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IMPROVING THE ARMY BUSINESS PLANNING PROCESS

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AIM

1. The aim of this service paper is to highlight the major discrepancies with the current Army Business Planning (ABP) process. The ABP is a critical planning capability for the institution and is required in order to effectively forecast and prepare for the upcoming year. As it stands today, the ABP is lacking in its ability to effectively plan for upcoming requirements and is not providing an optimal operational outcome for the future. Challenges include a lack of standardisation amongst the Army, Navy, Air Force and Special Operation Forces (SOF), deficiency in the training of the personnel tasked to produce it and the absence of an effective tracking mechanism in order to measure performance from year to year. This paper will elaborate on these deficiencies and provide recommendations to improve the ABP in order to provide a more harmonized joint operational outcome.

INTRODUCTION

2. The Department of National Defence (DND) currently possesses the largest budget of all the other departments and expends roughly \$1.8 billion annually. These public funds are used to modernize and equip the Canadian Armed Forces (CAF) in order to ensure that it remains capable of fulfilling the government's mandate. In 1998, the Office of the Auditor General called into question the department's ability to effectively manage and spend the funds. As a result, the Parliament of Canada recommended "a new business planning process intended to match defence resources with defence policy objectives".¹ The purpose of the Business Planning (BP) process is currently defined as a process which

¹ Parliament of Canada, "Department of National Defence: Equipping and Modernizing the Canadian Forces, and Buying Major Capital Equipment" accessed 30 January 2016, <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=1031969>

Identifies an organization's objectives, its strategies to achieve those objectives (given the environment in which the organization exists and the need of its clients), the performance measures it will use to measure progress and to meet its performance goals (i.e. commitments and targets). The Business Plan responds to Key Results Expectations by setting Output Levels within the constraints of the Defence Planning Guidance. These output levels are also the primary vehicles for vertical accountability.²

3. The ABP has evolved and improved since the implementation 18 years ago. Today, it represents the primary direction from the Commander of the Canadian Army (CCA) to all the subordinate commanders. It is normally drafted and collated by dedicated staff officers who understand where the Army is going and what it requires getting there. A typical Budget Cycle is detailed at Annex A and is directly linked to the BP cycle. It clearly demonstrates that it takes a yearlong commitment by the staff to ensure that the BP is drafted, updated and maintained as up to date as possible as changes occur. This is essential in order to guarantee coordination of effort for the entire Army, as well as fitting into the Departmental vision.

DISCUSSION

4. As stated in the Aim of this paper, there are some necessary improvements required to maximise the benefit to the institution. In order to ensure operational efficiency and effectiveness three main areas will be discussed. First will be the standardization of the Business Plan process in order to improve "jointness" amongst the elemental level (lvl) ones. A look at the lack of individual training will be discussed next which results in a misunderstanding of the institutional importance of the ABP. Lastly, a look at the deficiency in a proper performance measurement tool and options to mitigate this problem will be offered.

Standardisation

² Canada, Department of National Defence, A-AD-125-000/FP-001 Defense Management System Manual, (Ottawa: Director Force Planning and Program Coordination, 1998)

5. The BP Process differs from element to element. The main issue with this is the correlation and integration between the Army, Air, Navy and SOF is paramount for ensuring harmonized efficiency. While there will be some overlap or duplication in efforts due to unit locations, the key is to limit this redundancy. For example, the 4 Division tasks will cover off elements for certain tactical units like Canadian Special Operations Regiment (CSOR), 427 (griffon) and 450 (chinook) Squadrons because of their geographic co-location with 2 Canadian Mechanised Brigade Group (CMBG). This causes confusion with regards to tasks, funding and who is doing what for whom. The staff must then turn their focus on determining which tasks should be covered under the ABP and which should be covered by their own elemental lvl one BP which causes additional work. Standardisation and harmonisation of the BP at the Departmental lvl is essential to ensure operational efficiency.

6. The format of the ABP was derived from the corporate world. Although extremely difficult to match the goals of a private company to a governmental agency, there are surprisingly numerous similarities. Table 1 was drafted to compare the similarities between the two BPs.

