



OCCAR Strategy Paper

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This document replaces: SP14 Corporate Strategy, Issue 1
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Record of changes

Date	Issue	Changes
04/10/06	1	Initial issue as approved by the OCCAR Board of Supervisors
10/03/08	2	Inclusion of modified Mission Statement. Deletion of the graph on OCCAR's predicted growth in paragraph 4.2. Issue 2 approved at 28 th FTPC on 06/03/08.

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List of acronyms

EA	Executive Administration
EU	European Union
EDA	European Defence Agency
CDM	Capability Development Mechanism
ISS	In-Service Support
KPI	Key Performance Indicator
MOTS	Military Off-The-Shelf
NAMSA	NATO Maintenance and Supply Agency
PFI	Private Financing Initiative
PPP	Public Private Partnership
TDP	Technology Demonstrator Programme

1. Aim and scope

This document describes OCCAR's Corporate Strategy, set against the rapidly evolving environment in which OCCAR-EA operates and the vision it endeavours to achieve.

2. The OCCAR Convention

The OCCAR Convention sets out the business areas in which OCCAR-EA operates:

ARTICLE 7

OCCAR shall coordinate, control and implement those armament programmes that are assigned to it by Member States, and coordinate and promote joint activities for the future, thereby improving the effectiveness of project management in collaborative projects, in terms of cost, schedule and performance.

ARTICLE 8

OCCAR shall fulfill the following tasks, and such other functions as the Member States may assign to it:

- (a) management of current and future cooperative programmes, which may include configuration control and in-service support, [...];*
- (b) management of those national programmes of Member States that are assigned to it; [...]*

3. OCCAR-EA's mission, vision and values

Deriving from the OCCAR Convention, the mission describes OCCAR-EA's overall purpose, as defined by the Member States. OCCAR-EA's vision is the high level statement, describing the ideal situation, which OCCAR-EA aspires to achieve. OCCAR-EA's values are the basic principles, underlying all activities and decisions.

OCCAR-EA's mission, vision and values statements are shown at figure 1.

<p><u>Our mission</u> To facilitate and manage collaborative European armament Programmes through their life cycle, as well as Technology Demonstrator Programmes, to the satisfaction of our customers.</p>
<p><u>Our vision</u> To be a centre of excellence, and first choice in Europe, in the field of the collaborative acquisition of defence equipment.</p>
<p><u>Our values</u> Belief in Europe's future Professionalism, teamwork, positive attitude towards change Cultural diversity Integrity</p>

*Figure 1
OCCAR-EA's mission, vision and values statements*

4. OCCAR's development vision

4.1 OCCAR's perception of its relationship with the European Defence Agency

OCCAR perceives the European Defence Agency (EDA) to be a natural partner. In this vision OCCAR-EA is firmly embedded in European defence framework, downstream of the EDA in the European capability development and implementation process as shown at figure 2.

