

Continuity of Operations Leadership Series for Government

Integrating Continuity of Operations (COOP) into the Enterprise Architecture

Strategy Pillar



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Strategy

What is strategy and what role does it play in the government organization? Strategy is often thought of as the master plan for an organization, a way of outwitting an opponent, or an approach to solving a complex problem. Mistakenly, strategy is sometimes confused with an organization’s vision or goals and is stated as the “end-state” to be achieved. In such cases, “means” of achieving the vision or goals remains a conceptual notion rather than an executable plan. Strategy is also often confused with the specific steps an organization should take when a certain condition arises.

Strategy historically has its roots in the military concept of a plan of action or the employment of troops to achieve a military objective. During a battle, military decisions and actions are often referred to as tactics. Strategy, then, consists of the decisions and actions before the battle and tactics are the decisions and actions during the engagement. In the book, *Strategy*, by the renowned military historian, Liddell Hart, strategy is defined as “the art of distributing and applying military means to fulfill the ends of policy.” Hart clearly viewed military strategy as more than just the deployment of troops because he associated it with the positioning of all military “means” toward the attainment of high-order goals. Hart asserted that strategy supports a political objective, either fighting and winning a war or avoiding one all together. With this simple definition, it is easy to transfer strategy from its military roots to government organizations. Strategy can be considered the art of distributing and applying government means to fulfill the ends of policy. It is not the definition of the ends or the objectives, but the deployment or employment of resources in achieving those end-state objectives.

Whether it is defined or not, an organization has a strategy and it is being enacted. When not explicitly defined, the strategy or strategies employed may be effective for an individual in the organization but organization-wide success will be more difficult to achieve. Without a coherent strategy, an organization may waste valuable resources, miss opportunities, have groups working on lower priority efforts or even at cross purposes with each other. When the individuals and groups of an organization cannot see and understand that organization’s strategy, they lack the unifying principles needed to strategically align their efforts.

The strategic objective of most government departments, agencies and organizations is clearly defined in law, regulations and policy, but the strategies of these organizations are created with the guidance of their leadership. Strategy can be further defined and developed at different levels of an organization. Each operational unit should have its own strategy that conforms with and helps to achieve its strategic objective, guided by the organization above it. Strategy is a link between mission or high-order goals and the tactics that identify specific action that is to be taken and decisions that need to be made. If structured properly, strategy becomes a guidance framework that is founded on the overarching missions and goals of an organization.



Figure 1: Strategy Relationships

As shown in Figure 1, an organization's mission is developed into a strategy that defines the employment of resources. Tactics are developed based on the strategy and define the deployment of resources. The strategy and tactics are then developed into actionable processes at the operational level. In most cases, the mission will be defined by a higher authority, strategy will be developed by organizational leadership, and tactics and operations will be defined by management as a means of implementing the strategy.

The mission-strategy-tactics-operations view sets the foundational concepts for continuity of operations. Continuity of Operations (COOP) refers to the preparations and institutions maintained by the United States government, providing survival of government operations in the case of catastrophic events. COOP has been established through policy and has become a key mission element. Organizations must account for potential disaster situations as a part of their strategy, which is then translated into operational requirements and alternatives for various, potential scenarios.

Mission and Vision

An organization's mission serves as the foundation of its strategy development. The mission for most government organizations is defined in law, regulations and policies, and is relatively easy to discern. Vision, on the other hand, speaks more to what the organization wants to become and those things for which it wants to be recognized. The vision is a leadership statement that helps an organization's management and personnel focus on a high-order set of goals. It is typically a short, succinct and inspiring statement that describes what the organization intends to become and to achieve at some point in the future, without specifying the means that will be used to achieve those desired ends. It is the organizational strategy that will provide the means to achieving the vision and accomplishing the mission.

While the vision describes a future organizational identity, the mission describes an organization's purpose and what it aspires to achieve. A well crafted mission statement can remain the same for a long period of time, where the vision will be updated more often because it relates to more specific, shorter term achievements or milestones.

