Description of document:	National Reconnaissance Office (NRO) Strategic Plans, 1993-1998
Requested date:	18-October-2017
Released date:	21-December-2017
Posted date:	26-March-2018
Source of document:	FOIA Request National Reconnaissance Office Attn: OCIO/Information Review and Release Group 14675 Lee Road Chantilly, VA 20151-1715 Fax: 703-227-9198 On-Line Form

NATIONAL RECONNAISSANCE OFFICE
14675 Lee Road
Chantilly, VA 20151-1715

21 December 2017

REF: NRO Case Number: F-2018-00005
    Control Number: 974

This is in response to your request dated on 18 October 2017 and received in the National Reconnaissance Office (NRO) on 19 October 2017. Pursuant to the Freedom of Information Act (FOIA), you requested **"a copy of each NRO Strategic Plan dated before 2000"**.

We have processed your request in accordance with the FOIA, 5 U.S.C. § 552, as amended. A thorough search of our files and databases located two documents responsive to your request. These documents are being released to you in part. Material withheld from release is denied pursuant to FOIA exemptions (b)(1) as properly classified information under Executive Order 13526, Sections 1.4(c) and 1.4(g); and exemption (b)(3), which is the basis for withholding information exempt from disclosure by statute. The relevant withholding statute is 10 U.S.C. § 424, which provides (except as required by the President or for information provided to Congress), that no provision of law shall be construed to require the disclosure of the organization or any function of the NRO; the number of persons employed by or assigned or detailed to the NRO; or the name or official title, occupational series, grade, or salary of any such person.

You have the right to appeal this determination to the NRO Appellate Authority, 14675 Lee Road, Chantilly, VA 20151-1715, within 90 days of the above date. You may also submit an appeal electronically by completing the form available on the NRO's public web site at http://www.nro.gov/foia/ AppealInput.aspx. Please include an explanation of the reason(s) for your appeal as part of your submission. The FOIA also provides that you may seek dispute resolution for any adverse determination through the NRO FOIA Public Liaison and/or through the Office of Government Information Services (OGIS). Please refer to the OGIS public web page at https://ogis.archive.gov/ for additional information.

If you have any questions, please call the Requester Service Center at (703) 227-9326 and reference case number **F-2018-00005**.

Sincerely,

Patricia B. Cameresi
FOIA Public Liaison

Enclosures:
   1. The NRO Strategic Plan - 1993
   2. Strategic plan - 1999-2004

The
NRO
Strategic Plan

Copy No. 381

NRO
STRATEGIC
PLAN

TABLE OF CONTENTS

NRO STRATEGIC PLAN

PURPOSE

To provide strategic direction for the NRO in a changing world environment. The plan also provides a basis for focused dialogue among NRO managers regarding critical issues and choices, as well as a basis for dialogue between the NRO and its government and industry partners.

INTRODUCTION

Intelligence needs are changing substantially as a result of the collapse of the former Soviet Union and the momentous events of the last few years. The risk to the nation of failing to detect any single event is less cataclysmic today, but this does not radically simplify the task of intelligence collection in general, or of overhead collection in particular.

While some traditional collection tasks, for which overhead reconnaissance was heavily used in the past, will migrate to other methods of collection, the uncertain nature of the world that is emerging from the end of the "cold war" places a heavy premium on overhead reconnaissance that provides flexible, worldwide coverage. Yet this overhead reconnaissance challenge must be met in an era of a likely reduced national security budget. This new world order creates both a challenge and an opportunity for the NRO.

Fiscal realities and changes in the world situation have placed renewed challenges and demands on the NRO. The NRO has been coping with significant budget reductions since 1989. Between 1989 and the late 1990's, the NRO

(b)(1)
(b)(3)

between 1986 and 1993, the size of the industrial work force upon which the NRO depends will have been reduced by approximately 60 percent. In order to cope with these and future investment impacts, the need for NRO strategic planning has become even more critical.

NRO planning for improved strategic management began in 1989 with the implementation of recommendations in

the NRO sponsored Geiger/Kelly study and more recently the Fuhrman study. These include establishment of the Office of Plans and Analysis, the Deputy Director for Military Support, the consolidated Security Center, the collocation of NRO elements, and reorganization by intelligence disciplines. The Geiger/Kelly study also emphasized the need for a strong NRO-wide strategic planning process.

The DCI initiated an outside review of the National Reconnaissance Program (NRP) in the summer of 1992. Led by Ambassador James Woolsey, the Panel independently reviewed national and operational support needs, existing programs, and future possibilities. The Panel's report recognized the continuing need for a strong NRP and the realities of declining budgets, and it recommended certain program cancellations, consolidations, and future areas for modest growth. With slight modifications, the Woolsey Panel's findings have been adopted by the NRO and endorsed by the Intelligence Community; they constitute the programmatic baseline for this Strategic Plan.

The NRO Strategic Plan that follows demonstrates the NRO's continuing commitment to the development and operation of responsive overhead collection systems that provide unique foreign intelligence in the context of changing needs and priorities. The NRO Strategic Plan is the "game plan" to transition current overhead collection architectures into a more integrated, end-to-end architecture for improved global access and tasking flexibility; to enhance NRO products and services to all customers and users[1]; and to assure a viable industrial base. It is a plan for continuing the strategic advantage of overhead reconnaissance for future national security purposes at a reduced cost.

---

1. The term customers refers to those government organizations that directly provide the NRO with collection requirements, help fund NRO projects, or have a degree of authority to integrate and validate the requirements upon which the NRO bases its developments. The NSA, DIA, CIA, and CIO are customers of the NRO. The term users refers to all organizations that make substantial use of NRO products, such as the Military Services, U&S Commands, and intelligence analysts.

SECRET/NOFORN

Handle via Talent-Keyhole
Control Channels Only
TCS 51692/93

1 of 9

Approved for Release: 2017/12/04 C05106397

DNRO VISION AND STRATEGIC CONTEXT

"Provide Information For All Users Where and When Needed By Developing and Operating Overhead Reconnaissance Systems."

The vision statement is the DNRO's personal view of the desired future posture of the NRO, given the planning context and its implications. It has been embraced by the leadership of the NRO as the foundation for planning, programming, and budgeting. Within the vision, the term "information" is significant in that it recognizes the need not only for overhead data but also for the additional processing and exploitation processes that are also required to transform the data into meaningful information for a user. "All users where and when needed" acknowledges the emerging larger set of users of overhead reconnaissance who require meaningful near-real-time information at worldwide sites. "Developing and operating" recommits the NRO to continue its cradle-to-grave responsibility. The NRO will establish a strategic partnership with the national security community to address the end-to-end system changes that are required to achieve this vision.

This vision stems from the recognition of a number of changing conditions that demand that the NRO--and its customers and users--critically examine what business we do and how we do it. The following key areas of change have the most critical impact.

Geopolitical. Significant developments have included the United States exercising its global leadership through new multinational alliances as well as radical changes in traditional threats. This circumstance has been coupled with a less predictable international situation and has resulted in a shift from sharp focus on the former USSR, national security being less "dependent" on detection of any one single event, and a global requirement for planning and targeting. Major changes in traditional target composition and priorities, and the need to develop more flexible and responsive architectures are key implications for the NRO.

National Security Policy of the United States. The trends in this area have been greatly affected by emerging new dimensions to our national security strategies including energy, environment, and economic competition. Major defense restructuring and changes to resulting budgets herald significant changes to intelligence and military support requirements. While many core requirements endure, a new group of consumers is emerging. Coupled with these changes is the need to increase responsiveness and flexibility of the intelligence process, as well as to develop methods to promote sharing and releasability of the information. When these needs are viewed in the context of reduced budgets

(b)(1)
(b)(3)

Congressional Issues. Support for intelligence continues to be strong among many members of Congress. Regardless, there remains an expectation within Congress of a large "peace dividend" from both intelligence and DoD communities. The Administration and the Intelligence Community anticipate large program and personnel reductions. Implications to the NRO include the need to continue executing cost-effective and non-duplicative programs, extracting greater productivity from existing programs, providing stronger validation of new programs, and being responsive to all aspects of congressional oversight.

Intelligence Community. The current restructuring of the Intelligence Community places great emphasis on interoperability and common standards. The traditional phases of intelligence are coalescing. The need for "end-to-end" system engineering within the community and increased emphasis on interoperability and standardization has been recognized. The NRO experience and capabilities in large-scale systems engineering may be called upon to support this effort. In particular, significant military support-related architectural changes will be required with an emphasis on increased flexibility and responsiveness.

Operations Support. Rapid advances in weapons, space, communication, and information technology have made plausible the prospect of providing real-time information support for operations, such as battle execution, counter-narcotics, and counter-terrorism. DESERT STORM, which one senior commander called "the first space war," demonstrated the vital importance of space-based collection and communications. These events create undeniable demands for flexible overhead collection systems with appropriate distribution architectures to meet the real-time needs of operators. The utility of NRO systems to support military operators has been enhanced by a wide variety of "Tactical Exploitation of National Capabilities" (TEN-CAP) programs sponsored and funded by the Military

(b)(1)
(b)(3)

Services.

Moreover, the associated processing, exploitation, and dis-
tribution architectures for imagery products—generally the
responsibility of program managers outside the NRO--
have not always been designed for either the volume or
timeliness required to meet operators' needs. At the very
least, the NRO must better incorporate the operators' needs
up front as new systems are designed and as old ones are
upgraded. Beyond that, the NRO--and others--must also
examine new approaches toward taking advantage of tech-
nology and the NRO's unique experience and authorities
for development, acquisition, and operation of overhead
reconnaissance systems in order to meet growing Military
Service and CINC needs for reliable real-time support
from space reconnaissance systems. Some of these needs
may not compete well with traditional NFIP needs and pri-
orities. This may require some modification of NFIP and
DoD requirements and programming mechanisms and
certainly will demand a closer planning and operations
management relationship between the NRO and other
DoD elements.