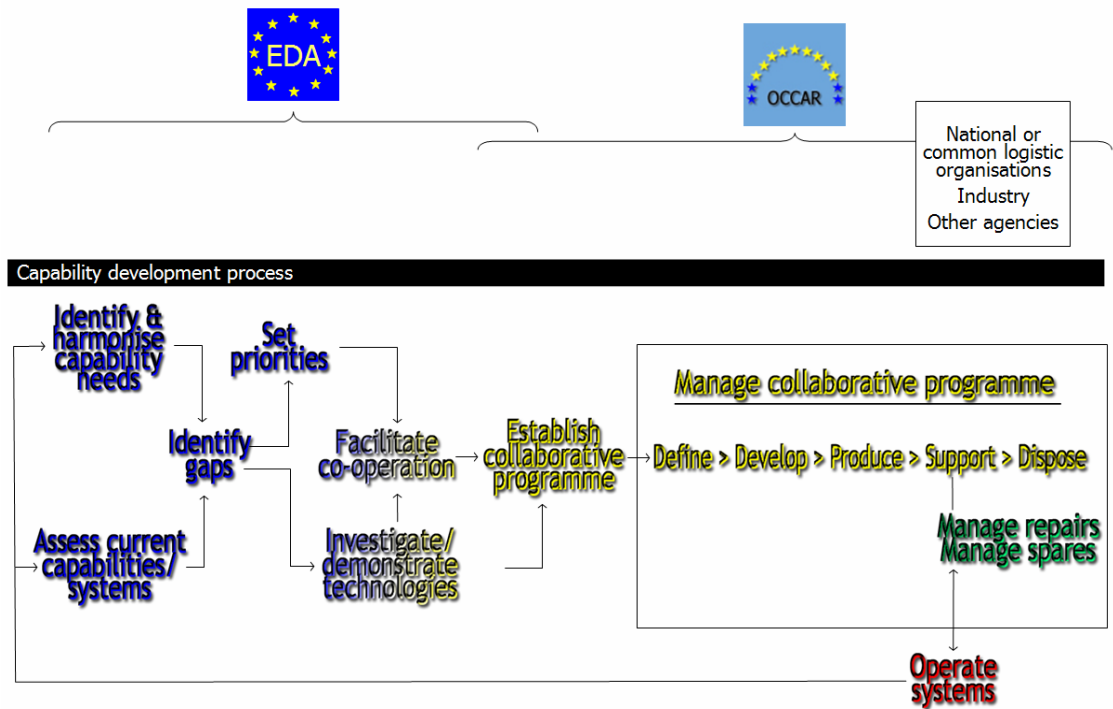


Figure 2

Place of OCCAR in the European capability development process

In this process EDA is responsible for identifying and harmonising capability needs on the one hand and for assessing current capabilities and systems on the other hand. Confronting these two types of information will enable EDA to identify, in association with the competent Council bodies, and utilising the Capability Development Mechanism (CDM), the EU's future defence capability requirements and then existing gaps. By setting priorities and by investigation and demonstration of technologies, EDA is able to foster cooperation, leading to the establishment of collaborative programmes.

At this stage the collaborative programmes should be entrusted to OCCAR-EA, who is tasked to manage them throughout the system life cycle.

Assumption 1: The OCCAR corporate strategy described hereafter is based on the assumption that the Nations will pursue a mutually beneficial relationship between EDA and OCCAR.

4.2 OCCAR's growth

Analysis of the evolution of OCCAR leads to the following conclusions:

- OCCAR should grow further in order to attain the critical mass necessary to implement the principles of the Convention to an extent truly meaningful to Europe, in particular the principle of global balance.
- In order to exploit its added value as a centre of excellence in the field of programme management to the full extent, OCCAR-EA should be entrusted with the management of new collaborative Programmes and continue to manage its current programmes through their life cycle.

Assumption 2: It is assumed that OCCAR Member States will sustain OCCAR-EA and pursue the growth of its portfolio of Programmes.

5. **Strategic Aims**

OCCAR has defined the following Strategic Aims, which translate its vision into concrete and measurable terms.

Customer Perspective

- C1. Improve the effectiveness of Programme delivery in terms of time, performance and cost.
- C2. Be the first choice for new collaborative European defence acquisition Programmes and Technology Demonstrator Programmes.
- C3. Maintain and enhance dialogue within European and defence communities on defence collaborative acquisition issues.

Financial Perspective

- F4. Ensure the most efficient use of resources.
- F5. Provide effective financial planning and management of funds.

Internal Processes Perspective

- I6. Facilitate the effective integration of designated Programme and Technology Demonstrator Programmes.
- I7. Improve programme management processes.
- I8. Improve corporate support services and processes.

Learning & Growth Perspective

- L9. Innovate, develop competencies and empower the entire staff.

Figure 3 shows the main cause-and-effect relationships between the Strategic Aims.

