



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY, EUROPE, AND SEVENTH ARMY
UNIT 29351
APO AE 09014

MAJ Bill McLagan/370-7161
21 Jan 2004

AEAGS-OR

23 January 2004

MEMORANDUM FOR PERSONNEL CONCERNED

SUBJECT: US Army Europe/7TH Army, Strategic Readiness System (SRS) Point Paper.

1. Purpose. To provide information on the Strategic Readiness System (SRS) and the way ahead for implementing SRS within USAREUR and its major subordinate commands (MSC).

2. Discussion.

a. In 1999, an Army War College study found major gaps throughout the Army in areas including perceived vs. actual readiness, strategy vs. day-to-day operations, and strategy vice resourcing decisions. Later that same year, the Chief of Staff, Army (CSA), GEN Shinseki, directed that the Balanced Scorecard methodology be implemented as the new "system" to facilitate the Service's strategic management and readiness assessment process. This new "system" is called SRS.

b. The Balanced Scorecard Methodology was introduced in 1992 by Dr. Robert Kaplan and Dr. David Norton. This methodology applies its principles to a hierarchical framework that allows organizations to map their strategy at various organizational levels in terms of quantifiable objectives that drive both behavior and performance. This framework allows organizations and their subordinate-level organizations to define their vision in terms of "objectives", "initiatives" to achieve those objectives, and quantifiable "measures" unique to that organization. These elements, together with the macro-level "strategy map", comprise what's known as a "scorecard". This methodology allows organizations to integrate resource measures with other key performance indicators, including customer preferences, internal business processes, and personal learning/development to establish an integrated picture of that organization's strategy. This methodology is the basis for SRS.

c. SRS incorporates the Balanced Scorecard Methodology into an automated decision support tool. This tool is available through the Army Knowledge Online (AKO) environment in both the classified and unclassified domains and allows Commanders and their subordinate units to quantify their state of readiness and progress toward their vision based on input to their objectives, initiatives, and measures vs. defined "target" values. This includes the ability to aggregate input from subordinate unit measures. Furthermore, organizations are identified by "levels" which define the overall hierarchy. The CSA scorecard is referred to as Level 0 while the Army Staff and its Major Commands are considered Level 1. Major Subordinate Commands are Level 2. Division and brigade headquarters are called Level 3.

AEAGS-OR

SUBJECT: US Army Europe/7TH Army, Strategic Readiness System (SRS) Point Paper.

d. Commanders may use the information derived from SRS and the Balanced Scorecard Methodology to immediately evaluate their organization's overall progress toward its vision and plan the resources necessary to support their readiness posture. SRS also allows organizations to share information in a collaborative environment and to demonstrate how their strategy supports their higher headquarters.

e. The USAREUR/7A staff has been involved in the implementation of SRS since early 2002. As it continues to mature, the USAREUR G3 will be the lead organization within the command for SRS. Many USAREUR staff elements and MSCs will become responsible for individual measures specified on the USAREUR scorecard in addition to the scorecards established by the MSCs themselves. Individuals responsible for SRS will be granted access through the USAREUR SRS Operations Center in the classified and unclassified AKO domains as required. The USAREUR staff and MSCs should work closely with the G3 to ensure timely and accurate SRS information and mutually supporting objectives. At times, achieving the timelines toward implementing SRS may require MSCs to develop their objectives and Level 2 and Level 3 scorecards in parallel with their higher headquarters.

f. The Strategic Readiness System has significant value added to the Army and USAREUR as we continue to transform. This new "system" allows leaders throughout the command an opportunity to achieve a cohesive strategic vision and provides a framework to integrate each organization's progress and state of readiness vertically and horizontally in a shared environment. The system allows organization's to then link measurable unit performance data to an organization's readiness and progress toward its strategic vision. Commanders may use this information to evaluate risk at appropriate levels and link resources to readiness, thus allowing them to remain proactive using leading *and* lagging indicators. This process starts with the scorecard established by the Commander, USAREUR, which supports the Army scorecard.

g. The USAREUR/7A Headquarters and its MSCs will continue to implement SRS as an automated tool to track the command's readiness and progress toward the goal of achieving transformation and providing war-winning forces to the Combatant Commander. As the Commander, USAREUR approves his scorecard, further guidance will be forthcoming for MSCs to establish and populate their scorecards, including timelines and an Implementation Plan that defines responsibilities at each level. Likewise, the USAREUR staff and MSC Commanders may anticipate a quarterly reporting cycle to review organizations' information and progress. Eventually, the USAREUR/7A scorecard and those of its MSCs will reflect the transformed theater end-state.

Approved. LTC David M. Thiede, Chief, USAREUR ORSA Cell, DSN 370-8764.

POC This action is MAJ Bill McLagan, 370-7161, bill.mclagan@hq.hqusareur.army.mil or Mr. Harry Jenkins, 370-6129, harry.Jenkins@hq.hqusareur.army.mil