Technology. Global technology proliferation and growth
in the space surveillance market simultaneously offer great
challenge and opportunity to the NRO. On one side of this
coin is the challenge to track technology proliferation
among potential enemies. The other side of the coin is the
opportunity to rapidly apply emerging global technologies
within NRO overhead systems and user application sys-
tems. The ongoing revolution in information processing
and dissemination offers both assistance and challenge to
the NRO. The implications to the NRO include the need
to establish reduced development timelines, the need to
develop more opportunities to incorporate and leverage
commercial technology investment, and the need to effec-
tively handle and fuse greater amounts of data. The NRO
must continue to aggressively sponsor needed technolo-
gies and actively participate in technology sharing to meet
future collection, processing, exploitation, and dissemina-
tion needs.

STRATEGY AND OBJECTIVES

The conditions outlined briefly above have led the NRO to
establish a *macro-strategy* that responds to current condi-
tions, while enabling transition to longer term *strategic
objectives* designed to help achieve the DNRO's vision to
*provide information for all users where and when needed
by developing and operating overhead reconnaissance
systems.*

MACRO-STRATEGY

The macro-strategy recognizes the conflicting pressures
among sunk costs, existing infrastructure, current capabili-
ties, near-term needs, changing needs, and future invest-
ment requirements to build and maintain needed new
capability. This strategy is essentially designed to cope
with the complex realities resulting from the contradic-
tions of attempting to maintain as much capability as pos-
sible to meet current needs, while preserving investment
for the future in an era of declining budgets. The macro-
strategy as stated here seeks an appropriate balance.

NRO MACRO-STRATEGY

Within the context of a changing national security
strategy and a decreasing fiscal environment, sustain
the most capable overhead architecture by applying
system engineering from end-to-end (overhead
requirements management through dissemination) to
*provide information for all users, where and when
needed,* by:

• Investing in the future while accepting near-term
risk

• Increasing emphasis on support to military opera-
tions

(b)(1)
(b)(3)

• Assuring a viable industrial base

• Developing and protecting critical technology

• Improving overhead mission management, exploi-
tation, and dissemination

The macro-strategy is founded on the understanding that the risk to the nation of failing to detect any single event will be less cataclysmic than would have been the case when our concern was focused on the former USSR. This fundamental change in geopolitics allows the development of reduced cost architectures through the path of steady evolution of systems and through consolidation of programs. This strategy for evolving the next generation overhead architecture is necessary to sustain the most capable overhead architecture in a decreasing fiscal environment and to assure the future viability of the NRO industrial base.

The strategy emphasizes support to military operations,
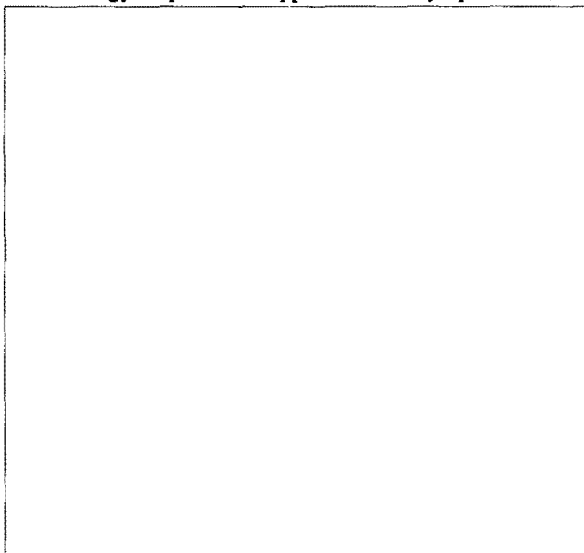
(b)(1)
(b)(3)

Maintaining functionality and flexibility in all collection capabilities is a major feature of the macro-strategy. Future overhead collection needs clearly require all current program capabilities (i.e., IMINT, COMINT, Operational ELINT, Technical ELINT, FIS, and MASINT); all principal consumers require a combination of these collection capabilities. Flexibility in all collection capabilities is a need of many consumers but particularly in Defense, where intelligence needs are radically changing. As budget pressures mount, the NRO will attempt to retain functionality and flexibility.
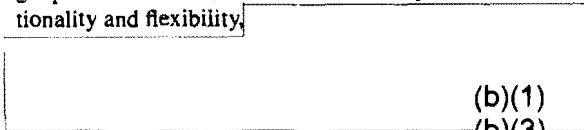
(b)(1)
(b)(3)

The macro-strategy commitment of assuring a viable industrial base and developing and advancing critical technologies is imperative for the future viability of the NRO mission. A strong industrial base must be sustained in order to supply innovative engineering, critical technology, and cost-effective system management. The challenge is to achieve this end in the face of a decreasing fiscal environment.

The last element of the macro-strategy addresses the potentially large end-to-end performance gains that can be achieved by a strong effort in concert with NRO partners in other government agencies, to improve overhead mission management, exploitation, and dissemination.

STRATEGIC OBJECTIVES

While the macro-strategy has near-, mid-, and long-term aspects, it is essentially designed to cope with the realities discussed above. The strategic objectives, on the other hand, were developed as a comprehensive set of enduring objectives to guide all levels of NRO planning. They were developed to respond to national security changes and to achieve the DNRO's vision.

Architectural Strategic Objectives. Three architectural objectives establish broad technical and performance goals for NRO programs for the coming decades in terms of required system attributes. These objectives are guidelines for transitioning U.S. overhead reconnaissance to a state that will better satisfy the global needs of NRO customers. Integrated solutions and end-to-end system engineering are required to assist the national security community in achieving a balanced and responsive architecture.

Enhance End-to-End System Responsiveness. This objective recognizes that user applications of overhead collected intelligence require near-real-time support. Constellations and supporting infrastructure, must transition to **(b)(1) (b)(3)** constellations that allow rapid regional coverage anywhere in the world. An integrated end-to-end (requirements management to dissemination) architecture approach is needed to ensure responsiveness. Specific goals are near-real-time service to operational users (military and others), balanced global access with coverage flexibility, full range sensors, and minimized development timelines.

Provide Assured Data Delivery. NRO customers and users must feel confident that they will receive overhead data responsive to their needs. The NRO will tailor information for customers and users based on their needs and

4 of 9

SECRET/NOFORN

Handle via Talent-Keyhole
Control Channels Only
TCS 51692/93

Approved for Release: 2017/12/04 C05106397

application processes. To support this objective, the NRO will ensure collection and dissemination continuity, provide survivable systems consistent with requirements and fiscal realities, provide customer- and user-tailored information, and support the further releasability of data to U.S. as well as allied users.

Improve Integration of Systems. The NRO will support the integration of multidiscipline collection, processing, and dissemination; balance end-to-end architectures; integrate airborne and space constellations; emphasize both unique and complementary aspects of NRO systems; and seek a seamless national/tactical interface. These initiatives will require increased integration of the National Reconnaissance Program, Defense Reconnaissance Support Program, and Airborne Reconnaissance Support Program activities. Finally, the NRO will reduce dependency on fixed overseas sites and support developmental and operational system trades for weapon systems.

Programmatic Strategic Objectives. These objectives represent continued commitment to programmatic values including assuring a viable industrial base and sustaining innovative technology, while seeking decreased costs. The objectives include cost control management practices as partial offsets to budget reductions while preserving NRO effectiveness.

Balance System Cost and Utility. The declining budget environment dictates more attention to this practice. Specific goals include measuring system utility at the user level; emphasizing system cost effectiveness; balancing security with cost, service, and risk; and seeking decreased total costs.

Develop Interoperable Programs. This objective addresses the need to integrate NRO systems more directly with user application systems. This includes advanced applications of intelligence for military operations, the growing number of near-real-time applications of overhead-derived intelligence, and the increasing need to integrate systems across all of the intelligence processes. Other goals include employing emerging industry and government standards and developing community agreement on system programmatics and capabilities.

Pursue Pre-Eminent Technology. This objective addresses the NRO's commitment to retain its pre-eminent position in the development, exploitation, and application of technologies to overhead reconnaissance systems. Specific goals are to conduct innovative experiments, pursue NRO technology investment in mission unique areas,

exploit commercial-off-the-shelf (COTS) and worldwide technology, leverage and rapidly apply existing and developing technologies, utilize the full range of industrial and government partnerships to leverage research and development (R&D) investment, and expand technology sharing.

Strengthen NRO Acquisition Process. This strategic objective will build on the existing strong mutual respect between the NRO and industry to address emerging opportunities and new challenges. The following are specific goals: enhance efficiencies in system acquisition, match build cycle to use cycle, broaden industry communication and cooperation based on mutual benefits, and encourage industry to identify new initiatives in support of NRO objectives.

Management Strategic Objectives. The NRO management objectives recognize that managing national intelligence programs will require more understanding, interaction, and cooperation among all customers, users, and approval authorities. Two management objectives establish goals to facilitate these ends.

Improve External Relationships. Closer relationships with customers, users, and Congress are needed to improve responsiveness and maintain stability of NRO programs. This is especially true for the DoD and NRO relationship. Specific goals to be addressed include improving understanding of customer requirements and user needs, building stronger customer and user constituencies, ensuring that all customers and users are well informed, supporting community efforts to enhance customer and user feedback mechanisms, and enhancing Congressional understanding of plans and programs.

