concise summary is from the perspective of 2012 looking back to today (refer to Appendix C for the full version).

The purpose of the Corps in 2012 is to co-produce with others, solutions for complex systems, nationally and internationally, that require multiple engineering services and oversight. These complex systems include:

- war-fighting preparation and infrastructure life-cycle;
- water resources systems that provide services to the Nation while being environmentally sustainable;
- environmental clean-up and restoration; and
- crisis response;

In 2012, our *solutions* and *systems* focus results from recognizing that effectiveness came from understanding problems in their larger context. Projects can no longer be seen solely in terms of immediate specifications. Projects have to be understood in the complex social, political, and ecological systems of the customers' world. Satisfying the customer can no longer be just delivering the project on time, on specs, and on budget, although this is always necessary.

In 2012, the Corps has learned to form strategic working relationships with customers, engage in dialogue about their

long-term needs, and in this way become a trusted, on-going partner, well beyond the immediate project. This shift from individual projects to broad solutions and from fragmented problems to systems thinking is essential to our purpose today in 2012.

If the solid concrete structure of the dam was the symbol of the era of manufacturing, the dynamic system of a sustainable ecological watershed is the symbol of our knowledge and service era in 2012. We learned the importance of the difference between an immobile structure and a dynamic adaptive system.

Back in 2003, Corps leaders adapted to the new mode of knowledge and service work and became an effective organization that is continually learning. It was necessary to change the whole culture, not just structure (roles, responsibilities, and authority). Using the 7S guide to changing culture, all elements of the Corps were aligned with the ideal future design.

## **STAKEHOLDER VALUES**

In those early years the conflicting diversity of our stakeholders and their often competing values made us reactive and fragmented in our responses. We realized some values were generic to all of them. In aligning our way of working with them in terms of those values, we could then better address those values that were specific to each stakeholder.

We understand that our stakeholders value:

- Respect for their authority and purposes
- Responsiveness to their needs and constraints
- Willingness to listen and learn
- Honest and timely communication
- Meaningful involvement
- Integrity of behavior
- Openness

In addition to these generic values above, stakeholders have specific values unique to their social, political, economic, or historical reality. The Corps values are those of the U.S. Army--Loyalty, Duty, Respect, Selfless Service (to the Army and the Nation), Honor, Integrity and Personal Courage. The full ideal future design in Appendix C covers these values for the Executive Branch, Congress, Army, the environmental community, direct-paying customers, Federal and state partners, Native Americans, other stakeholders and employees.

## SHARED VALUES

The Corps has learned over the years from 2002-2003 that some of the values shared across the whole corporate enterprise did not align with those of our stakeholders and partners. Case study lessons showed we often created problems when we did not acknowledge this and work toward a shared understanding of the responsibilities of the Corps and those of our stakeholders and partners. Leaders also learned that a major part of their strategic role is to educate the workforce about values, integrating them into all work and projects.

Our shared values as a corporate enterprise in 2012 include:

- Integrity and public trust
- Stewardship
- Public service
- Stakeholder / customer success
- Collaboration / teamwork
- Empowerment
- Organizational learning
- Innovation

## STRATEGY

In 2002-2003 the Corps was establishing the Project Management Business Process (PMBP) as the basic way of doing business. Subsequently, this operational strategy was

aligned with the growing focus on developing strategic relationships with customers, partners, other stakeholders, and Federal agencies. Our strategy became based on regular interactive dialogue with others about their strategies, needs, and ideas, and ours. As the years progressed, this systematic learning from stakeholders, partners, and customers became the heart of the Corps' strategic development.

## **STYLE OF LEADERSHIP**

In the manufacturing mode, management was the key to organizing work. During those years of a relatively stable economy, the Corps had a monopoly. Change was slow and more predictable. In the period 1980 – 2002, work changed from the manufacturing mode to the knowledge and service mode. This new way of working and creating value for customers is so much a part of the way we think and work today in 2012 that it is hard to remember how this seemed so new then.

Our 2012 style of leadership emphasizes some generic qualities:

- Listening and learning, and then willing to decide
- Being an educator about values and purpose
- Understanding oneself, and interested in continually learning
- Aligning operations with strategy
- Collaborative, building relationships and involvement
- Understanding personal differences in what motivates others
- Caring for people / empathy
- Understanding how to create and sustain dialogue
- Non-punitive accountability to encourage learning
- Innovative

During the transition years to today, the norm was operational leadership. Over that time we came to realize that the strategic leader has a rare competence that includes:

- Foresight

- Visioning (strategic understanding and action for systemic change, not just writing statements)
- Creating strategic dialogue
- Systems thinking
- Building a motivating culture
- Partnering

## SKILLS

As we became focused as an organization on solutions and systems, we realized that the skills of our workforce had to also broaden. Today in 2012 we look specifically for qualities of:

- Motivation to learn
- Interpersonal rapport with others, ability to establish relationships
- Agility, flexibility, and openness in response
- Commitment to shared corporate values
- Employing the diversity of thought and work styles of team members
- Integrating leadership, technical excellence, and business skills
- Tolerance for ambiguity, uncertainty, able to bring focus out of complexity and chaos
- Willingness to accept responsibility, empowerment, be self-starters
- Team collaboration in spirit and practice
- Recognizing systems thinking and responding to it

## SYSTEMS

Today in 2012 we have streamlined and focused our systems, redesigning the bureaucratic systems of the manufacturing era that we have left behind. Our systems are designed to facilitate continuous improvement, not control.

## STRUCTURE

During the transition to 2012, we learned that when we designed our ideal future in 2003, structure had to be aligned with the values and strategy of the organization. Structure could not determine purpose or strategy.

For bureaucracies facing change, the default mode of decision-makers is to change structure (offices, reporting lines, titles, etc.). Defining structure seems clean and precise. They hope that new culture, behavior and direction will result. We learned that this is a mistaken assumption.

During 2000-2004, the Corps felt increasing pressure from various quarters to change, and faced increased media scrutiny. The Chief of Engineers was given the mandate by Congress to change the Corps. One major focus was leading the Corps to become a learning organization. We have seen the full development of the knowledge and service mode of work, which requires more collaboration, innovation, learning from others, and partnering. In 2012 the learning organization is the model organization since our success is based on the usefulness of our knowledge and the effectiveness of our service.

In those early years we realized that we could not create the learning culture one initiative, one study, one change at a time. We recognized that we could not expect quick actions to produce long-term and well thought-out change. We understood the need for a systems view of culture and change.