Table 1 – Comparison between Army and Corporate Business Plan

	Army³	Corporate⁴	Comments
1	Commanders Intent	Executive Summary	Similar – direction from the top down.
2	Army Operations Order	Company Description	Similar – detailing how the organisation will work.
3	Training the	Product or Service	Similar – focus is

³ Canada, Department of National Defence, *Army Operating Plan FY 2015/2016 V2* (Ottawa: Chief of Land Staff, 2015)

⁴ Tim Berry, “A Business Plan Outline” accessed 31 January 2016, <http://articles.bplans.co.uk/writing-a-business-plan/a-business-plan-outline/374>

	Force		placed on the “product”.
4	Capability Development	Market Analysis	Similar – what does the future hold?
5	Infrastructure	Strategy and Implementation	Different – the tools to achieve your objectives.
6	Financial Allocation	Financial Analysis	Similar- it all boils down to the dollars and cents.

Interesting how much the ABP resembles a standard BP for a corporate business. It would be safe to assume then that the BPs between the elemental lvl ones resemble each other as well, considering they all work within the same Department. Ideally, an individual should be able to move from one organisation to another and expect to see a standardisation in the BP. This is not the case as the Army, Air, Navy and SOF place a differing amount of importance on each topic. As seen above, the ABP is focused on the Army, its requirements and the items it deems necessary to achieve those milestones. This is not necessarily a negative thing, the only recommendation is that a template be adopted and implemented to ensure standardisation amongst the Department.

7. One of the important pieces missing from the ABP is a chapter on the Human Resource Plan (HRP). This plan identifies the human resource requirements for the organization for the upcoming year. A letter or directive normally accompanies the template to provide the lower levels with some visibility as to the Army’s priorities and direction. The HRP forecasts gaps in the civilian workforce management plan, which translates into Full Time Equivalent (FTE) and Salary Wage Envelop (SWE) usage/slippage. Another point to note is that the HRP timelines do not coincide with the ABP cycle. Conducting these two processes separately causes additional workload, errors and stress on the staff. The recommendation is that the HRP be incorporated as

an additional chapter within the ABP. Given that the people are the departments biggest resource, proper emphasis should be placed to ensure that the process is well looked after.

8. The length of a document directly affects the reader. It will dictate how much time and effort will be placed on comprehending the document. The current ABP is 147 pages long⁵. This causes some significant challenges. Experts on drafting BP state that the most critical element of success is that it be short and concise⁶. The ABP needs to adopt this philosophy for a few main reasons. Firstly everyone in the organisation must read the plan. This is essential in order for everyone to understand their piece in the pie and what they need to do in order to assist the Army in achieving its objectives. Secondly, the ABP needs to be accessible to everyone. In the past hard copy binders were printed off and circulated. Over the past few years, the ABP has been kept on a sharepoint website. The issue with the site is that not everyone has the computer rights to access it. Also not everyone in the Army has a computer from which to access the document. An excessively long BP can be a hassle to maintain, promulgate and access. By ensuring the ABP is short, concise while being inclusive of all essential items provides a greater guarantee that it will be read and implemented by the individuals working for the Army.

Training

9. The Army has dedicated staff, at the rank of Major and Lieutenant-Colonel who draft, collate and disseminate the ABP on behalf of the Commander of the Army. The issue however, is that the members posted to the staff to do this work may or may not have even seen or read the

⁵ Canada, Department of National Defence, *Army Operating Plan FY 2015/2016 V2* (Ottawa: Chief of Land Staff, 2015)

⁶ Tim Berry, "A Business Plan Outline" accessed 31 January 2016, <http://articles.bplans.co.uk/writing-a-business-plan/a-business-plan-outline/374>

ABP prior to their posting. The issue here lies on the training officers receive in the earlier stages of their careers. The Army currently does not incorporate lessons or courses on business planning into its developmental periods (DP) 1, 2 or 3.⁷ Also at the lower levels, the individuals tasked to draft the plans are typically double hatted with other core job functions. This fact alone provides much confusion concerning the importance of the document and how to properly conduct the process. Introducing this element at the Major/Lieutenant-Colonel stage is much too late to be effective. Lessons and courses on business planning need to be incorporated throughout the officer DP. By providing visibility and awareness at the lower levels, institutional effectiveness will greatly improve.