(b)(1)
(b)(3)

Continue To Improve Management Process. In addition to the programmatic objective that addresses cost effectiveness and utility, several NRO management improvements are necessary to improve organizational efficiency and to achieve the desired cost effectiveness. Specific goals are to continue to seek, develop, and retain the highest quality personnel with a diverse skill mix; centralize focus and decentralize implementation; optimize investment strategies across programs; use tailored management practices; and, finally, match security to the environment.

APPROACHES TO IMPLEMENTATION

The following approaches to implementation, called thrusts, are approaches to the near- and mid-term achievement of the longer term enduring strategic objectives. Many of these thrusts are substantiated in the 1994-99 National Reconnaissance Program. Others are recommended planning initiatives but are not currently approved for funding; the NRO will advocate their funding in future programmatic actions. The thrusts represent the results of

(b)(1)
(b)(3)

ARCHITECTURAL THRUSTS

(b)(1)
(b)(3)

(b)(1)
(b)(3)

This development approach will provide considerable improvement to imagery users by evolving toward an enhanced future architecture that builds on current collection capabilities. The IMINT Directorate will continue to focus on initiatives needed to achieve a fully integrated, cost-effective, and responsive architecture for the future.

(b)(1)
(b)(3)

SECRET/NOFORN

Handle via Talent-Keyhole Control System Only
TCS 51692/93

The NRO ground communications infrastructure is being
enhanced to provide assured availability and increased
flexibility and responsiveness. Secure communications
connectivity among NRO program offices, operational
sites, and the industrial base will be improved to enhance
coordination and end-to-end, life-cycle management of
NRO systems. Where appropriate to facilitate planning,
requirements, analysis, and other NRO customer-user
interaction, the NRO will also work with other agencies to

(b)(1)
(b)(3)

Dissemination. Improvements in the overall worldwide
dissemination of information are required in order to meet
customer requirements and user needs. The NRO will be
proactive in working with the DoD and non-DoD com-
munications communities to resolve dissemination
issues. The NRO Communications Office, in conjunction

with other Directorates and Offices, will develop the ele-
ments of a responsive dissemination architecture.

Launch. The NRO will continue to rely on proven launch
systems and to sponsor prudent modifications to existing
systems. The NRO will participate in efforts to examine
needs for and desired characteristics of a next-generation
space lift system.

Military Support. Military users will benefit from most
of the NRO Architectural Thrusts identified in this Plan.
To ensure that these efforts are effective, the NRO, through
the Operational Support Office (OSO) and Defense Sup-
port Project Office (DSPO), will continue to pursue an
aggressive training and exercise support program, building
a complete continuum of coverage from initial military
training through all aspects of Service training over the
military member's career. Additionally, the DSPO
recently initiated major DoD-related planning and archi-
tecture development programs to refine military support
mechanisms and to ensure that theater collection comple-
ments the national systems. The NRO will continue active
participation in operations, tests, simulations, and experi-
ments, using its resources to demonstrate and develop
improvements to support military activities. This activity
includes all phases of the intelligence cycle, from require-
ments management through dissemination and processing.
Recent examples of this sort are the development of a new

(b)(3)
(b)(1)

Through the Military Exploitation of Reconnais-
sance and Intelligence Technology (MERIT) program and
an increased cooperation with military operators and sys-
tem developers, the DSPO will support end-to-end solu-
tions for existing and new

Environmental Support. Environmental users and con-
gressional leaders have expressed an interest in making
NRO system capabilities and archived data more accessi-
ble for environmental support. The NRO will participate
in joint efforts with environmental scientists and other
users of environmental data to consolidate requirements
and assess capabilities. The NRO will support limited
demonstrations of capabilities through exploitation of
existing assets, both archived data and newly collected
data, and establish limited programs to address operational
use of current systems for support during natural disasters
and other environmental crises. The NRO will work with
users of environmental data to explore and advocate future
changes that would balance the use of systems between
their primary intelligence missions and environmental
support.

Quick Reaction Capability (QRC). The NRO will estab-
lish quick reaction projects

(b)(1)
(b)(3)

which
can be quickly developed and deployed to address an iden-
tified need. The QRC capability may also provide oppor-
tunities to operationally demonstrate the application of
new technologies.

PROGRAMMATIC THRUSTS

Key Industrial Base.

(b)(1)
(b)(3)

The NRO and industry
will work together to achieve greater efficiencies in devel-
opment, production, and operations while maintaining the
viability of the key industrial base.

Critical Technology. The NRO's Research and Develop-
ment (R&D) Program will continue to emphasize
advancement of those technologies that are unique and
critical to overhead reconnaissance. The NRO will also

(b)(1)
(b)(3)

Industrial Security. The NRO is committed to reduce
costs and efficiency impediments created by the industrial
security program when the changes can be balanced with
acceptable risk. Ongoing NRO security studies are
addressing selected consolidation of development and
operational compartments where efficiencies can be real-
ized. Compartments will be evaluated to facilitate cross-

program and cross-discipline exchange of technology as
well as to eliminate duplicate facilities.

Acquisition Management. The NRO is committed to a
cost-effective management process which sustains a
streamlined acquisition approach. The NRO will imple-
ment an Acquisition Management Directive (NRO Direc-
tive 7), which codifies the life cycle acquisition and
operations responsibilities for the NRO program offices.
The process includes formal independent assessments and
program reviews at key decision points by the DNRO, as
the NRO Acquisition Executive, and the NRO Acquisition
Board (NAB), as advisers to the DNRO.

MANAGEMENT THRUSTS

Customer and User Interaction. As typified by the Gov-
ernment Conference and Feedback Conference hosted by
the NRO in 1992, the organization is committed to full
participation by customers and users in NRO strategic
planning, including the development of this Strategic Plan.
Increased interaction will include information exchange
on proposed overhead architectures and associated pro-
grams, to ensure that customer and user needs are properly
addressed. As an essential part of this thrust, the NRO has
formed a new office, the Operational Support Office
(OSO), which serves as the NRO's principal agent for
developing a close support relationship with operational
users (national/civil/DoD) and internal NRO organiza-
tions. OSO responsibilities include providing centralized
support to all operational users of NRO products and ser-
vices and coordinating NRO support to

This interface will promote the effec-
tive utilization of NRO systems in providing products that
satisfy operational needs.

(b)(1)
(b)(3)

Security Management. The DNRO will continue to work
with the DCI and the SECDEF to explore and advocate

additional changes that would balance security with cost, service, and risk. The potential removal of special security restrictions on products would facilitate delivery to customers and users and also would reduce overall system costs. Other security practices will be developed and adopted that will provide cost savings and/or improved service to customers, while being prudent and consistent with an acceptable risk.

Enhanced Congressional Relationship. The Legislative Liaison organization of the NRO will continue to serve as the focal point for managing and directing all congressional interfaces for NRO/DSPO programs and for advising management on congressional issues. The NRO will strive to be more proactive in its relationship with Congress by offering briefings, papers, tours, and other pertinent data of interest to members of Congress and its staff.

Strengthen DoD/NRO Relationship. The NRO will be proactive in developing a more effective interface with DoD, while maintaining a streamlined acquisition process. Because of the DoD's increasing use and integration of NRO systems in DoD operational planning and execution, the position of DDMS was established to oversee all aspects of the NRO military support mission and to manage the Military Support Staff. Through the DDMS, the NRO will develop mechanisms to improve communication and information exchange between the NRO, OSD, service staffs, and operational users. Strengthening the Plans and Analysis Office, the Defense Support Project Office, and the Military Support Staff and establishing a unique Operational Support Office are key elements of this thrust.

Continue Organizational Restructuring. The NRO will continue necessary actions that provide a more efficient and responsive organization. Examples of the organizational restructuring activities include the realignment of the NRO program offices into SIGINT and IMINT Directorates and the collocation and consolidation of the program offices in the Northern Virginia area.

KEY TOPICS REQUIRING FURTHER STUDY

NRO System Transition. The consolidation and downsizing of NRO collection systems raise many transition issues.

Mission Management and Exploitation. Improvements in the management of overhead resources and the exploitation of collected data are required if the overall end-to-end system performance is to be enhanced.

Seamless National/Tactical Interface. The goal is the development of seamless interfaces among systems funded by the National Reconnaissance Program, the Defense Reconnaissance Support Program, and other activities. Aspects of these interfaces include cross-tasking, complementary coverage, common dissemination standards, and training standards. In addition, we must consider new approaches to system design and use of technology to support real-time operational needs. This will require addressing management and technical issues that cross traditional boundaries.

Future Weapon System Trades. The NRO will support tactical weapon system designers, developers, and operators in the understanding of the capabilities of overhead systems. In addition, the NRO will participate in system engineering studies addressing the sensor-to-weapon trade space to properly allocate requirements, and associated investment, to overhead reconnaissance systems and tactical weapon systems. Furthermore, in recognition of the user need for battlefield surveillance and targeting support, the NRO is investigating the utility of satisfying this need by using overhead reconnaissance resources.

End-to-End Architectures and System Engineering. In order to meet the challenge of near-real-time service in a synergistic fashion, there is a recognized need for system engineering support across the traditional phases of intelligence, from requirements management, tasking, collection, processing, dissemination, and exploitation to product delivery. While each phase contributes significantly to overall system performance, responsibility remains segmented. Given limited investment opportunities, it is prudent to view the intelligence system as a whole and identify the high leverage points to focus investment for maximum payoff. The NRO will contribute its system engineering skills in joint community efforts to develop balanced end-to-end system solutions which better serve the end user. From a managerial perspective, agreements must be reached with other community elements, e.g., CMS, CIO, NSA, and C3I, to establish functional responsibility for developing end-to-end architectures. The NRO will take a proactive role to achieve these agreements.