We first had to create a shared understanding of what we meant by strategy, and what our strategy had to be. We realized our role in Headquarters was largely strategic. We also realized that strategic thinking and planning was a line executive responsibility. It could not be delegated to a staff group. They could do papers to help analysis, but they could not do the thinking, planning, and decision-making. We learned that we needed strategic facilitation, more than we needed traditional meeting facilitation. We saw that as leaders we were not as good at being team players as we needed to be. We learned not to download our own

experience, to listen non-defensively, and to create strategic dialogue.

As we saw that Headquarters had to be strategic in its thinking and practice, we realized that not all functions, jobs, and personnel in Headquarters, both in Washington and the Regions, *were* strategic. In 2003, we refocused Headquarters functions on strategic work after the USACE 2012 Study Report of 2003.

We focused selection and development of Headquarters leaders, managers, and staff to do strategic work. We focused metrics on results based on collaboration, learning, and service values. We created gap surveys to tell us both what our employees and our customers value and where they perceive the Corps on those criteria. These metrics from customers, other stakeholders, and partner Federal agencies now allow us to easily learn what needs streamlining and organizational improvement. We regularly use these measures of results for performance evaluation, planning and decision-making.

Looking back from 2012 we see how hard it seemed for many to make the transformation to our complex, adaptive, self-organizing, learning organization. Hindsight has the advantage of being able to document history with facts. Foresight is always harder because it requires understanding trends and forces that are still unfolding. We saw then that to be strategic thinkers required that we plan based on our limited foresight. Trusting each other and employing our foresight let us better prepare for the future. Because of the courage and foresight of leaders willing to learn and change, the Corps in 2012 is a trusted model of innovative Federal service.

# THE PREFERRED STRUCTURAL ALTERNATIVE

## DEVELOPING THE PREFERRED STRUCTURAL ALTERNATIVE

As detailed elsewhere in this report, the Preferred Structural Alternative was developed after hearing from others, thinking about and discussing the future, looking at what is required in law, and vetting our thoughts and assumptions with the top leadership of the Corps.

As discussed in the *Views of Those We Serve and Those Who Serve*, many told us we need to change. We realized that it would be important to document primary responsibilities of all major organizations at the Headquarters and Major Subordinate Commands (MSC). We evaluated the information obtained to determine activities that are required by statute and by regulation. Appendix I, *Authority for Execution of Mission Essential Tasks*, summarizes actions and responsibilities that are required by statute and/or regulation.

Associated with the authorities to execute activities is the need to evaluate the resources available to perform these responsibilities. While a direct correlation with information in Appendix I is not available due to accounting procedures, we evaluated our use of resources at the national and regional levels. Appendix G, *Resource Analysis*, provides a summary of the information obtained.

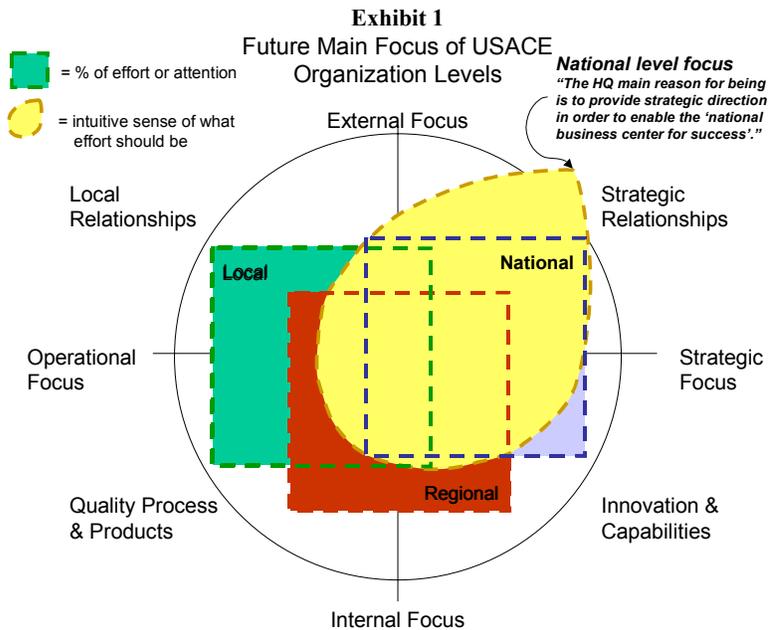
After evaluating the information developed during the initial study phase, the team designed a picture of what USACE would look like in the year 2012 (Appendix C, *Ideal Future Corporate Design*). From this picture, the team developed

options to meet the anticipated goals and objectives for year 2012.

The study team also realized that it was relatively easy to incorporate criteria, qualities, desired characteristics and other assumptions into a supporting structure once the purpose of the organization was clear. This was clearly apparent in designing the Regional Preferred Structural Alternative, as it was agreed that the purpose of the Regional Office is, ***“To enable and support the success of the Regional Business Center.”*** It was also clear that to assure the corporate structure functions effectively, efficiently, and economically and is positioned to respond to the Nation’s priorities, the Washington Headquarters and Major Subordinate Commands (often referred to as Division offices) must function as a single headquarters unit. The design of the HQ Regional Office in the Preferred Structural Alternative is based on these understandings.

The purpose of the national level of *USACE 2012* was not stated as clearly. To focus the team’s efforts, a model was developed based on work previously accomplished by the Strategic Management Board during the late 1990’s. The model differentiates between the purpose and focus of the three major organizational levels of the Corps: local, regional and national (see Exhibit 1). Using an “x / y” axis evaluation methodology, the team plotted major focus efforts from operational to strategic on the x-axis and from internal to external on the y-axis. The focuses of the quadrants were described as “local relationships” (upper left), “strategic relationships” (upper right), “innovations and capabilities” (lower right) and “quality process and products” (lower left). Based on team member’s experiences and understandings of the work focus and using “percentage of effort or attention” as plotting points, the study team diagrammed the three organizational levels. The boxes in Exhibit 1 represent the different focus and relationships of the three levels. Finally, the team felt that the angular plotting did not adequately indicate the true nature of the national level focus. The team re-plotted the national level using a more elliptical approach that considered the need for greater emphasis on strategic relationships (the yellow “egg-like” figure in Exhibit 1). This led to the national level focus statement that:

***“The National Headquarters main reason for being is to provide strategic direction to enable the ‘national business center’ for success.”***



From the team’s discussion, the HQUSACE portion of the Preferred Structural Alternative was more fully developed. While Exhibit 1 is subjective, it provided a means to express a shared understanding before completing the Preferred Structural Alternative. It is presented herein to impart insight into the logic behind the development of the Preferred Structural Alternative.

The study effort also included the development of information germane to organizational design and specific USACE goals and objectives in 2012. Based on lessons learned from similar Corps efforts during the past two decades, the team realized that, imperative to a successful effort, would be that we listen to our partners, stakeholders, and customers. As the team began developing data for the study, interviews and surveys were conducted. Results of these surveys and interviews are presented in the *Views of Those We Serve and Those Who Serve* and expanded upon in Appendix B, *Interview Summaries*.