Translating Mission and Vision into Strategy

As stated, the mission of a governmental organization is predefined and should be identified in source documents. An organization's leadership is responsible for interpreting the intent of the source documents, delineating the objectives that need to be accomplished and prioritizing those objectives. Organizational objectives must be:

- Results-oriented
- Attainable
- Unambiguous
- Measureable
- Time or event-driven

The development of strategy is a process of defining alternative approaches to aligning available resources toward accomplishing the organization's mission. As this process goes forward, alternative approaches need to be assessed in terms of risk, performance, resource expenditure and other key factors. There should also be a clear understanding of any resource shortfalls for each of the alternative strategies so that a complete and accurate risk assessment can be completed.

Once the strategic alternatives are understood, a primary strategy can be formulated. This formulation can be as simple as picking the best strategy or it may be a process of combining the best elements of each alternative strategy into a newly formulated one. Additionally, strategic alternatives may be made part of a backup strategy.

There should be a clear understanding of the difference between schedule- and event-based objectives. Those objectives that need to be accomplished within a specified time will be time- driven with intermittent, achievement milestones. Other objectives will be based on situations to which the organization is designed to respond. These types of situations are defined as event-driven.

COOP is an example of an event-driven set of objectives that cannot be scheduled, but are acted upon if and only if an event occurs. Certain aspects can be made schedule-oriented through proper planning, training and demonstration. If parts of the COOP plan become ingrained in the organization's culture, then it is more likely that the organization will be prepared to respond to an unusual or critical event as it would to a normal event. As an example, if an organization routinely permits managers to telework, then a COOP situation that requires remote access by managers can be treated as a more normal circumstance.

Strategy Elements

Organizational strategy development should be based on three elements: 1) As part of the strategy planning process, an organization will perform strategic analysis to determine the alternative strategies to accomplishing their mission; 2) Following analysis, the organization's leadership will perform strategic formulation by choosing the best alternative approaches for various conditions that may be encountered; and 3) Finally, the necessary guidelines will be developed through strategic implementation. The developed organizational strategy will provide guidelines and governance for the development of tactics and operational profiles. The strategy should delineate those strategic functions that are "essential" to achieving the organization's mission. It is these essential functions that must be accounted for in the COOP plan.



Figure 2: Strategy Elements

Organizational Strategy

Strategy is the way in which an organization prepares itself for accomplishing its mission in the environment in which it plans to operate. COOP influences the strategy in that a critical event may alter the operational environment and an alternative strategy may be required.

The elements of an organization's strategy must ultimately evolve into functions and tasks that become a part of integrated processes. Over time, these processes are documented, modified and improved upon in order to support new or changing objectives and to improve organizational performance.

The functions that are derived from strategy can be hierarchically categorized and a decision can be made as to those functions that are "essential" to implementing the strategy and achieving the mission. These essential functions must then be evaluated from the perspective of COOP. The defined processes, whether time- or event-driven, must be evaluated based on different, potential situations that may occur.

Strategy versus Tactics

The differences between strategy and tactics are important from a COOP planning perspective. The COOP plan will necessarily employ a different set of tactics than normal operations in order to employ the same strategy and thus achieve the same strategic objectives. COOP planning should not require a new organizational strategy. By creating a new organizational strategy for COOP, significant confusion will result and operational staff will have to orient themselves to a different set of high-order objectives. By maintaining the same strategy, tactics can be crafted to fit probable situations and new tactics can be developed during a crisis that achieves a common focus.

Facet	Strategy	Tactics
Organization	Enterprise	Division/Sub-Organization
Time-Frame	Long-Term	Short-Term
Governance	Generalized	Specialized
Flexibility	Bureaucratic	Fluid & Quick
Timing	Planning	Execution
Resources	Employment	Deployment

Table 1: Strategy vs. Tactics

Operational Continuity

An organization's strategy is a long-term commitment to perform a necessary function. For government organizations, this function is often critical to national security, public safety and the public trust. Therefore, continuity of the government organization's essential functions should be a logical part of the strategy. The strategy should provide for the employment of the necessary resources to ensure that the organization's essential functions can continue under conditions that can reasonably be anticipated and in some cases, a worst case scenario.