SECRET

NRO
Strategic
Plan
1999-2004

National Reconnaissance Office

July 1998

Via BYEMAN
Talent-Key
Channels

SECRET

17 July 1998

(U)   I am proud to present the 1998 National Reconnaissance Office (NRO) Strategic Plan. This plan has been prepared to communicate our strategic direction to all our stakeholders, including customers, workforce, and mission partners. It demonstrates our commitment to continue into the 21st Century as "Freedom's Sentinel in Space." The plan articulates our vision, mission, values, goals, and strategies to achieve these goals, as well as the performance measures that will monitor our progress.

(U)   The Strategic Plan captures the results of our evolving process for performance-based strategic planning and management of the NRO -- a process capable of reacting to a changing environment. Each member of the DNRO's senior management team is a participant in this process; this document was written by them, with very few changes, to reflect their substantial commitment to the future of the NRO. The plan will be reissued periodically to publish updates to performance measures, targets, and strategies undertaken to accomplish the goals. Through this process, we have identified what we, operating as "One Team," need to do to continue to build upon our core competencies while responding to the complex realities of today's national security environment.

(U)   Our strategy is anchored by our goal to provide our customers with the products and services they need when they need them. We will accomplish this goal through our commitment to excellence in acquisition and operations, and our pursuit of revolutionary innovation in our research and development efforts. Our workforce is key to executing our strategy; we must provide our people with an environment that fosters the highest level of productivity and personal growth. Finally, we will improve our financial systems and processes to ensure that we realize our vision given existing funding constraints.

(U)   The NRO is committed to providing accountability to the public, our stakeholders, and our mission partners. In our pursuit of public accountability, we have ensured that the 1998 NRO Strategic Plan is compliant with all required elements of strategic planning, as cited by the Government Performance and Results Act of 1993. Our plan is aggressive, but I am confident that we will achieve our goals as "One Team".

Keith R. Hall, Director
National Reconnaissance Office

CLASSIFIED BY: 330193
CL REASON: 1.5(c)
DECL: X-1
DRV FROM: NRO SCG 4.0 14 OCT 95

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

TABLE OF CONTENTS (U)

SECRET

1.0 INTRODUCTION (U)

(U) The vision of the National Reconnaissance Office is to be "Freedom's sentinel in space -- one team, revolutionizing global reconnaissance." To assure that the NRO realizes this vision, senior management has defined a strategic management process that will focus the organization on fulfilling its present and future commitments. The strategic management approach in effect at the NRO identifies the organization's vision for the future, characterizes its mission, and delineates ten strategic goals. Accompanying these goals is a comprehensive list of strategies required to achieve each goal, and measures to monitor progress toward their accomplishment. This strategic management process has given NRO senior leaders new insight into the impact that program dollars are having today, and has helped to suggest constructive directions for future intelligence collection initiatives.

(U) Collectively, the goals, actions, and measures make up the 1999 to 2004 NRO Strategic Plan. This document has been prepared to explain the plan, both in terms of the strategic direction that has been set and the process that is in place to ensure that we reach our vision.

1.1 Background Information (U)

(U) The NRO was established in 1961 as a covert agency responsible for the development and management of the United States satellite reconnaissance effort. For more than thirty years, the NRO has provided U.S. policy makers and military planners with intelligence pertaining to worldwide events that threaten or might threaten U.S. national security interests. NRO reconnaissance satellite systems have tracked weapons and missile developments; military operations; order of battle information; nuclear weapons and weapons of mass destruction; environmental, industrial and agricultural production; and activities with national policy implications.

(S) The NRO has proven to be a unique source of intelligence to U.S. policy makers, military planners, and others concerned with our national security. NRO satellite reconnaissance systems have allowed the U.S. to collect an increasing volume of detailed intelligence not previously available. In addition, NRO technological requirements have driven innovative scientific and technological developments in space.

(U) The NRO occupies a unique position at the intersection of military and national policy intelligence-gathering operations. The DNRO reports jointly to the Secretary of Defense (SECDEF) and the Director of Central Intelligence (DCI), each of whom relies on NRO products, and each of whom makes major contributions of people, funds, infrastructure and other resources to the NRO.

1.2 NRO History of Strategic Planning (U)

(U) Corporate strategic planning has been an important function in the NRO since the late 1980s. The first strategic review was documented in a report written by retired Rear Admiral Robert Geiger and Mr. Barry Kelly in 1989. The report identified three challenges facing the NRO: 1) maintaining its leadership role in the development of creative system responses to requirements; 2) improving its understanding of, and responsiveness to, national and military operational requirements; and 3) assuming a more proactive role in the Intelligence Community (IC) and Department of Defense (DoD) communities. The report recommended that the NRO reorganize and collocate to ensure greater cohesion. As part of this reorganization, a new Plans and Analysis Office was created. One of the principal tasks for the Plans and Analysis Office, was to: "...provide a capability to develop and maintain a strategic plan...."

(U) By April 1992, the first NRO Strategic Plan had been developed, written, and published. At the same time, another significant report had a major impact on the NRO and its culture. The *Director of Central Intelligence (DCI) Task Force on the NRO*, chaired by Robert Fuhrman, made recommendations for further organizational restructuring, collocation of all major elements in the Washington, D.C. area, and the declassification of the existence of the NRO.

(U) These recommendations had far-reaching impacts on the strategic direction of the NRO. Once the existence of the NRO was made public, a series of actions were taken to satisfy the desire for greater openness about NRO activities, and to integrate these activities with those of other organizations. This transition increased the complexity of NRO system development, launch, and operations. The NRO budget came under greater scrutiny in both the Legislative and Executive branches. Finally, the industrial base supporting the NRO began downsizing and currently is still in a period of consolidation and transition.

SECRET

(U) Two in-depth reviews resulted in a growing emphasis on and examination of relationships among the members of the United States IC. The Commission on the Roles and Capabilities of the U.S. Intelligence Community, chaired by former Defense Secretary Harold Brown (and later by former Senator and Defense Secretary Les Aspin), described the processes needed to work with mission partners and customers. An IC 2000 document, issued in March 1996 by Congressman Larry Combest, then Chairman of the House Permanent Select Committee on Intelligence (HPSCI), reemphasized the need for the NRO and its strategic mission partners to work together. NRO relationships with its customers and mission partners continue to represent some of our most fundamental opportunities and challenges.

(U) Following his appointment as the new NRO Acting Director in March 1996, Mr. Keith Hall established a panel of experts, headed by retired Admiral David Jeremiah, to provide the next Director of the NRO (DNRO) with recommendations that would define the NRO in the coming years. The Jeremiah Panel was asked to address a series of major issues. Their response became an important component of the current strategic foundation of the NRO. The panel was formed during a time when the NRO was facing many challenges, such as increased requirements for spending accountability, consolidation of satellite missions, and external oversight. The panel recommended that the mission of the NRO in the 21st Century should be to revolutionize space reconnaissance, to enable U.S. global information superiority. In addition, based on the needs of both the SECDEF and the DCI, the panel asserted the imperative for the NRO to provide affordable, near-continuous global coverage. The panel's findings were reflected in the strategic planning process that followed under the Director's leadership and guidance.

1.3 The NRO Performance-Based Strategic Management Process (U)

(U) The NRO has created a strategic management process that can be sustained over time. From the onset, the NRO approach has recognized the importance of products (including a strategic plan and other forms of communication), but the predominant focus has been on building a framework to support strategic management.

(U) Figure 1 introduces the NRO strategic management process, from initial planning through an ongoing cycle of maintenance, implementation, and improvement. The key attributes of this process are that it is iterative and evolutionary. Successful strategic management requires planning, execution, and monitoring of results, and relies on appropriate feedback loops to ensure that the strategic focus is updated to reflect the organization's needs as they change over time.

Figure 1: (U) The NRO Strategic Management Process

(U) The following characteristics have been important factors in the development, deployment, and maturation of a successful strategic management process at the NRO:

- Senior management commitment and participation

SECRET

Handle via BYEMAN/
TALENT-KEYHOLE Channels Jointly

SECRET

- Senior leader ownership of process and products
- Clear, well-crafted, and broadly communicated vision, mission, and goals
- Wide participation in formulating and implementing the details
- Effective measurement and outcome feedback
- Specific individual and organizational accountability for all activities and outcomes

(U) To develop a strategic management system with these characteristics, the NRO has made a significant investment of time and effort, starting with the Director and the senior management team. A series of off-sites provided the initial forum for assessing the environment, discussing alternate strategies, and developing consensus. The Jeremiah Panel Report was a key input to these early efforts. This document included an environmental analysis, as well as a proposed mission statement that was later adopted as the NRO corporate mission statement. During these retreats, the senior leadership team established a corporate-wide vision statement and identified core values necessary to fulfill the charter of the NRO. They also agreed to fundamental strategic initiatives to cope with changing mission requirements, emerging technologies, and new customer needs. This strategic planning process was conceived and implemented prior to the Office of Management and Budget (OMB) decision that the IC and its members would be required to comply with the Government Performance and Results Act of 1993.