Designing for a future organization 10 years in the future required that the team consider studies compiled by organizational design experts. Of special significance were the 7S model, the *Ideal Future Corporate Design* (Appendix C), and the references provided in Appendix L.

As the study team conducted interviews and researched available literature on organizational design, it also realized that baseline information must be established. Of primary importance would be the resourcing of the Corps' Headquarters and Major Subordinate Commands (MSC) including the number of team members assigned to different organizational elements. Closely aligned with resourcing are the activities in which team members engage and the bases for conducting these activities. The baseline information is provided in Appendix G, *Resource Analysis*, and Appendix I, *Authority for Execution of Mission Essential Tasks*. Appendix I also provides a snapshot of the work accomplished at the Headquarters and MSCs levels and helps to identify duplications of effort and/or tasks that are no longer required.

The above research and analysis led to the development of alternative organizational designs to help move the Corps toward meeting the goals and objectives of 2012. Appendix F, *Alternatives Analysis*, provides a detailed discussion of the following seven alternatives with Alternative 7 being the Preferred Structural Alternative:

*Alternative 1 - Maintain Status Quo*

*Alternative 2 - Operations Support Alternative Design*

*Alternative 3- Army Relevance with District Focus*

*Alternative 4 - Corporate and Regional Model*

*Alternative 5 - Dynamic Headquarters with Regional Support Teams*

*Alternative 6 - National-Regional Alignment*

*Alternative 7 - Integrated Corporate Alignment*

## **DISCUSSION OF THE PREFERRED STRUCTURAL ALTERNATIVE**

Similar to the six alternatives previously developed, the Preferred Structural Alternative considers a number of items as basic tenets of this option. Major concepts incorporated into the alternative include the following basic assumptions.

- **Corporateness.** The Headquarters of the Corps of Engineers and the Major Subordinate Commands will operate as a single entity working corporately. Working together, they will provide the resources, strategic direction and functional integration that will enable the Districts to meet mission requirements successfully.
- **One Headquarters.** Each of the eight Major Subordinate Commands will serve as an extension of the Headquarters Washington Office, will be led by a Regional Commander, and will be referred to as a Headquarters Regional Office. The Headquarters in Washington will be referred to as the Headquarters Washington Office. The entire structure of the Washington and Regional Offices will be known as the Headquarters of the U.S. Army Corps of Engineers. Serving as one Headquarters, the HQ Washington and Regional Offices will not duplicate functions including the development of policy and/or the conduct of reviews.
- **Mission Focus.** The Preferred Structural Alternative aligns the primary organizational structure of the HQ Washington Office into two major directorates: Civil Works and Military Programs. A Major General (U.S. Army) will guide each directorate.
- **Washington Focus.** The Headquarters (HQ) Washington Office will focus on strategic learning and direction, national relationships, national policy, corporate integration, and creating the conditions for success throughout the entire Corps. The focus will be on enabling the Districts to deliver quality products on time and at a reasonable cost. The involvement of the HQ Washington Office will center on strategic relationships with project specific issues being the primary

responsibility of Regional Support Teams located in the Washington office but serving as an asset of the HQ Regional Commander. This structural alignment will assure a coordinated approach by vertical and horizontal teams at every level. Because of the nature of the strategic relationships in Washington, there is a need to address project specific issues. However, this involvement should be limited and coordinated within the vertical team.

- **Regional Focus.** Each Headquarters (HQ) Regional Office will focus on creating conditions that enable the accomplishment of the missions assigned to the District level. Each HQ Regional Office will manage the resources of the Regional Business Center and focus on learning and technology, capacity building, program management, regional relationships, and regional production. This will be achieved by a shift in focus from technical oversight and program management to the regional management of assets and the development of capacity and capability to meet the goals and objectives of USACE 2012.
- **District Operational Focus.** Districts will conduct all operational functions, e.g., water systems management. This precept is significant, as Divisions will no longer take on the role of Project Manager because project boundaries cross District boundaries. Responsibility will be assigned to a lead District fostering our ability to work more regionally in the future.
- **Corporate Business Process.** The Corps will consistently apply the Project Management Business Process (PMBP) as the corporate business process. While not a new objective for the Corps, the structure, systems, style and culture of the organization will facilitate and enhance the ability to operate corporately using the PMBP in the delivery of products.
- **Empowered Teams.** The structure of the HQ Washington and Regional Offices will foster the creation of both vertical and horizontal teams with common goals and purposes.
- **Cultural Change.** The structure and the culture of the Headquarters Office Complex (Washington and Regional Offices) will foster a culture facilitating integration across functional and product lines and throughout the array of

missions assigned to the Corps. To be truly effective, the implementation of change must foster an associated change in the culture.

## **THE ROLE OF THE HEADQUARTERS WASHINGTON OFFICE**

Under the organizational alignment of the Preferred Structural Alternative, the HQ Washington Office will be positioned to:

- Develop collaborative partnerships with the Executive Branch, the U.S. Congress; Departments of Army, Air Force, and Defense; and other Federal agencies and stakeholder groups.
- Focus on policy development and implementation, program development, and appropriations management. The management of appropriations reflects our accountability to the Army and the Administration for execution of assigned missions.
- Concentrate on national programs and complex project issues.
- Leverage the entire Army team to provide early up front policy identification and clarification to better deliver studies and projects that meet stakeholder needs while meeting our inherently governmental responsibility.
- Provide a flexible, adaptable organization to meet the needs of the Nation during peace and during times of war.

The successful attainment of the Corps' assigned missions also requires that the Corps provides effective and economical administrative and support services. To assure these services are efficiently provided, the Corps will establish two regionalized support teams reporting to the Chief of Staff. The teams will provide administrative and support services to the HQ Washington and Regional levels of the Corps including Internal Review, Safety and Occupational Health, Equal Employment Opportunity, Logistics Management, Small and Disadvantaged Business Utilization, Information Management, and Human Resources. These regionalized teams will implement policies and

guidance prepared by the Policy and Corporate Integration staff of the HQ Washington Office. Of paramount importance to achieving regionalized support will be assuring that the Corps of Engineers Financial Management System has the capability to support regionalized data requirements.

## **THE ROLE OF THE HEADQUARTERS REGIONAL OFFICES**

The streamlined Headquarters Regional Offices will maintain focus on two areas: Regional Management of the Regional Business Center and Programs Management of the assigned mission areas. Regionalized teams, as discussed above will provide support services.