An organization's COOP plan should include the tactics to ensure appropriate deployment of resources at the time of COOP execution, such that the essential functions are properly accomplished.

The difficulty of developing the COOP plan from a strategic and tactical point of view will be two-fold. First, it is important that the essential functions be clearly defined so that there is no ambiguity within the organization. The organization's leadership must be fully cognizant of which functions will be executed during a COOP situation and which will not. Second, the requirements for accomplishing the essential functions must be pushed down into the Enterprise Architecture (EA) and become an integral part of all necessary operational processes and systems within the organization. In many cases, special or backup systems will need to be developed to ensure continuity.

Strategic Planning

The strategic plan is a formal document that defines the organization's formulated strategy and its implementation approach. The strategic elements should be clarified and organizations should develop a clear understanding of the scope of their endeavor. Without a clearly articulated strategic plan, organizations may become preoccupied with immediate issues and lose sight of their primary objectives. A strategic plan must address all strategic elements and should:

- Serve as a decision framework
- Provide clarity with respect to accomplishment of mandated, delegated responsibility (for example, laws, directives and policy)
- Serve as a platform for explaining the organization's role to others and to inform, motivate and involve its stakeholders
- Provide a basis for more detailed planning at the operational and other levels of enactment
- Provide guidance on the functional endeavors of the organization
- Serve as a basis for functional success criteria and assist in performance monitoring

Strategic plans should not be viewed as static. As conditions and the environment change, so must the strategic plan. As will be discussed in later sections, new operational conditions, systems and technologies must be taken into account at the strategic level and may impact the nature and scope of the organization's strategy.

Strategic Planning Process

Strategic planning needs to be a cyclical, ongoing process because the conditions that affect an organization will continuously change. The cycle of change will be dependent upon those external organizations and environmental factors that influence each organization. For instance, annual appropriations bills from Congress contain funding levels, direction and guidance that must be factored into an organization's processes on an annual basis. Prior to budget formulation, federal agencies develop budgets for ultimate inclusion in the President's budget and these should be derived from the strategic planning process. At a minimum, the strategic planning process should be repeated or updated annually.

Strategic Analysis

Developing an organizational strategy requires a full understanding of the organization itself and its environment. To successfully accomplish a strategic analysis, an organization should perform an external assessment of its current and predicted environment, including the legal, regulatory, political, labor, customer, technology and threat environments. The organization should also perform an internal assessment of its current capabilities and its potential capabilities under varying circumstances. These analyses are conducted so that the organization can be fully cognizant of all opportunities, capabilities, exposures and threats and can craft a strategy that reflects its specific environment. The result of strategic analysis should be a clear and concise mission statement that describes the organization's role in the context of government.

As an organization's environment will be in a continuous state of flux, an organization will need to continuously reevaluate its environment so that strategic and organizational adjustments can be made.

Strategic Formulation (Choice)

The formulation of strategy is the process of setting objectives and developing the resource employment strategies needed to accomplish those objectives. Based on the mission statement developed during strategic analysis, the organization's leadership should develop clear objectives for accomplishing the mission. These objectives should be directly aligned with organizational requirements that are mandated in law, regulations and policy. Additionally, the objectives should correlate to a set of essential, prioritized functions.

The defined objectives should lead to a strategic plan that supports the accomplishment of the mission. The strategic plan will provide the high level guidelines for how to achieve the objectives without providing the specific details or tactics on how they will be done. Additionally, the organization's leadership should craft a vision statement that provides a long-term view of the organization's overall purpose.

From a COOP perspective, the organizational mission and its stated objectives should not change based on unknown shifts in the environment, such as new events or threats. If environmental changes will impact the strategy guidelines, then those changes should be articulated in the strategic plan and should be considered in a risk assessment. Only significant, long-term changes to the environment that are outside the norm should impact the organization's strategy, because it has been designed to accommodate considered and assessed fluctuations in the environment.