(U) The NRO elected to use the Balanced Scorecard as a template for goal setting and performance measurement development. The NRO senior leaders identified four perspectives for the Balanced Scorecard: customer satisfaction, process improvement, employee satisfaction, and financial management. Once goals were defined within each perspective, the DNRO assigned goal managers -- senior leadership team members accountable for achievement of each goal. Each goal manager was empowered by the Director to serve in a corporate capacity, across the organization, to move the organization toward goal achievement. Since the corporate goals transcend any sub-organization and have NRO-wide impact, most goal managers have created cross-functional, cross-unit teams to develop goal descriptions, goal outcomes, and candidate measures, and to execute action plans.

(U) The NRO is currently working to develop performance measures that can be used to monitor progress toward achieving corporate goals. Like the goals, these measures are being identified in the four Balanced Scorecard perspectives. Efforts are under way to link goal performance measures to outcomes, and to identify performance targets based on anticipated results from action plan execution. In addition, the NRO is beginning to assess how current programs will affect performance in the future. The first full year of performance data will be collected in FY99.

1.3.1. (U) Directorate and Office Performance Planning. An important aspect of the NRO strategic planning process is its application at all levels of the organization. The Directorates and Offices (D&Os) of the NRO are currently working to establish organizational strategies that will support accomplishment of the corporate goals. Their effort is the bridge from the corporate-level strategic direction to program management and budget allocation. While each Director is in the process of creating goals, action plans, and measures to implement the NRO corporate-wide plan, each D&O has begun a similar strategic management process that should link all levels of the organization strategically to the accomplishment of the corporate plan. The basic steps in the process at the D&O level mirror the process already described for the NRO corporate-level.

1.3.2. (U) Strategic Planning Process Management. In addition to normal implementation initiatives (such as performance measurement and reporting), senior-level engagement is ensured through several ongoing mechanisms. First, each quarter the senior management team engages in broad, multi-day comprehensive strategic management sessions to assess the strategic performance of the NRO and progress against the current plan. Second, the weekly senior staff meeting agenda includes on-going performance review discussions to track outcomes from strategic initiatives. Additional mechanisms include quarterly corporate Performance Reviews and Quarterly Program Reviews, addressed at greater length in Section 7.0, Program Evaluation.

(U) These mechanisms ensure continued senior participation in both the detailed work of strategic management and the overall assessment of the process. Because strategic planning is a living process, the NRO fully anticipates that goals and measures will change over time -- these mechanisms will provide the opportunity for evaluation and recalibration of the NRO strategic direction when necessary.

(U) To assist the senior leadership team with the management of this process, a strategic planning staff element, which reports directly to the DNRO, was created. The role of this staff element is to support and facilitate the corporate process and to provide

SECRET

(U Cont.) analytical expertise to action implementation teams. Similar support is provided to D&O strategic planning efforts on an as-needed basis.

1.3.3. (U) Communication of the Strategic Direction to the Workforce. Communication with the NRO workforce is an important factor in internalizing the NRO strategic direction. Mechanisms have been put into place to report on the corporate progress towards goal accomplishment. Products are displayed and updated on a strategic planning Website and through the use of brochures, posters, and articles in the NRO's *Reconnaissance 'RECON' Magazine.* Quarterly Town Hall Meetings run by the Director regularly address issues of strategic direction. In addition, goal and measurement reviews are conducted through the Program Managers' Quarterly Forum. The first NRO Organizational Climate Survey relied on several methods for communicating survey results, including a presentation at an NRO Town Hall Meeting and individual feedback packages for each D&O, program office, and worldwide location. Detailed survey results sent to individual offices allowed supervisors and staff to review staff perceptions on a question-by-question basis.

1.4 Organization of the NRO Strategic Plan (U)

(U) The following pages contain the details of the NRO Strategic Plan for 1999 to 2004. The shared corporate vision, mission, values and goals are included in Section 2.0. In Sections 3.0 - 6.0, the detailed strategies for each of the four Balanced Scorecard perspectives are presented. The core content of these sections is provided through two standard matrices. The first matrix displays the linkage between the NRO corporate goals, associated outcomes, performance measures and their associated baselines and targets, and data sources. The second matrix identifies outcome action plans, accountable offices for each measure, timelines, related resources (not currently programmed in the budget cycle), and the relationship between strategic goals and outcome goals. In addition, the Customer Satisfaction, Internal Process, Employee Satisfaction and Financial Management perspective sections discuss external factors impeding goal accomplishment, strategies to achieve goals, and data capacity. Section 7.0 introduces the NRO's program evaluation process. NRO statutory provisions, congressional and stakeholder consultations, major management problems, and cross-cutting functions are presented in Section 8.0. All elements required by the Government Performance and Results Act of 1993 are addressed in this document.

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

2.0 (U) NRO VISION, MISSION, VALUES AND CORPORATE GOALS

(U) Senior management began charting the strategic direction for the NRO by developing the vision, mission, and value statements. These statements serve to identify future priorities, help focus organizational activities on a common purpose, and provide a foundation upon which programmatic goals and actions can later be built.

Figure 2: (U) The NRO Vision

One Team, Revolutionizing Global Reconnaissance

Freedom's Sentinel in Space:

Unclassified

(U) In the Fall of 1996, Mr. Hall and his leadership team conducted an off-site session to identify a vision for the organization. They sought a vision that could provide the momentum for change and communicate a clear direction to the workforce. During this off-site, the senior leaders concluded that global reconnaissance would continue to be the core mission of the NRO, with two central points of emphasis. First, the NRO must revolutionize global reconnaissance to ensure U.S. information superiority. Second, the NRO must act as one team; effective working relationships (both internal and external) are essential as the NRO proceeds into the 21st century. This vision, illustrated in Figure 2, has been widely disseminated throughout the NRO and the Intelligence Community (IC).

(U) When developing its mission statement, the NRO focused on describing its purpose and core functions while explaining why it must exist as a unique entity. Senior management had carefully reviewed the Jeremiah Panel report and opted to retain the Panel's characterization of the NRO mission, illustrated in Figure 3. The adopted statement, which had been previously approved by both the Secretary of Defense (SECDEF) and the Director of Central Intelligence (DCI), succinctly captured the NRO mission.

~~SECRET~~

Figure 3: (U) NRO Mission Statement

"Enable U.S. Global Information Superiority,
During Peace Through War. The NRO is
Responsible for the Unique and Innovative
Technology, Large Scale Systems Engineering,
Development and Acquisition, and Operation
of Space Reconnaissance Systems
and Related Intelligence Activities Needed
to Support Global Information Superiority."

Unclassified
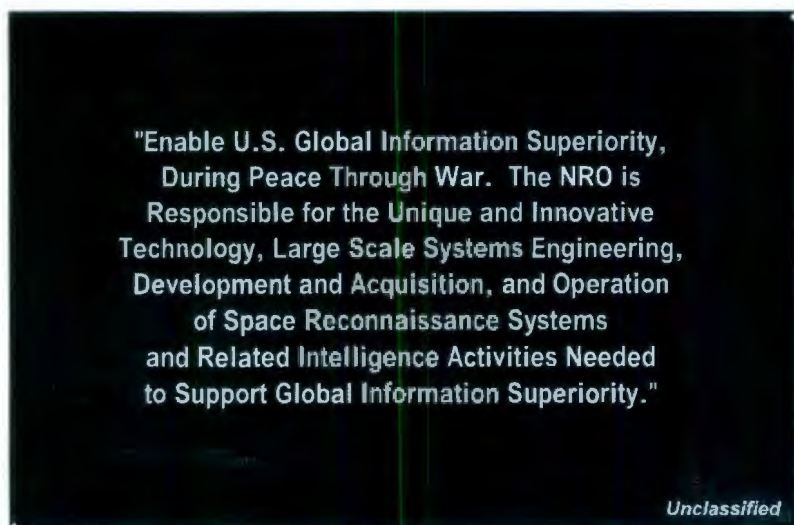
(U) Once the NRO vision and mission were articulated, the senior management team examined the key beliefs and principles that would guide the NRO as it executes its mission. The capstone of these values is satisfying our customers. Customer satisfaction depends on our commitment to our mission, the relationships developed between government and industrial partners, teamwork and diversity, and team members who are innovative and creative. The foundation of all NRO values lies in the principle of integrity – in relationships with each other, our community, and NRO stakeholders. NRO values are shown in Figure 4.

Figure 4: (U) NRO Shared Values

(U) Once vision, mission, and values statements had been developed, senior management turned to NRO corporate goals. Strategic goal development began during a senior leadership off-site conducted in January, 1997. Over 50 senior leaders from the Directorates and Offices (D&O's) and staff offices provided input, which resulted in a list of over 80 candidate goals. Over the next month, the corporate Board of Directors, which consists of the Director, the Deputy Director, the Deputy Director of Resource Oversight Management, the Chief of Staff, and the Deputy Directors of Military and National Support, modified, merged, and developed the first corporate goal statements. To ensure that all levels of the organization were represented in the goal development process, the Director invited groups of employees from the D&Os to further recommend changes and modifications. Representatives were asked to respond to three critical questions: 1) what does the goal mean to you; 2) is this goal important to the NRO; and 3)

Unclassified
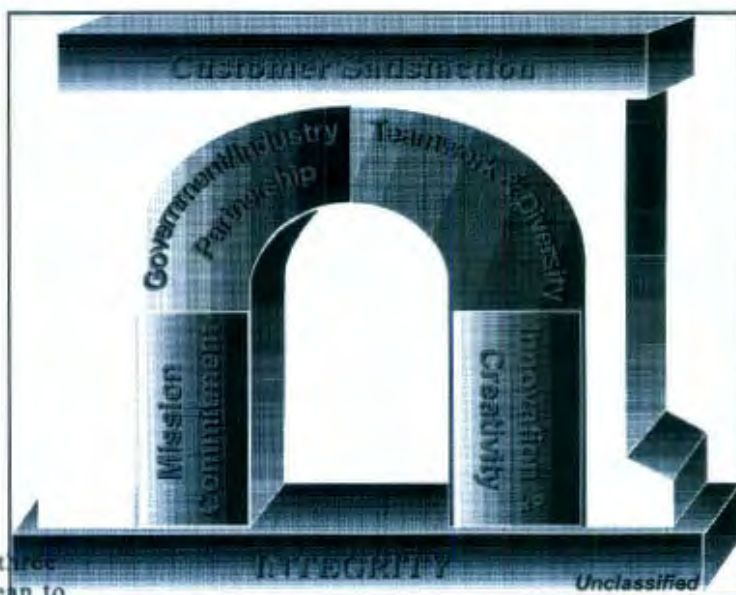
will this goal move the organization forward? Through a series of focus groups, employee inputs were collected, and the: were integrated into the final goal statements. In March, 1997, the corporate goals were announced to the organizatic community members. These corporate goals, arrayed in the Balanced Scorecard template, are presented in Figure 5.