The Regional Management Directorate will be structured in two Divisions that will concentrate on operating the Regional Business Center (RBC). Primary responsibilities will include:

- Planning for continued success of the learning organization.
- Advancing the RBC concept and implementing RBC strategic communications.
- Fostering cultural change to the Corps as a collaborative organization.
- Implementing regional strategic initiatives.
- Assuring that PMBP is the corporate business process used in all work.
- Instilling a collaborative approach in managing systems.

The Regional Capability Division will focus on the learning organization concept and assuring that the capability required to meet mission requirements is developed for today and for USACE 2012. The Regional Management Division will focus on operating the Regional Business Center including support to the Regional Management Board and Regional Command Council.

The Programs Management Directorate will include a Program Development Division located in the HQ Regional

Office and the Regional Support Team (RST) located in Washington, D.C. The HQ Regional Office will focus on programming activities required to support all regional mission assignments, e.g., military construction, installation support, water resources development, homeland security and emergency management, real estate activities, and environmental stewardship. The Washington-based RSTs will integrate program development and execution requirements with the program and appropriation managers in the HQ Washington Office.

Under the Preferred Structural Alternative, all policy development functions will be the responsibility of the HQ Washington Office. However, a small cadre of advisors will remain on the HQ Regional staff to advise the Commander and will include Counsel, Human Resources, and Strategic Communication (Public Affairs). The Security and Law Enforcement function will be integrated into the Emergency Operations Center.

### **ESTABLISHING REGIONAL SUPPORT TEAMS**

The Preferred Alternative provides a Regional Support Team located in the HQ Washington Office to represent each HQ Regional Office. Additionally, a Center Support Team will represent the Transatlantic Program and Huntsville Engineering Support Centers at the Washington level.

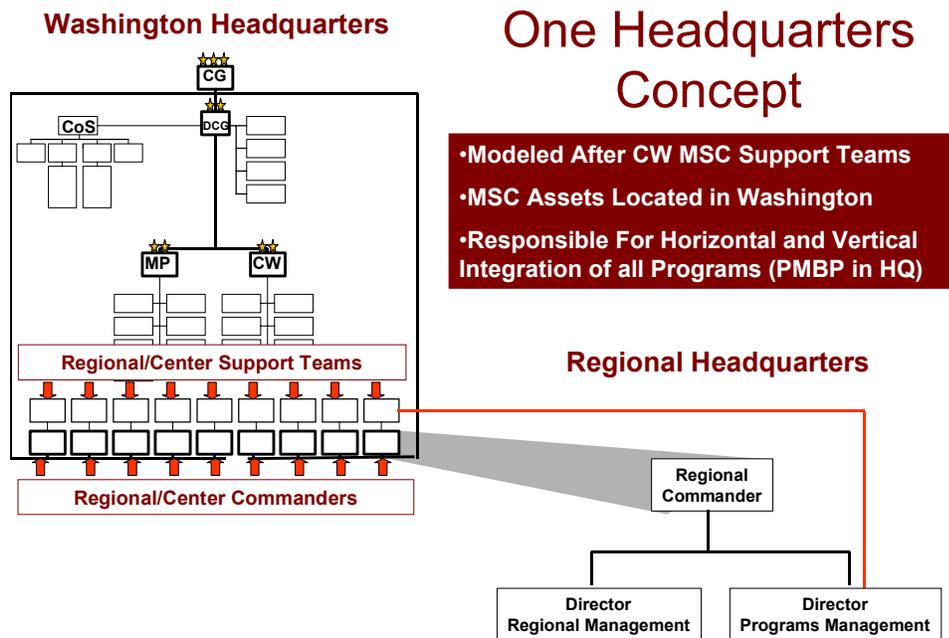
The RSTs will integrate vertically and horizontally with technical experts and program managers in the HQ Washington and Regional Offices, and throughout the Regional Business Center. The multi-discipline teams will include representatives of the major mission areas. Each team will be an asset of the HQ Regional Office with duty station co-located with the HQ Washington Office. Each RST member will be rated by the home organization, intermediate rated by an appropriate USACE functional proponent, and senior rated by the Regional Commander. Each RST will:

- Serve as the Regional Commander's team in Washington.

- Provide organizational flexibility and adaptability through the integration of all mission areas.
- Maintain relationships at the national level.
- Integrate mission resource and program requirements.
- Conduct all policy reviews except pre-authorization planning documents where responsibility will be assigned to the Office of Water Policy Review.
- Work in vertical and horizontal teams to develop priorities and resolve project-specific and regional program issues.

Exhibit 2 shows the major organizational elements in the HQs Washington and Regional Offices. A detailed organization chart is provided in Appendix F, Exhibit F-7b.

### Exhibit 3



## EVALUATING THE PREFERRED STRUCTURAL ALTERNATIVE

### MEETING OBJECTIVES

Three models were used to evaluate and seven alternatives developed during the study, including the Preferred Structural Alternative. These models evaluated the following questions.

- **The 7-S Model.** Does the alternative meet the goals and objectives of the ideal future in year 2012 in the areas of Shared Values, Stakeholder Values, Strategy, Systems, Skills, Style, and Structure (see Appendix C for further information related to the Seven-S Model)?
- **The Mission Model.** Does the HQ Washington Office meet the objectives of Command and Control, Program Management, National Interface, Strategic Planning, and Policy and Guidance Development? Does the HQ Regional Office meet the goals and objectives of Command and Control, Program Management, Regional Interface, and Quality Assurance?
- **The Five Criterion Model.** Does the alternative support accomplishment of Corps missions? Does the alternative move the Corps toward attaining the ideal future state in year 2012? Is the alternative strategically desirable? Is the alternative affordable and does it reduce costs? Can the alternative be implemented? (See Appendix F for a discussion of the criteria.)

The Preferred Structural Alternative meets or exceeds all goals and objectives when assessed against the above three models. A detailed discussion of the evaluation of the goals and objectives is provided in Appendix F.

### ECONOMIC EVALUATION

*Although the study team identified possible areas for savings, the actual cost and savings must be developed during the Implementation Phase.*

We anticipate that implementing the Preferred Structural Alternative may result in substantial resource savings in both manpower and dollars. There also may be offsetting costs that will accrue from the need to provide support functions to the HQ Washington and Regional Offices through lead districts, the regionalized support teams discussed above or through outsourcing.

### **ADDITIONAL IMPLEMENTATION CONSIDERATIONS**

It is recommended that an implementation team be identified as soon as possible after the comment period closes on the draft report. This will allow the team to study lessons learned, develop the Project Management Plan and become familiar with the draft final plan to identify areas that need clarification prior to the selection of the Preferred Structural Alternative. The implementation team will then take the reins of the project through implementation.

Prior to realigning assets of the HQ Washington and Regional Offices, the implementation team must refine the requirements and savings accruing from the Preferred Structural Alternative, and should assure that the following actions occur.