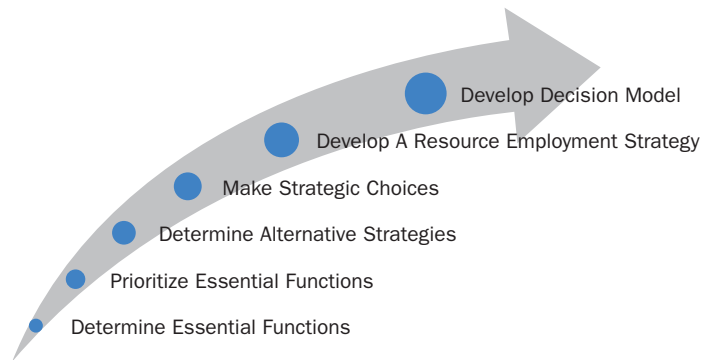


Figure 3: Strategy Formulation

As shown in Figure 3, strategy formulation is based on the determination of essential functions that have been prioritized. Alternative strategies are derived based on those functions and then an appropriate course of action determined. A resource employment strategy is then developed that is incorporated into a decision model used during operational execution.

Strategic Implementation

The implementation of strategy is accomplished through leadership, direction, and strategy articulation expressed through vision and mission statements, policy, procedures and milestones to lower levels of the organization. The strategy, policies and direction coalesce into an operational profile that can be enacted by the organization. As operations occur, every organizational unit should be able to trace their operational activity back to at least one element of the strategy.

Proper implementation of strategy will ensure:

- The timely acquisition and appropriate allocation of resources, including financial, personnel, time and technology
- The establishment of a chain of command or command structure for normal and COOP operations
- The assignment of responsibility for specific tasks or processes to specific groups or individuals
- The develop and continuous management, monitoring and improvement of operational processes



Figure 4: Strategy Implementation

Evaluation

Once a strategy has been implemented, it is necessary to routinely measure its effectiveness. This measurement should be performed during normal operations as well as during conditions and scenarios that fall outside of the norm. The evaluation process should determine the effectiveness of:

- Accomplishment of mission objectives
- Organizational performance and measures of effectiveness
- Planning and variances between planned and actual outcomes
- Compliance with constraints
- Resource allocation and utilization
- Risk mitigation
- Stakeholder satisfaction

The results of these metrics should feed back into the strategic planning process so that the strategy can be refined during future cycles.

Elements of a Strategic Plan

Many organizations that fail to accomplish objectives do so because they neglect to completely understand and define a strategy. In such cases, organizations develop a mission and vision statement and then establish far-reaching objectives which they call a strategy, but what they have actually developed is an objective without defining the approach to accomplishing it. This means that their organization is developing its approaches “on the fly.”

A strategic plan can contain many different aspects of an organization’s objectives and its approaches to achieving them. Regardless of how an organization approaches the strategic plan, there are elements that are essential to the successful development and implementation of a strategy. The essential elements of a strategic plan include:

- Assigned responsibilities and authorities and their sources
- Constraints (legal, policy, environmental, political, etc)
- Mission, vision, and values
- Objectives
- Essential functions
- Organizational structure
- Resources available
- Environmental context model (external entities and environmental factors)
- Situational assessment (current and potential)
- Strategic analysis
- Strategy formulation
- Strategy elements
- Strategy implementation
- Strategy evaluation and criteria
- Risks and mitigation strategy
- Strengths and weaknesses
- Delegation of authority to subordinate organizations
- Strategy communications (internal and external)

COOP Planning

COOP planning should not be a part of the strategic plan, but elements of COOP should be accounted for and integrated into it. The strategic plan should provide insight into the essential functions and tasks that must be accomplished during COOP procedures. Likewise, the strategy should account for COOP throughout its elements since potential risks should be included in the context model and evaluated as part of the risk and risk mitigation strategy. Strategic analysis and formulation are the processes by which essential functions are identified and prioritized. COOP planning must address these essential functions.

Because the objective of COOP planning is to ensure that the essential functions of the strategy are accomplished under a variety of environmental factors, COOP planning needs to be directly tied to strategy. Identified factors will be based on conjecture and speculation, with each potential COOP environment assessed with regards to its probability of occurrence as well as its impact on other internal and external environmental factors.