10. The Canadian Public Service School offers standard courses to all employees of all the various government agencies. It leads the government's enterprise-wide approach to learning by providing a common curriculum that supports public servants through key career transitions, ensuring that they are equipped to serve Canadians with excellence.⁸ This institution does offer a Business Planning Course a few times a year open to all public servants. This course should be mandatory to all officers whether they are working in direct business planning position or not. It also offers a unique perspective because it is focused on business planning at the governmental level. Therefore there are numerous different departments in attendance all learning from one another on how to improve their own processes. This would be a tremendous advantage for DND to understand how the other departments run their process. The ability to full understand the BP process, by ensuring the proper amount of training for the individuals tasked to work on it is essential in order for the Army to attain its objectives.

⁷ D.A Warnke, "Tactical Level Business Planning" Joint Command and Staff College Paper, Canadian Forces College, 2013.

⁸ Canada School of Public Service, "Courses and Programs", accessed 31 January 2016, <https://www.canada.ca/en/school-public-service.html>

Performance measurement

11. The National Defence Program Alignment Architecture (PAA) is a key element that depicts the inventory of departmental programs, arranged in a hierarchical manner to demonstrate the logical relationship between each program and their contribution to DND's Strategic Outcomes.⁹ It was drafted in consultation with Treasury Board in order to ensure that DND's outputs and outcomes are achieved in line with the expectations of the business of defence. This model which can be seen at Annex B, was implemented during fiscal year 2014-2015 is still quite new to the department. Members working with this model are still trying to figure out how it really fits in to how they do business. It has six main lines of efforts with sub categories for each line. The next step for DND is to link the PAA to the financial structure in the Defence Resource Management Information System (DRMIS) all the way from the strategic to tactical levels. Linking the financial to the PAA will facilitate visibility and each year the department will be able to see how much of the public's money is spent on each line. Although this idea sounds quite good, in reality it has been much more difficult to implement. The reason for this is that the lvl ones are the ones deciding which PAA line fits with which financial code. This will cause different results in the end and thus the financial accountability of the PAA will not be as valuable as predicted. The Army has begun this process, but considerable work still needs to be done to validate and cross-reference to ensure similarity amongst the department.

12. Capturing Critical Knowledge from a shifting work force is essential for success. With the high turnover, the lack of handovers and the constant job shuffling within the Army, there is a requirement to establish a standard set of targets. These would provide clear links between activities and performance measurement and allow the department to adjust as required. The

⁹ Department of National Defense and Canadian Armed Forces, "2014-15 Report on Plans and Priorities", Her Majesty the Queen in Right of Canada, Represented by the Minister of National Defence, 2014.

main critical success factor that will be discussed is measurement. Measures can assess an organization's knowledge retention progress and provide vital information about strategies for achieving its goals.¹⁰ Adapting the "SMART" targets to the Department would assist all the levels in establishing a benchmark to rate success against. SMART targets, as portrayed in Annex C are defined as Simple, Measureable, Attainable, Relevant and Trackable. These targets were chosen because they can be applied to just about everything. They also encompass all the important factors worth measuring from year to year. Adopting this method would allow for quantitative and qualitative tracking of historical and future data thus ensuring a better result for the Army of tomorrow.

CONCLUSION

13. The ABP is an essential process that is required in order to ensure the efficient and effective future of DND. The ABP lays out the "map" by which the entire element must abide by in order to ensure success. It assists with planning and forecasting upcoming requirements and should be an all-encompassing document. This paper has argued that the ABP is lacking in its ability to effectively plan for upcoming requirements and is not providing an optimal operational outcome for the future. There remains a requirement for standardisation of the process, additional training for all individuals as well as performance measurement standard. All of these are critical factors that require additional work in order for the ABP to be operationally effective. The implementation of the Business Plan Process to the Army over the past 18 years has been a slow process however there have been some important elements of progress that should not be overlooked.

RECOMMENDATION

¹⁰ Farida Hasanali, Capturing Critical Knowledge from a Shifting Work Force, American Productivity and Quality Center, Texas, 2003.

14. Three main recommendations were put forth during the drafting of this service paper. First, the requirement for a departmental standard BP is required in order to ensure effective joint operations. Secondly, the establishment of a training process in order to educate individuals on the importance of the BP and understand the advantages it brings to the department. And lastly, a standard for performance measurement, for example “SMART” targets, requires implementation. These recommendations will ensure a more effective product and assist in establishing cohesiveness within the Army, Air, Navy and SOF by ensuring a more productive and efficient future.

Annexes:

A. A Typical Budget Cycle

B. National Defence Program Alignment Architecture

C. SMART Goals – Definition

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