- Develop consistent processes and conduct Functional Area Assessments to assure the effective, efficient, and economic alignment of resources for mission attainment.
- Develop a more extensive economic analyses based on the recommendations in this report and the results of Functional Area Assessments.
- Develop a resource strategy to plan for the effective and efficient long-term use of scarce Executive Development and Management resources.
- Evaluate implementation costs including Permanent Change of Station allowances. Hiring lags may partially or fully offset these short-term impacts.

Implementation Considerations are more fully discussed in Appendix H

## PREFERRED STRUCTURAL ALTERNATIVE RECOMMENDATION

*Recommend that the Commander, US Army Corps of Engineers, approve the Preferred Structural Alternative for implementation. Subsequently, recommend that the Commander establish a team to implement the Preferred Structural Alternative. Appendix H, Implementation Considerations, provides additional recommendations on issues and required actions for consideration during implementation of the Preferred Structural Alternative.*

# RECOMMENDATIONS

*This study was initiated specifically to address the missions, functions and organization of the Washington and Regional Headquarters elements of the U.S. Army Corps of Engineers. During the course of this study many issues were raised and suggestions offered that were relevant, but beyond the scope of this study.*

While a structural change is needed to eliminate redundancies and provide better quality products, a new structure, as noted, is not the only answer. The transition to the Project Management Business Process promises to make the organization more responsive. However, there is also a need to change our culture to one that respects functional expertise while encouraging teams to operate along other axis—regionally or programmatically. The philosophy, rationale and logic surrounding many of the recommendations of the report have been discussed more fully in Appendix D, Mission Aspects of Structure.

Recommendations 1-4 below specifically address those issues within the scope of study and contain a much greater level of analysis and detail. Recommendations 5-13 will require additional analysis and evaluation before they can be adopted.

## THE ORGANIZATION OF THE CORPS

As we enter the 21<sup>st</sup> Century, realignment of the Washington and Regional Offices of the U. S. Army Corps of Engineers is required today to more effectively and efficiently accomplish the missions and to be responsive. The organization must become lean, flexible and responsive to quickly adapt to the changing needs of *those we serve*.

### RECOMMENDATION 1

*Adopt and implement the “One Headquarters” organizational strategy. Regional Offices are “Headquarters*

*Forward” and are the eyes and ears of the Chief of Engineers in the geographic area. Functions should reside where they will produce the most value and should not be duplicated.*

Adopting this recommendation will drive the restructuring of the Headquarters elements of the Corps and the way in which we operate. It will drive the elimination of duplicative functions and reviews and thus allow the focus of critical resources on the defining business of the Corps: accomplishing the mission of providing quality products and services on time and within budget. This recommendation will require a new way of thinking about the functions of the Headquarters -- command and control, national and regional interface, program management and quality assurance. (Each of these is discussed in more detail in the following recommendations and in Appendix D.)

For example, in the sense of the transformed Army, the command and control function is primarily for the purpose of future planning. The local commander has the range of motion to bring innovation to the situation in the field. Army transformation focuses on empowered leaders in the field who are closest to changing field conditions armed with near real time tactical information. With this thinking on command and control in the Army, Corps Headquarters Commanders (both in Washington and in the Regions) can focus on assuring that the District Commanders have the necessary resources and information to accomplish their missions, removing roadblocks to their work, and facilitating success. Resources do not need to be necessarily assigned to the District or Regional Commander but can reside elsewhere and be dedicated to the District for accomplishment of the mission, much the way business has adopted the strategy of outsourcing to acquire needed the expertise on a periodic basis.

## **RECOMMENDATION 2**

*Focus the Headquarters Office in Washington, D.C. on strategic learning and direction, national relationships, national policy, and creating conditions for success of the entire organization. Because of the nature of the strategic relationships in Washington, there is a need to address*

*project specific issues. However, this involvement should be limited and coordinated within the vertical team.*

The Corps takes direction from its overseers in the Pentagon, the Executive Branch and Congress. However, there still remains a responsibility to ensure that strategically the organization is capable of accomplishing its current day mission as well as those missions that are on the horizon. The responsibility for strategic thinking lies with all Corps senior leaders at all levels, but strategic planning and direction is facilitated and accomplished at the Washington level of the organization. Likewise, relationships on the national level are primarily a responsibility of those in the Washington level of the Corps but are bolstered by those in the region who have interactions on the national level. Because national relationships are often based on what is done at the local level, it is necessary for the Washington Headquarters to sometimes be involved in project specific questions. This involvement needs to be coordinated with the regional and local levels so that the most up-to-date information is available and provided. These instances are more the exception than the rule, but are critical when they happen.

Similar to the strategic planning function of the Corps, and to provide consistency, policy development is facilitated and accomplished at the Washington level of the organization but entails the work of the best technical experts from across the organization.

The focus of command and control will be enabling the accomplishment of the mission by obtaining and assuring the availability of resources. In times of national emergency, this is done real time through the running of the emergency operations center at the Washington level.

Today's Washington headquarters consists of many disparate functions, sometimes operating as a means unto themselves rather than in support of the Corps primary missions. The program areas of Civil Works and Military Programs have little say over the headquarters dispersion of the dollars they are given to manage these programs. Reviews by the Civil Works and Military Programs directors can impact this to only a small degree and are often used to just ensure that the

directors know how the money is being used, and does not support the actual movement of resources. The proposed organization structure includes new responsibilities for the Chief of Staff as the integrator for the support functions who would be charged with keeping the portion of the ED&M funds at a reasonable percentage and with negotiating with the support directors and Civil Works and Military Program directors for the needed level of functional support.

The sense of urgency that the Districts have in responding to customers is not always felt at the Washington Headquarters. Sometimes sequential review allows one function to hold a critical decision hostage that derails the entire project delivery process. This sequential review and other District requests are all treated as routine business rather than a high priority. The idea of giving one-day turnaround on decisions and guidance is almost unheard of.

While the Districts should be ahead of the Headquarters on identifying need for policy guidance, review and decisions, the Headquarters should be cognizant of emerging trends and able to respond quickly when these requests are made.

The Washington Headquarters is making some inroads on implementing the project management business process, but the use of teams to co-produce the Headquarters essential product, information, is still relatively new. By operating as one headquarters and in more teams, the process should become more deeply embedded.