~~Handle via BYEMAN~~
~~SECRET~~ ~~TALENT KEYHOLE Channels Jointly~~

Figure 5: (U) NRO Corporate Goals, by Goal Perspective

Customer Satisfaction
- Provide Assured, Timely, Global Coverage
- Provide Tailored Information On-Demand to Customers World-Wide
- Team with our Mission Partners to Establish and Maintain Strong Relationships with our Customers

Process Improvements
- Be the Government's Best System Acquisition and Operations Organization
- Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation & Creativity

Employee Satisfaction
- Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance
- Provide a Quality Work Environment that Enables Our Workforce to Excel
- Develop a Streamlined, Open, Corporate Management Climate

Financial Management
- Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources
- Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information

Unclassified

SECRET

Customer Satisfaction Perspective

Customer Satisfaction

1. Provide Assured, Timely, Global Coverage
2. Provide Tailored Information On-Demand to Customers World-Wide
3. Team with Our Mission Partners to Establish and Maintain Strong Relationships with Our Customers

Process Improvements

4. Be the Government's Best System Acquisition and Operations Organization
5. Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation & Creativity

Employee Satisfaction

6. Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance
7. Provide a Quality Work Environment that Enables Our Workforce to Excel
8. Develop a Streamlined, Open, Corporate Management Climate

Financial Management

9. Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources
10. Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information

Figure 6: (U) NRO Customer Satisfaction Perspective.

SECRET   Handle via BYEMAN/ TALENT-KEYHOLE Channels Jointly

SECRET

3.0. CUSTOMER SATISFACTION PERSPECTIVE (U)

3.1. Introduction (U)

(U) The NRO's mission, to "Enable U.S. global information superiority...", requires that the NRO fully understand and respond to the needs of a widespread and diverse customer base. The customer base includes two key groups -- mission partners and users. Mission partners include a number of agencies within the Intelligence Community (IC) that depend on us, and we on them, to perform our mission. If either partner fails, the user suffers. Users include the National Command Authority, the Central Intelligence Agency (CIA), the Joint Chiefs of Staff and the unified commands, the Military Services, the Department of State and Justice, to name a few. Many users with extensive background in our capabilities make substantial use of our collective products and services to accomplish their mission. The NRO is also attempting to reach out to non-traditional customers who have previously been una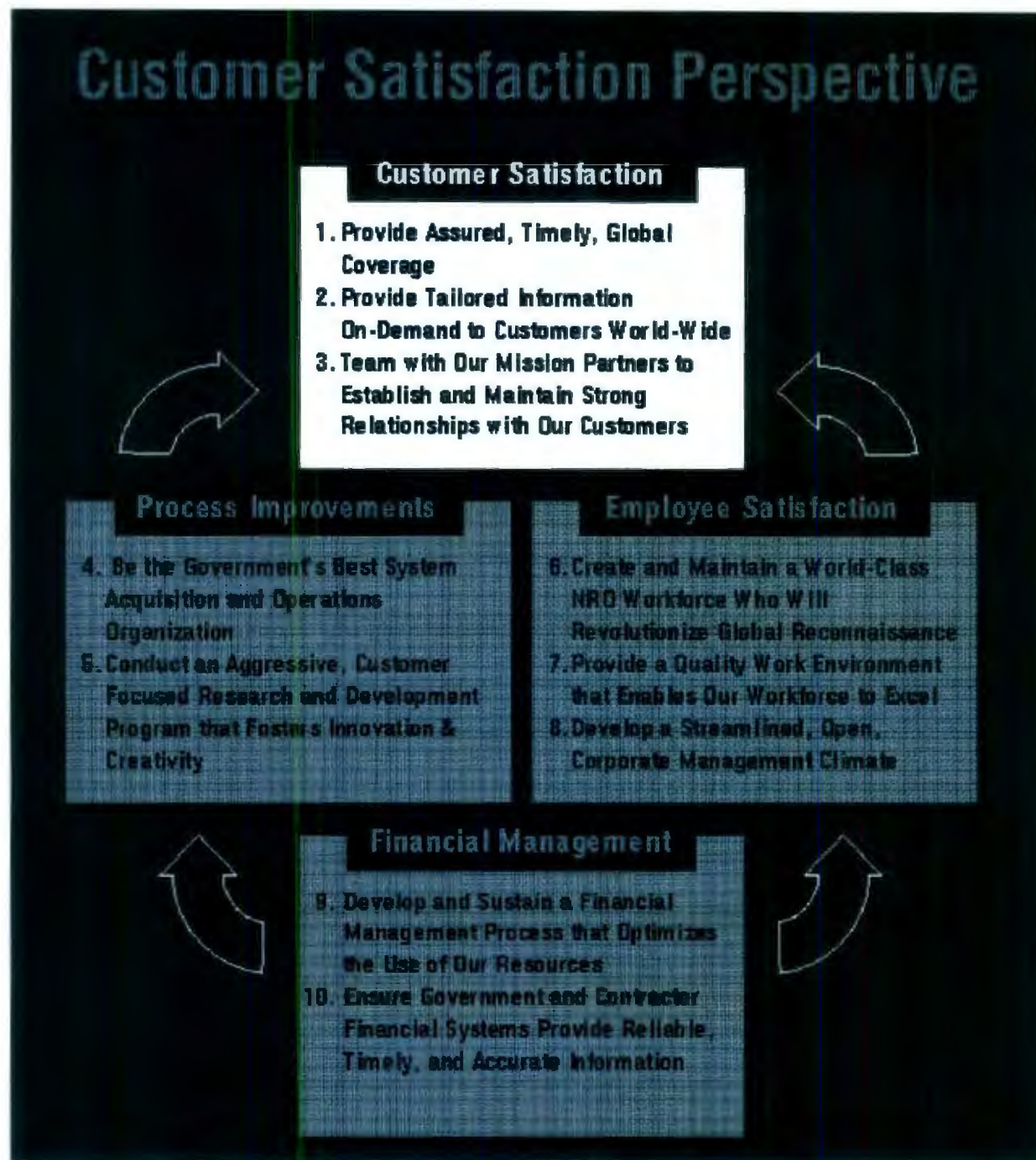ble to use our products because of the lack of knowledge of them or lack of the enabling infrastructure in support of their missions.

(U) These customers are the primary driver of our strategic planning process; our future depends on our ability to identify their needs and provide products and services that meet those needs. Three strategic goals have been identified to address the important relationship between the NRO and the customer. The focus of these goals underscore our commitment to providing our customers with the best possible service while also laying the groundwork to advance the organization closer to achieving its vision of "...Revolutionizing Global Reconnaissance."

Goal 1: Provide Assured, Timely, Global Coverage (U)

(U) Our customers must feel confident that they can ask for and receive information responsive to their needs. Access should be provided to any region of the globe with the ability to provide near-continuous coverage, when required. Rapid availability and access to data in a form that will support customer's mission success must be provided.

Goal 2: Provide Tailored Information On-Demand to Customers Worldwide (U)

(U) This goal addresses NRO tailoring of data provided by space-based collectors in response to customer mission based requirements. It addresses processing, storage, and NRO capabilities to provide customer access to data by whatever means to meet customer needs. Accomplishment of the goal will result in improved processing, storage, and dissemination.

Goal 3: Team with Our Mission Partners to Establish and Maintain Strong Relationships with Our Customers (U)
(U) Strong customer relationships are necessary to engender trust and confidence between NRO and the customers of its products and services. Customers must know how to reach the NRO when necessary and have an adequate opportunity to influence NRO decisions, programs, and operations. Likewise, NRO needs to understand the Customers' mission and operational and programmatic environments to have a full appreciation of Customer needs. However, strong NRO-customer relationships alone are insufficient to ensure customer satisfaction. NRO depends heavily on its mission partners (NSA, NIMA, CMO, USSPACECOM, CIA, and DIA) to participate in defining customer requirements; tasking NRO systems; and processing, exploiting and disseminating NRO data and products where and when they are needed. NRO relationships with customers must, therefore, include teamwork with its mission partners to ensure customers are satisfied with the timeliness, availability, and usability of NRO products and services.

3.2 Strategic Initiatives (U)

(U) The following are examples of future systems and management initiatives that the NRO is pursuing. These efforts are focused on making our customers more successful in accomplishing their missions while improving their satisfaction with the products and services provided by the NRO.