Actual COOP planning usually occurs as a specific part of an organization's planning process and it should be fed into the strategic planning process in the same fashion as other planning and analysis efforts.

Methodologies

Several methodologies can be used for performing strategic analysis, and it is important for a methodology to support the analysis of both internal and external factors. Strategic analysis is the process of exploring the strengths and weaknesses of an organization's position relative to its mission and understanding the important external factors that may influence that position. The process of strategic analysis can be assisted by a number of tools, including:

PEST Analysis

A Political-Economic-Social-Technical (PEST) Analysis is one example of an analysis technique that helps an organization understand its external environment in relation to its internal environment, both as part of the strategic planning process and prior to operational planning.



Figure 5: PEST Analysis

Some external environmental factors to consider may include:

- Political Factors
 - Stability of the political environment
 - Changes in law and policy
 - Cultural issues
 - Military conflict
 - Homeland threats
- Economic Factors
 - Budget status
 - Inflation and cost
- Socio-cultural Factors
 - Societal attitudes
 - Physical environment
 - Changes to customer base
- Technological Factors
 - Availability and sustainability
 - Innovation
 - Distribution

Scenario Planning

Scenario planning is a strategic planning method used to formulate long-term plans utilizing potential future scenarios for an organization and then compare those scenarios to alternative strategy scenarios.

		Uncertainty of External Environment					
		Development of External Threat Scenarios					
		Threat Scenario I	Threat Scenario II	Threat Scenario III	Threat Scenario IV	Threat Scenario V	
Uncertainty of Strategy	Development of Strategy Scenarios	Strategy Scenario I	+	++	○	++	○
	Strategy Scenario II	++	+	+	++	-	
	Strategy Scenario III	-	++	+	○	○	
	Strategy Scenario IV	++	○	--	○	+	
	Strategy Scenario V	-	-	++	+	++	

Figure 6: Scenario Matrix

The fundamental questions that need to be addressed with scenario planning are:

1. Which is the best strategy (scenario) for a specific external threat?
2. How robust is a strategy (scenario) against alternative external threats?

To accomplish this analysis, initial parameters should be established and then information gathered, such as:

- The key questions to be answered by the analysis
- The time and scope of the analysis
- The major stakeholders
- Basic trends and driving forces
- Key uncertainties
- Identification of the extremes (most and least likely threat scenarios)
- Define and write out the scenarios
- Assess the scenarios
- Identify research needs
- Develop quantitative methods
- Converge toward decision scenarios

SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis

SWOT Analysis is a strategic planning tool used to evaluate the strengths, weaknesses, opportunities and threats involved in an organization's mission. It involves specifying the objective of the organization's internal and external factors that are favorable and unfavorable to achieving that objective.



Figure 7: SWOT Analysis

Hierarchy Ranking

The normal approach to analyzing goals and objectives is to organize known objectives in a hierarchy

- First Rank Objective
 - Second Rank Objective
 - Third Rank Objective

The perspective of each rank will be to assess what needs to be accomplished and why, and the objective of the next lower rank will address how the objective is to be accomplished. The exception is the First Rank Objective (FRO) because there is no answer to the “Why?” question, as it is at the top of the ranking hierarchy.

Conclusion

Strategy is a critical planning element for every organization. All organizations have strategies, whether they are documented or not. An organization’s strategy provides for the employment of resources to accomplish the organization’s mission. By clearly defining strategy, an organization’s leadership can delineate the essential functions needed to achieve the mission and can effectively prioritize those functions.

Strategic planning is a process of performing strategic analysis, strategy formulation and implementation. COOP is a crucial part of these three strategic elements. Since strategy is based on both internal and external environments, leaders must be fully aware of the possible environmental permutations they will encounter during the strategy development process.

COOP is the process of evaluating alternative operational approaches through the use of tactics to ensure that strategies are accomplished regardless of environmental permutations that could occur. COOP planning will be insufficient if organizations develop a strategic plan without involving COOP solution planners. COOP solutions must start with strategy and it is vital that COOP efforts be carefully considered during strategic planning. In fact, strategic planning identifies the essential functions that COOP plans must be formulated to address.

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