### **RECOMMENDATION 3**

*Focus the Regional Offices on creating conditions for success that enable the accomplishment of missions at the District level. Managing the resources of the Regional Business Center, capacity building, leveraging learning and technology, program management and regional relationship building will do this. Move operational functions to Districts.*

In the “One Headquarters” organization strategy, Regional Commanders continue to “own” all the assets in the region and lead execution through the allocation of those resources. Freed from managing the various minute non-core functions

of the organization, the Regional Commander can now focus on operating regionally and programmatically. With the concept that the Regional Business Center is not just the Regional Office but all the Districts that make up the region, the Regional Commander can obtain support from Districts or from the Washington Headquarters. The Division Commander is responsible for the collective success of the region -- the quality and effectiveness with which projects are delivered to help customers and partners to succeed and the ability of the Districts to accomplish the mission, not just the expenditure of money. The Regional Commander is the facilitator and integrator of all assets within the region. They are also the linchpins that hold the regions together. They provide interface to the many regional agencies and stakeholders to facilitate the design of solutions to complex systems problems and can take advantage of greater efficiencies to design regional approaches. With an eye to what is going on across the region and the Corps, the Regional Headquarters can ensure that technical expertise is available to the Districts. The quality assurance role of Regional Offices is one that ensures that the processes are in place, makes available high quality technical expertise, assists with lessons learned and serves as a technical liaison between Corps laboratories and the field.

#### **RECOMMENDATION 4**

*Align elements of the Washington and Regional Offices to implement the first three recommendations. A Preferred Structural Alternative is included in this report.*

The proposed organization structure is contained within the Preferred Structural Alternative section of the main report. Additional details are included in Appendix F, Alternative 7.

#### **RECOMMENDATION 5**

*Define and Implement the Regional Business Center 2012.*

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 the era of great distances, limited communication and

transportation connections. They were, by today's standards, quite isolated and local commanders needed a full suite of expertise to execute their mission.

Today we can no longer afford, nor are we required, to operate in this highly decentralized and independent way. The Corps can now take advantage of the regions to provide greater value. Today's immediate communications and virtual capability provide unprecedented opportunities to gain greater efficiencies. In the 21<sup>st</sup> century, the primary mission of the Regional Offices 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 products and projects efficiently (doing things right) and effectively (doing the right things) by leveraging the total available resources across a region.

We can no longer afford forty-one full service Districts that look the same and possess the similar levels 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 products and projects on time and within budget to a delighted partner and/or customer is of paramount importance. Relationships are fundamentally important. Our cost sharing sponsors and 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.

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 and provides the opportunity for the Corps to better serve the nation through our partners and customers. 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.

The arguments for a regional approach to mission execution are compelling, but barriers to implement stand in the way. Today, while there are some examples of collaboration, districts still tend to compete against each other. Some performance measures are by division, but success is still measured in large part by the districts or even individual accomplishment.

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. Financial systems need to be modified to encourage seamless transfer of resources within the business center.

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.

## **EFFECTIVENESS OF CORPS PROCESSES AND OPERATIONS**

Effective Corps processes and operations require a change in focus at various offices and in the manner in which services are provided.

### **RECOMMENDATION 6**

*Retain a small cadre of world-class experts in core mission areas at the Washington level to assure that Corps expertise is state of the practice and to foster wise policy development. Implement the Corps' Strategic Human Capital Plan in support of the President's Management Agenda. These actions will allow the Corps to recruit and retain the world-class technical capability necessary for the 21st century.*

The intent of this recommendation is to have only a small number of experts at the Washington Headquarters and to have the majority of technical expertise in the field where work is accomplished on a daily basis. Experts at the Washington level should be in the technical areas in which the Corps has its primary missions such as hydrology and hydraulics, engineering, environmental clean-up, economics, and environmental restoration. The role of the experts at the Washington Headquarters is to facilitate and foster the development of national policy and to maintain national strategic relationships with others in the professional field.

Headquarters staff will change from a large array of technical disciplines to a cadre of technical professionals able to engage at the national level in USACE's primary disciplines. These individuals will also need to possess exceptional leadership skills. They must be corporate thinkers who know how to locate and use the field's technical expertise to develop

technical policy and to respond to stakeholders. The overwhelming majority of our exceptional technical expertise will continue to be located in the Districts.

Technical expertise is the very backbone of the Corps of Engineers but our recruiting and retaining capabilities leave us unable to attract world-class talent at all levels. In today's highly competitive technological society, we must be able to quickly hire talented individuals who would like to work for us. On the other end of the spectrum, we need to have a human resources system that provides the tools for us to retain the expertise that we have.

#### **RECOMMENDATION 7**

*Concentrate technical capability at the working level of the organization where it is constantly used and will be continuously honed. Undertake a critical examination of how best to leverage this expertise across the Corps.*

The Corps cannot sustain technical and functional organizations at all levels (engineering, planning, and so forth) because, without practice, experts lose their edge and become irrelevant. Individuals must continue to sharpen their skills by working and enriching their experience. This is part of the reason technical experts at Regional Offices are of limited technical value.

Technical capability is best maintained where it is constantly used and honed; therefore, the bulk of the Corps technical experts will be at the working level. Technical experts in the region can be leveraged to solve the more complex technical questions. Centers of expertise are available for some issues. However, there must be further study efforts to bring together the Corps' capability in more concentrated communities than now exist. This effort must consider the virtual ability of today's workplace, the need to have the best technical solutions and the imperative to keep costs down.

#### **RECOMMENDATION 8**

*Redesign the Corps strategic planning process. Strategic planning is the major responsibility of Corps senior leaders.*

A recent redesign of the Corps strategic planning process established the Commander's Planning Group responsible for facilitating strategic planning within the Corps. Strategic structures do not create strategic thinking and planning. Strategic planning and direction is not the work of staff groups, but of the Headquarters line executives through an ongoing strategic dialogue and leadership process. Furthermore, strategic planning at the Corps is not integrated. At least four concerns should be addressed:

- (1) Strategic planning for civil works is primarily accomplished at the Institute for Water Resources and is not integrated with the overall strategic planning for the Corps;
- (2) The campaign plan requirement for offices within the Headquarters and at the Divisions has resulted in too many good initiatives going on throughout the organization. In order to use corporate resources wisely, we must focus our change strategies and prioritize and integrate initiatives;
- (3) Even with the various councils and groups, there are few opportunities for real strategic dialogue by senior leaders to plot the course ahead, and;
- (4) There is also a need for the Washington Headquarters to find effective ways to empower the front-line without having every office inventing its own approach. For example, the Corps has no consistent guidance or approach on the RBC concept, so we have Regional Offices going their own way, with little sharing, learning or consistency. Another example, we have Districts taking various approaches to quality systems--including APIC, ISO, and home-grown. This is extraordinarily expensive (because of redundant effort) and also highly ineffective from the corporate perspective because we end up with well-documented but different and various processes. There is merit in standardizing quality and business performance systems, and the Corps should

address this issue corporately to optimize benefits versus individual journeys of excellence.