3.2.1. (U) Future System Initiatives. The NRO has two major future systems initiatives that are focused on improving customer satisfaction. These programs are the Future Imagery Architecture (FIA) and the Integrated Overhead SIGINT Architecture (IOSA).

The FIA program (b)(1)
office is working with the contractor teams and the imagery users, made up of all national and DoD users including the (b)(3)

SECRET

(S cont.) Commanders in Chief (CINCs) and the Joint Chiefs of Staff (JCS), to refine functional and performance requirements for future imagery capability. The FIA acquisition strategy is to provide statements of requirements, capabilities, and objectives to industry to encourage a wider range of potential solutions from the contractors.

```
(b)(1)
(b)(3)
```

3.2.2. (U) Management Initiatives. The NRO has also launched a number of management improvement initiatives that focus on improving customer support and developing a System of Systems Architecture (SOSA) to integrate collection, processing, and dissemination of data.

(U) Consistent with the findings of the Jeremiah Panel, the NRO is developing a more centralized management strategy for customer support. Efforts to improve NRO customer support include the development of an organization wide directive as well as a detailed NRO-wide Customer Support Implementation Plan (CSIP). Additionally, a Customer Support Board (CSB) has been created to improve internal communication and help articulate NRO policy and priorities for all customer support activities.

(U) The SOSA office was established to develop an integrated space reconnaissance architecture which will improve our customers' ability to accomplish their missions while simultaneously allowing them to reduce costs. SOSA will improve customer effectiveness by integrating and synchronizing NRO space reconnaissance operations with customer operations. This will be accomplished with consistent standards, a common data and operating environment, and integration of collection, processing, and dissemination into a system of systems architecture. The increased synthesis of satellite, airborne, and ground based sensors will ensure that multiple data sources are available to provide information that is delivered faster to all global customers.

3.3 Key External Factors Impeding Goal Accomplishment (U)

3.3.1. (U) Limited Direct Accountability to End-Users. A key challenge for the NRO and its mission partners is to effectively coordinate Intelligence Community efforts to provide timely, relevant, and accurate intelligence products. While the NRO acquires and operates space-based reconnaissance systems, it relies heavily on its mission partners to lead in the requirements, tasking, processing, exploitation and dissemination of intelligence products.

3.3.2. (U) Changing Customer Requirements. Our customers operate in a dynamic environment of constant change that requires the NRO to be flexible and responsive in the products and services we provide and the systems we build.

3.3.3. (U) Budget. The extent to which the NRO can provide assured, timely, global coverage, and tailored information on-demand to customers worldwide is heavily dependent on budget stability. Major fluctuations in the NRO budget could affect the extent to which the NRO can be responsive to its customers needs.

3.3.4. (S) New and Developing Non-Traditional Customers. NRO outreach has traditionally been focused on support to military and strategic intelligence customers. As the world is changing, so too must the NRO, we have begun to seek out non-traditional customers to include civil and environmental customers and federal law enforcement agencies. These new customers are key players in the developing threats to world order and support to critical US national interest and security issues.

(S) NRO systems' utility against the substantive information needs of transnational law (law enforcement) and environmental customers are governed by law and executive order. Interpretations of these laws and applicable intelligence community policies make it difficult to provide the needed level of support. In addition, the policies and procedures in place to support these customers have not matured sufficiently to support any but their most rudimentary needs.

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

3.4 Goal 1: Provide Assured, Timely, Global Coverage (U)

(U) "Goal #1 is at the core of the NRO's mission to "enable U.S. global information superiority, during peace through war." Meeting the needs for assured, timely coverage wherever it is needed in our rapidly changing world will require the revolution in global reconnaissance that is our vision. At the same time, we understand the path to the future must be seamless evolution, where each step enhances our customers' ability to perform their missions. Therefore, our task is to understand the challenges facing our mission partners and customers and their plans to meet them, and work with them and our government and industry team to forge solutions that meet these challenges in the 21st Century."

Maj Gen Robert S. Dickman, USAF
Director, Office of Plans and Analysi s and System of Systems Architect

3.4.1. Desired Outcomes and Candidate Performance Measures   (U)

(b)(1)
(b)(3)

Desired Outcomes	
1.1 Achieve a better understanding of customer satisfaction shortcomings with the NRO goal to "provide assured, timely, global coverage."	
	SECRET

(U) Table 1a.

~~SECRET~~

(b)(1)
(b)(3)

(Mental Processes (Cont.)	
1.2 Increased customer confidence in the NRO's ability to provide "Assured, Timely, Global Coverage."	
1.3 Identify opportunities for near-term enhancements and long-term improvements to the assured, timely, global coverage supplied by existing and developmental overhead architectures.	

SECRET

(U) Table 1a Cont.

~~SECRET~~

~~Handle via BYEMAN/~~
~~TALENT-KEYHOLE Channels Jointly~~

SECRET

3.4.2. (U) Strategies to Achieve Goal

Goal 1 Action Plan	Target Date	Accountability	Required Resources (Outside of Current Budget)
1) In conjunction with mission partners, develop a set of meaningful metrics for assured, timely, global coverage a) Define Assured, Timely and Global Coverage from the customer's perspective. b) Conduct document review to identify and synthesize a set of customer-desired requirements.			
3) Integrate Goal #1 metrics with Goals #2 and #3 to obtain an aggregated assessment of information utility and customer satisfaction from an end-to-end perspective			
4) Develop a framework for improvements in assured, timely, global coverage that advances the mission success of customers			

(b)(1)
(b)(3)

SECRET

(U) Table 1b.

(U) The NRO is working with its mission partners to develop quantifiable performance and customer satisfaction measures at key points in the overhead intelligence cycle in order to assess progress toward its goal of providing customers "assured, timely, global coverage." Once these measures are established, the NRO will assess performance gaps and set targets for improvement. These targets will then become the drivers for internal process changes and for developing future collection, processing, and dissemination architectures.

SECRET

3.4.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome for Goal 1 is supported by one or more candidate performance measures as listed in Table 1a. This table also identifies known baselines and targets for the measures as well as the source of data. The candidate performance measures have also been defined in detail in the data capacity section. Table 1a serves as a preliminary glimpse of the performance measures and data sources to be used in the upcoming Annual Performance Plan.

3.4.4. (U) Data Capacity. The following measures are currently being tracked and will be used to assess progress toward the achievement of Goal 1:

(U) Imagery Intelligence (IMINT) Collection Satisfaction (Worldwide Trends). This measure tracks the percentage of collection accomplishments against the operational requirements of our customers. Imaging collection accomplishments will be trended for each Presidential Decision Directive (PDD) 35 priority. Analysis of this measure will not only contribute to the understanding of present day shortfalls, but also allow us to better target our resources in future systems trades.

(U) Careful examination of this measure will illustrate which requirements are currently unmet by our present capabilities and which areas require further emphasis as we model future needs and develop new technologies to meet those shortfalls. Currently this measure considers only the percentage of collection accomplishments based on the currently stated customer requirements. Future requirements not capable of being met by our present systems are not included.

(U) This measure provides an indicator of the level of tasking contention our customers face. In an environment where customer demands are increasing both in terms of quantity and timeliness, improvement in our ability to mediate tasking contention is paramount.

(S) Signal Intelligence (SIGINT) Collection Utilization (Worldwide Trends). This measure tracks, on a percentage basis, the amount of time NRO SIGINT assets are devoted to the different priority requirements of our customers. SIGINT Collection Utilization can be viewed by customer priority, mission area, and geographic region. Analysis of this measure will not only contribute to the understanding of present day shortfalls but also allow us to better target our resources in future systems trades.

(U) Careful examination of this measure of customer satisfaction will illustrate which requirements are currently unmet by our present capabilities and which areas require further emphasis as we model future needs and develop new technologies to meet those shortfalls.

(U) This measure provides an indicator of the level of tasking contention our customers face. In an environment where customer demands are increasing both in terms of quantity and timeliness, improvement in our ability to mediate tasking contention is paramount.

(U) Customer Satisfaction Survey. This is a periodic survey designed to assess customer perceptions of NRO products, services, image, and relationships. The survey supports all three of the customer perspective goals by providing a baseline of customer perceptions regarding:

- The quality of NRO products and services (e.g., reliability, accuracy, timeliness, consistency, and completeness)
- The quality of our relationship with our mission partners and customers

(U) The survey is part of a larger customer feedback initiative designed to systematically gather information using various means (observations, interviews, surveys, focus groups). The results of the survey will provide statistically reliable measures of NRO customers' perceptions over time. This information will give us insight into areas requiring improvement and allow the NRO to focus changes on products, services, or relationships that may lead to greater customer satisfaction.

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

3.5 Goal 2: Provide Tailored Information On-Demand to Customers Worldwide (U)

(U) "Collecting and measuring essential data and information, so that it reaches the user when and where needed, and in a form that is easily integrated with other information, is the essence of the NRO mission. By successfully carrying out this mission, we enable information superiority for the United States, our allies, and coalition partners well into the next century. When coupled with our goals of assured, timely, global coverage, and an architecture that integrates multiple data sources, the NRO will become an even more indispensable arm of warfighting and national policy making. Our focus will become our customers' needs, to which we will apply systems engineering and management expertise in order to maximize effectiveness and performance. If our efforts result in enabling our customers to attain their goals, then we have successfully met our own."