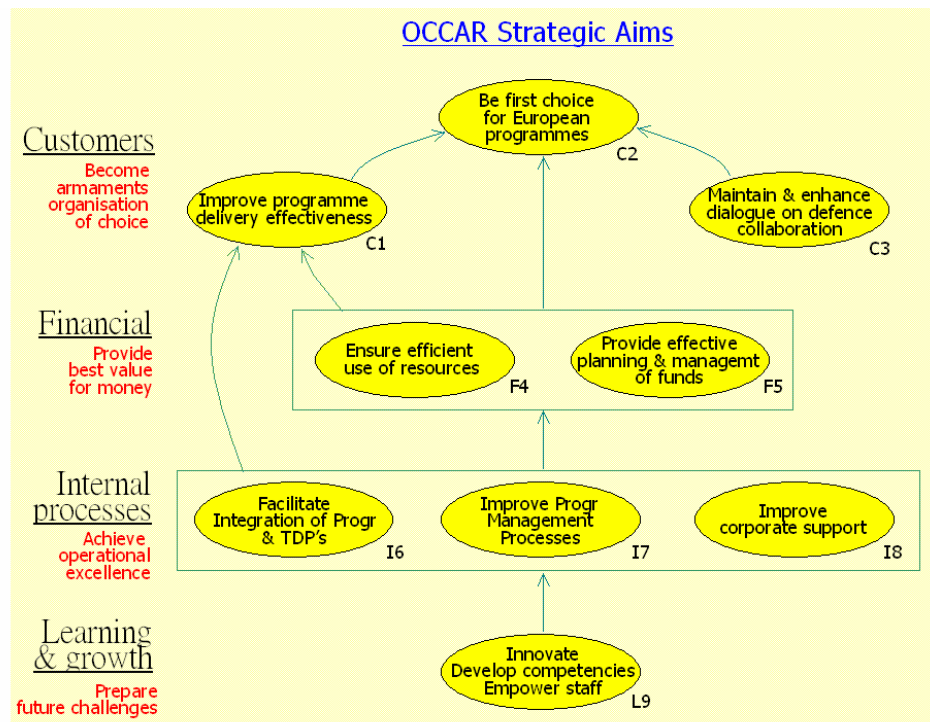


Figure 4
OCCAR Strategy Map

Key Performance Indicators (KPIs) and associated targets, linked to these Strategic Aims, shall be defined in the Business Plan with a view to measuring OCCAR's performance in executing its mission and the progress towards the achievement of its vision.

6. **Corporate strategy**

With a view to achieving its mission and vision, OCCAR shall adopt the following Corporate Strategy comprising the strands described hereafter. This Strategy elaborates on the Strategic Aims defined in paragraph 5.

6.1 Continue and consolidate the Programmes currently managed by OCCAR throughout the system life cycle [strand related to Strategic Aim C1]

OCCAR-EA shall be able to adapt its geometry with a view to supporting its current Programmes throughout all the phases of their life cycle. In particular, as most of its Programmes are already in the In-Service Support phase or are about to enter this phase in the next few years, OCCAR-EA shall ensure that its structure, procedures and tools are the most adequate to undertake this task in an efficient and effective manner. In the In-Service Phase OCCAR-EA strives to be the first choice for managing specifications, contracting and acceptance for the engineering and logistic elements in all activities, commercial aspects and Information Management.

6.2 Become a centre of excellence and be recognised as such [strand related to Strategic Aims C2, F4, F5, I7, I8, L9]

OCCAR-EA shall strive to become a centre of excellence and to be recognised as such by developing and integrating best programme management practices and innovative techniques, including Public Private Partnership schemes and Private Financing Initiatives (PPP/PFI) and Life Cycle Costing.

Through internal analysis and benchmarking, OCCAR-EA shall:

- Define standards of excellence in all fields related to programme management and corporate governance;
- Measure and assess its status against these standards on an annual basis;
- Undertake actions and initiatives with a view to progressing systematically towards its vision of being a centre of excellence.

6.3 Develop an interface with the European Defence Agency [strand related to Strategic Aim C3]

OCCAR-EA shall develop an interface with the EDA, designed to establish and exploit synergy between the two organisations and to pursue actions beneficial to both organisations, with a view to achieving the desired situation expressed by figure 2. This interface should be formalised through a formal arrangement as soon as convenient.

6.4 Shape the integration of new Programmes and Technology Demonstrator Programmes at the earliest possible stage [strand related to Strategic Aim I6]

OCCAR-EA shall ensure that it is aware of the decision making process among the Nations and/or within the European Defence Agency as far as prospective collaborative programmes, including Commercial Off-The-Shelf or Military Off-The-Shelf Programmes (COTS/MOTS) and Technology Demonstrator Programmes, are concerned.

OCCAR-EA shall also prepare itself to meet the challenges generated by these potential Programmes and TDPs, and be ready and able to take these Programmes on, by:

- Analysing, at the earliest possible stage of OCCAR involvement, the needs of the Participating States;
- Offering customised solutions derived from previously developed generic models;
- Endeavouring to ensure that the Programme set-up complies with the OCCAR principles, rules and procedures and best programme management practices.