This is a key role for senior leaders to play and requires thinking strategically. To make and implement consistent corporate systems and processes is a leadership responsibility. Our strength is in decentralization. However, to most effectively empower the field there need to be effective and consistent corporate systems to follow.

A redesign of all strategic planning activities at the Headquarters will result in a more corporate approach.

### **RECOMMENDATION 9**

*Organize the Corps Headquarters along a limited number of mission related functions and, when appropriate, outsource the operational functions of the Headquarters offices.*

The Executive Branch and Congress fund organizations to accomplish assigned missions. The ideal organization would focus resources in direct support of those missions in an integrated fashion. In USACE, integration of support and mission functions currently does not occur below the level of the Commanding General. Without this integrating function each functional area competes independently for resources that do not necessarily support mission accomplishment. As a result, more than half of the Headquarters Executive Direction and Management (ED&M) funds go to support non-mission functions.

Competitive outsourcing should follow clear preset standards and goals that advance the public interest and do not undermine core competencies in the Federal government. It should not be viewed as a threat but as an opportunity to improve service at the same or lower cost.

There are many examples where shifting operational support functions or competitive sourcing would produce substantial cost savings and would not affect core competencies. Two noteworthy examples are the Humphries Engineer Center Support Activity (HECSA) and Corporate Information.

**HECSA.** Currently the Washington office has over 170 people providing operational support. As an alternative, the Baltimore office of the Corps is within easy commuting distance and, with the virtual nature of the work, could provide much of this support. There could also be a savings by competing many of the functions that HECSA provides with the private sector.

**Corporate Information.** The following is a description of the ideal future design for Corporate Information (Extracted from Appendix E.):

*The Information Technology/Information Management (IT/IM) function within USACE will focus on Program Management, requirements gathering/definition, and Quality Control. All IT services will be outsourced to include hardware and software and managed centrally and RBC/District Information Managers will focus on defining and measuring service levels, divesting themselves of all IT operations (i.e. LAN management, database administration, systems administration, asset management).*

*Corporate Information as a Directorate would transform itself into a Project Management office responsible for architecture and requirements definition of all business and technical applications for USACE instead of having individual project managers across each of the functional proponents. All IT investments would truly be corporately managed with emphasis on developing applications that fully integrate the data and business rules of our new missions and functions.*

## **RECOMMENDED ACTIONS**

The study team recommends the following actions:

- Establish a business process that requires support elements to integrate support requirements and annually negotiate a level of service with each supported mission director. For example, assuming the Preferred Structural Alternative is implemented, the Chief of Staff would negotiate support

requirements annually with the Directors of Civil Works and Military Programs.

- Establish limits on the amount of ED&M funding to be used for support versus mission requirements. This is analogous to the General and Administrative (G&A) rates that Districts are measured against. Thirty to forty percent would not be unreasonable.
- Recommend that studies determine where operational support can be acquired most cost effectively and efficiently. Offering these non-inherently governmental functions for competition are also an opportunity to transform. Consistent with the President's Management Agenda, the Corps should keep mission related core functions in-house, and outsource those non-core, non-governmental functions.

## RELATIONSHIPS AND RESPONSIVENESS

To strengthen the many partnerships and relationships we have to serve the Nation, the Corps must immediately become more responsive.

### RECOMMENDATION 10

*Adopt the "One Policy/One Review" rule in the Headquarters and develop business processes that support this rule.*

With the implementation of the one Headquarters concept, there will be a significant reduction in review time if we adopt the "One Policy/One Review" concept. Under this concept, policy development is done at the highest possible level, i.e., Headquarters Washington Office, to influence consistency over the range of activities impacted by the policy. This is applicable in the water resources arena but also in the technical functions of planning, engineering, construction and operations, and in support functions such as

resource management, information management, and legal. Policy development should be an interactive process with the field. There should be one policy governing the Corps on any given subject. The interactive process will bring practical perspectives to the policy being generated while being broad enough to accommodate varying regional factors.

With the one Headquarters approach, Regional Support Teams will coordinate policy reviews using an integrated team drawn from the Headquarters Washington and Regional Offices with District team members providing support, as necessary. What is most important is that there will be only one policy review.

Specifically in the Civil Works program, one consistent theme heard from all partners and stakeholders is that redundant, conflicting policy reviews are their greatest source of frustration and a major cause of project time and cost growth. Delegation of authority to the lowest level possible is a worthwhile objective and should be pursued where feasible. However, to achieve consistency in application of national policy, it is anticipated that pre-authorization report review can be expected to remain a Headquarters responsibility given the views of the Office of Management and Budget, the Assistant Secretary of the Army for Civil Works, Congressional Committees, and external critics. To operate more corporately, we recommend the establishment of the Office of Water Policy Review, a cross-functional, multi-level team. To assure that reviews are complete while not duplicative, the Regional Support Teams (RSTs) will be responsible for forming review teams for all decision documents to include policy experts from the Headquarters Washington and Regional Offices. For pre-authorization reports, the RST's will serve as advocates for processing of the new Office of Water Policy Review in the Headquarters Washington Office. This office needs to have the resources, skills and capacity to be responsive.

In summary, repetitive layers of review and divergent opinions take significant time to resolve and contribute to the criticism that we are too slow and too expensive. Reviews should occur only once, be seamless and require that data be submitted only once. Each office will develop business

processes to accomplish the objective of “One policy/One review.”

#### **RECOMMENDATION 11**

*Include stakeholders and partners on our Project Delivery Teams; assure they are full partners.*

The Project Management Business Process has Project Delivery Teams as the driver to get the work done. A major tenet is to have the cost sharing sponsor or customer on the team. However, some comments reflected that the Corps has many barriers to the full participation of those outside the Corps. In one example, the cost-sharing sponsor was not allowed to participate in the selection of a contractor that was to be paid with Federal and local sponsor funds. Recommend that we immediately identify and eliminate the barriers that the Corps has established to the full participation of our sponsors and partners and other agencies.

#### **RECOMMENDATION 12**

*Institute protocols to ensure that business practices do not negatively affect our responsiveness to those within and outside the Corps. This includes tele-commuting, alternate work sites and flexible duty schedules, long meetings, voice mail and email.*

In an effort to have a better work environment, policies such as tele-work and alternate work schedules have become the norm in many, if not all, offices within the Corps. Likewise, technological advances such as voice mail and email have provided ways for others to contact us with their needs on a continual basis. Our work schedules, locations and levels of response are based on what is convenient for us, not necessarily what is in the best interest of our customers, partners, stakeholders, overseers or even our co-workers. Recommend that we immediately institute protocols and possibly performance measures to ensure that we are continuing to meet the needs of others.

#### **RECOMMENDATION 13**

*Develop action plans to institutionalize our Communication Principles throughout the Corps.*

Comments we received from others on this study said that we needed to have more frequent communications with those we serve, to listen to their needs versus telling our opinions, to be candid about our capabilities and to cooperatively develop solutions. We need to tell the American people of our value to the Nation. The Corps' Communication Principles, adopted in 2002, guide relationship building and how we treat those inside and outside the Corps with whom we work. From many of the comments we received during this study, there appears to be a need to institutionalize these principles and identify measures to foster them. Recommend that strategies be developed and implemented.

## USACE COMMUNICATIONS PRINCIPLES

*Listen to all constituents, both inside and outside USACE, respecting their viewpoints on issues of concern. Seek opportunities for synergy.*

*Communicate early, clearly, completely, honestly, accurately, and often.*

*Make communication an integral part of the project management business process.*

*Be accessible to all constituencies and respond promptly to their concerns without censorship or misinformation.*

*Proactively inform the public and stakeholders about the Corps' vital role and special expertise.*

# IMPLEMENTATION AND COMMUNICATIONS

*Implementation of the USACE 2012 Future Corporate and Headquarters Design Study will be the mission of a follow-on group. We have addressed some implementation considerations in Appendix H of this study.*

Prior to developing implementation plans, the current draft study will be finalized and the Preferred Structural Alternative approved by the Commanding General, U.S. Army Corps of Engineers. This process will include gathering comments from internal and external audiences and having discussions about the rationale that the team used to develop the report and the Preferred Structural Alternative.

## IMPLEMENTATION PRINCIPLES

The study team recommends the use of the following Implementation Principles during planning and implementation of the Preferred Structural Alternative.

1. Every effort will be made to provide every Corps employee with a meaningful job in the new organization. The goal is zero involuntary separations. Implementation will be fully integrated with the Competitive Sourcing and Third Wave activities.
2. The Washington office and Regional Offices are one Headquarters. As such, the implementation team needs to include representatives from both, as well as a district representative. The dynamic nature of the implementation will require that this team work together intensely. After the development of the plan, the team will need to monitor, adjust and help communicate the plan and the evolving organization on an ongoing basis.

3. Implementation planning must start immediately. The new organizational structure should be stood up on 1 October 2003, should be substantially complete (70-80%) by October 2004 and complete by October 2005.
4. Implementation plans must be flexible to recognize variables, e.g., number of assigned districts, size of programs, etc.
5. Implementation will be in accordance with the Project Management Business Process. Reorganization activities will be guided by an overarching Program Management Plan support by individual Project Management Plans where needed.
6. Involvement strengthens effectiveness of implementation. Senior leaders of impacted organizations need to be involved in implementation planning and implementation.
7. The implementation team will use lessons learned from previous studies and document lessons learned from this reorganization to provide leaders of the future with the benefit of our experiences.

There are a number of audiences that are interested in the outcome of the study and the team will make every effort to continue to keep them involved. They include, but are not limited to, employees of the U.S. Army Corps of Engineers, Department of the Army staff, Department of Defense staff, Office of Management and Budget, U.S. Congress, cost sharing partners, interest groups and our customers.

The rationale for setting the goal of the new organization out to 2012 was to take advantage of the changing character of the Corps' workforce. A large majority of our current employees will be retired or working elsewhere by that time. Transition to a new structure need not be painful if we take into account the technology we now possess and the ability to work virtually. Transforming to a slimmer workforce means employees who work for the Corps can truly have a meaningful place in serving the nation.

In examining the draft it is important to remember these points:

- Many challenges are currently facing the Corps. We will comply with the President's Management Agenda while remaining flexible to quickly respond to change. We are hearing the call to change from those with whom we partner, from the Executive Branch and the Congress, and from interest groups. With the priorities our country is facing, we must develop a proactive plan now to better serve the Armed Forces and the Nation.
- The draft report includes a Preferred Structural Alternative for a suggested future design of the USACE Headquarters that includes the Washington and the Regional offices. Comments will be solicited on the proposals and the Chief of Engineers will make the final decision.
- While the Preferred Structural Alternative only includes a revision to the structure, there are other non-structural concerns that were brought up during our study and recommendations made that address these concerns.
- Whatever the final new design is, it will not fix everything, but it must maximize our ability to work with our partners and serve our customers.
- Change is never easy, but it is necessary if the Corps is to continue to be of service. By streamlining and becoming more focused on our work, our employees will have meaningful work. As good stewards of the public's tax dollars, we owe this change to the American people.

## **COORDINATING THE PLAN**

The draft report will be posted on a Corps website for comments and will be the topic of discussions at various single focus small group discussion sessions during the time that it is open for comment. The study team will also deliver copies of the draft to those external partners, customers, overseers and the public that we interviewed. We anticipate receiving comments until 15 March 2003. Thereafter, the

report will be finalized for decision by the Chief of Engineers. It is recommended that a program level implementation team be identified and formed in early April to begin looking at lessons learned and to develop a preliminary Program Management Plan. This will also allow some overlap with the study team. Plans are to have the final structural plan issued in early May with implementation of the new organization beginning on 1 October 2003.

## **IMPLEMENTING THE PLAN**

With the melding of two Headquarters, a collaborative approach will be required. Implementation suggestions are provided in Appendix H and include:

- 1. Establish the program implementation team.** Appendix H provides recommendations for team membership. The team's first task will be to develop the Implementation Plan and associated Program Management Plan (PgMP).
- 2. Establish the Washington and Regional implementation teams.** These teams will augment the USACE Implementation Plan and develop Project Management Plans (PMP) to support the USACE PgMP.
- 3. Develop the communication plan.** Both the PgMP and PMPs will include internal and external communication plans.
- 4. Develop the timeline.** Appendix H presents a draft timeline to help the USACE implementation team begin their work and to establish expectations
- 5. Identify the costs and benefits.** The USACE implementation team will develop costs and benefits of the final structural plan including any ancillary costs.
- 7. Understand lessons learned.** Appendix H provides some lessons learned from previous organizational studies. All implementation teams will benefit from using these lessons learned and the future leaders of the Corps will benefit from

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documenting lessons learned during these restructuring activities.

# APPENDICES

- Appendix A: Project Management Plan
- Appendix B: Interview and Survey Summaries
- Appendix C: Ideal Future Corporate Design
- Appendix D: Mission Aspects of Structure
- Appendix E: Ideal Futures: The HQ USACE Staff Perspectives
- Appendix F: Alternative Analysis
- Appendix G: Resource Analysis
- Appendix H: Implementation Considerations
- Appendix I: Authority for Execution of Mission Essential Tasks
- Appendix J: Follow-on Studies and Actions
- Appendix K: Acronyms and Abbreviations
- Appendix L: References