Brig Gen Howard J. Mitchell, USAF
Director, Communications
Systems Acquisition and
Operations

3.5.1. Desired Outcomes and Performance Measures   (U)

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
2.1 Improved information management *a) by identification and mitigation of data flow bottlenecks*				
2.2 Greater integration of NRO data and information				

(b)(1)
(b)(3)

SECRET/BYEMAN

(U) Table 2a. *

* (U) NOTE: Measures in **BOLD** indicate measures currently being worked; other measures to be investigated.

(b)(1)
(b)(3)

Page Denied

3.5.2. (U) Strategies to Achieve Goal

Goal 2 Action Plan	Target Date	Organization(s)	Required Resources (Outside of Current Budget)	
1) Review current information processing, dissemination, and management capabilities. Develop initial measures.	April 1998	COMM SIGINT IMINT	Compiling measures data consistently will require additional resources TBD	(b)(3)
2) Review future information processing, dissemination, and management capabilities. Develop and evolve measures.	May 1998	COMM SIGINT IMINT	Compiling measures data consistently will require additional resources TBD	(b)(3)
3) Review/assess mission partner and customer information needs through the Customer Measures Working Group (CMWG)	June 1998	DIR/DDMS		
4) Translate and compare future mission partner and customer information needs to NRO future capabilities.	July 1998	TBD		
5) Identify gaps that must be filled to reach required capabilities.	August 1998	COMM		(b)(3)
6) Make recommendations for developing options to achieve required capabilities.	November 1998	COMM		(b)(3)

SECRET/BYEMAN

(U) Table 2b.

(U) To achieve the NRO's goal to "provide tailored information, on-demand, to customers worldwide," the NRO is conducting a detailed review of our present and planned processing, production, distribution, and dissemination efforts. At the completion of this review, the NRO will translate future mission partner and user needs to our future capabilities. This process will identify gaps in the ability of present and planned systems to meet our customer's information processing and dissemination needs. The measurement process in this goal is tightly coupled with the other customer goals to ensure a complete understanding of NRO performance in improving customer satisfaction.

3.5.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 2 is supported by one or more candidate performance measures listed in Table 2a. This table also identifies known baselines and targets for the measures, as well as the source of data. The candidate performance measures have also been defined in detail in the data capacity section. Table 2a serves as a preliminary glimpse of the performance measures and data sources to be used in the upcoming Annual Performance Plan.

3.5.4. (U) Data Capacity. The following measures are currently being tracked and will be utilized to measure progress toward the achievement of Goal 2:

SECRET   Handle via BYEMAN
TALENT-KEYHOLE Channels Jointly

C05106746

SECRET

(b)(1)
(b)(3)

(U) Timelines are tracked only for specific events or operations. Consistent data reporting and analysis will require additional resources. The exact nature and cost of required resources is now being explored with NIMA.

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

3.6 Goal 3: Team With Our Mission Partners to Establish And Maintain Strong Relationships With Our Customers (U)

(U) "The NRO is a key member of a space, intelligence, and defense community team that is tasked to ensure U.S. global information superiority. As we lead the effort to revolutionize global reconnaissance, the NRO must understand our customers' operating environments to ensure that they can employ NRO systems fully across a broad range of information needs and operational scenarios. Breakthroughs in reconnaissance technologies must be accompanied by breakthroughs in operating concepts employed by our customers and mission partners. Thus, the NRO team must remain focused on ensuring a productive, dialogue. Positive customer feedback is tangible evidence of NRO mission success."

Mr. Michael F. Munson,
Special Assistant for National Support (SANS)

Rear Admiral R. J. Nibe, USN
Deputy Director for Military Support (DDMS)

3.6.1. (U) Desired Outcomes and Candidate Performance Measures

Desired Outcome	Candidate Performance Measure	Current Baseline	Annual Target	Source of Data
3.1 Improved interaction between customers and the NRO.				
a) *NRO perception*	a) Caliber of Customer Interaction (Self-Assessment)	a) TBD	a) 10% Increase in % of Customers Green*	a) DDMS/SANS
b) *Customer perception*	b) Customer Satisfaction Survey	b) TBD	b) 10% Increase in % of Customers Green*	b) OSO Feedback
				UNCLASSIFIED

(U) Table 3a.

* *(U) **Customers green** refers to a rating system of red, yellow, and green, in which green indicates that the relationship between the NRO and the customer is good, and an effective process is in place. Percent of customers green equals the number of customers classified as green divided by the total number of NRO customers.*

SECRET   TALENT KEYHOLE Channels Jointly

Handle via BYEMAN

SECRET

3.6.2. (U) Strategies to Achieve Goal

[Strategies to achieve goal]	Date Accomplished	[Accountable]	[Target Progress (Baseline of current budget)]
1) Establish a corporate customer support climate with decentralized execution a) DNRO signs new Customer Support Directive (Directive 10) - DDMS provide guidance, direction, and priorities for customer support activities b) Develop Customer Support Implementation Plan	a) May 97 b) July 98	DIR/DDMS DIR/NSS	
2) Establish and manage an internal forum to improve coordination & communication among NRO D&Os a) Establish NRO Customer Support Board b) Develop charter and CONOPS - serve as internal coordination mechanism to raise customer support issues to senior management c) Identify members (DDMS, SANS, D&Os)	a) July 97 b) Feb 97 c) Feb 97	DIR/DDMS DIR/NSS	
3) Establish strong relationships between the NRO Deputy Director for Military Support and the Special Assistant for National Support with their respective counterparts at other Intelligence Community organizations, such as NIMA, NSA, DIA, CMO, and CIA. a) Establish quarterly exchanges between NRO, NIMA, NSA, CIA, and CMO.	a) Dec 98	DIR/DDMS	

4) Establish process for continuing Information exchange about customer environments & needs and NRO R&D, programs, & operations
a) Establish forums for information exchange with mission partners & users
   - NRO Quarterlies with mission partners
   - Annual USSPACECOM/NRO Space Support to the Warfighter Conference
   - Annual DIA/NRO National Systems Conference
b) Establish pro-active customer outreach program
   - Forward presence at key customer locations with reachback into NRO
	a) June 98
	
	b) Sept 99
		DIR/DDMS
		DIR/NSS
		DIR/OSO	

5) Sponsor a forum to coordinate and inform national customers on NRO program activities
a) Continue the Overhead National User Exchange Group, chaired the Assistant DCI for Collection
   - Include civil, environmental, policy and other national users communities
   - Provide information on operational and planned capabilities
	a) July 97	DIR/NSS	

SECRET

(U) Table 3b.

(U) To achieve the NRO's goal to "team with our mission partners to establish and maintain strong relationships with our customers," each NRO customer support organization will understand and participate in a centrally organized and coordinated process. This goal requires development of a corporate customer support process that promotes decentralized execution. Details for this approach are described in NRO Directive 10 and the draft Customer Support Implementation Plan (CSIP). The NRO is strengthening the relationships we have with our mission partners in order to maximize support to our customers.

3.6.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 3 is supported by one or more candidate performance measures, as listed in Table 3a. This table also identifies known baselines and targets for the measures as well as the source of data. The candidate performance measures have also been defined in detail in the data capacity section. Table 3a serves as a preliminary glimpse of the performance measures and data sources to be used in the upcoming Annual Performance Plan.

3.6.4. (U) Data Capacity. The following measures are currently being tracked and will be used to measure progress toward the achievement of Goal 3:

(U) Caliber of Customer Interaction (Self-Assessment). This measure is a composite measure of our interactions with the NRO customer base. The Deputy Director for Military Support (DDMS) and Special Assistant for National Support (SANS) will

SECRET

Handle via BYEMAN/
TALENT-KEYHOLE Channels Jointly

SECRET

provide a ranking of our interactions with our major customers based on the caliber or quality of the relationships established. (U Cont.) This ranking will be across all aspects of the NRO from research and development to operations. It will provide a mechanism for NRO senior managers, as well as personnel involved in customer support, to understand and set appropriate priorities for our outreach efforts.

(U) Customer Satisfaction Survey. This is a periodic survey designed to assess customer perceptions of NRO products, services, image, and relationships. The survey supports all three of the customer perspective goals by providing a baseline of customer perceptions regarding:

- The quality of NRO products and services (e.g., reliability, accuracy, timeliness, consistency, and completeness)
- The quality of our relationship with our mission partners and customers

(U) The survey is part of a larger customer feedback initiative designed to systematically gather information using various means (observations, interviews, surveys, focus groups). The results of the survey will provide statistically reliable measures of NRO customers' perceptions over time. This information will give us insight into areas requiring improvement and allow the NRO to focus changes on products, services, or relationships that may lead to greater customer satisfaction.To achieve the NRO's goal to "team with our mission partners to establish and maintain strong relationships with our customers," each NRO customer support organization will understand and participate in a centrally organized and coordinated process. This goal requires development of a corporate customer support process that promotes decentralized execution. Details for this approach are described in NRO Directive 10 and the draft Customer Support Implementation Plan (CSIP). The NRO is strengthening the relationships we have with our mission partners in order to maximize support to our customers.

Handle via BYEMAN
SECRET   TALENT-KEYHOLE Channels Jointly

Process Improvements Perspective

Customer Satisfaction

1. Provide Assured, Timely, Global Coverage
2. Provide Tailored Information On-Demand to Customers World-Wide
3. Team with Our Mission Partners to Establish and Maintain Strong Relationships with Our Customers

Process Improvements

4. Be the Government's Best System Acquisition and Operations Organization
5. Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation & Creativity

Employee Satisfaction

6. Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance
7. Provide a Quality Work Environment that Enables Our Workforce to Excel
8. Develop a Streamlined, Open, Corporate Management Climate

Financial Management

9. Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources
10. Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information
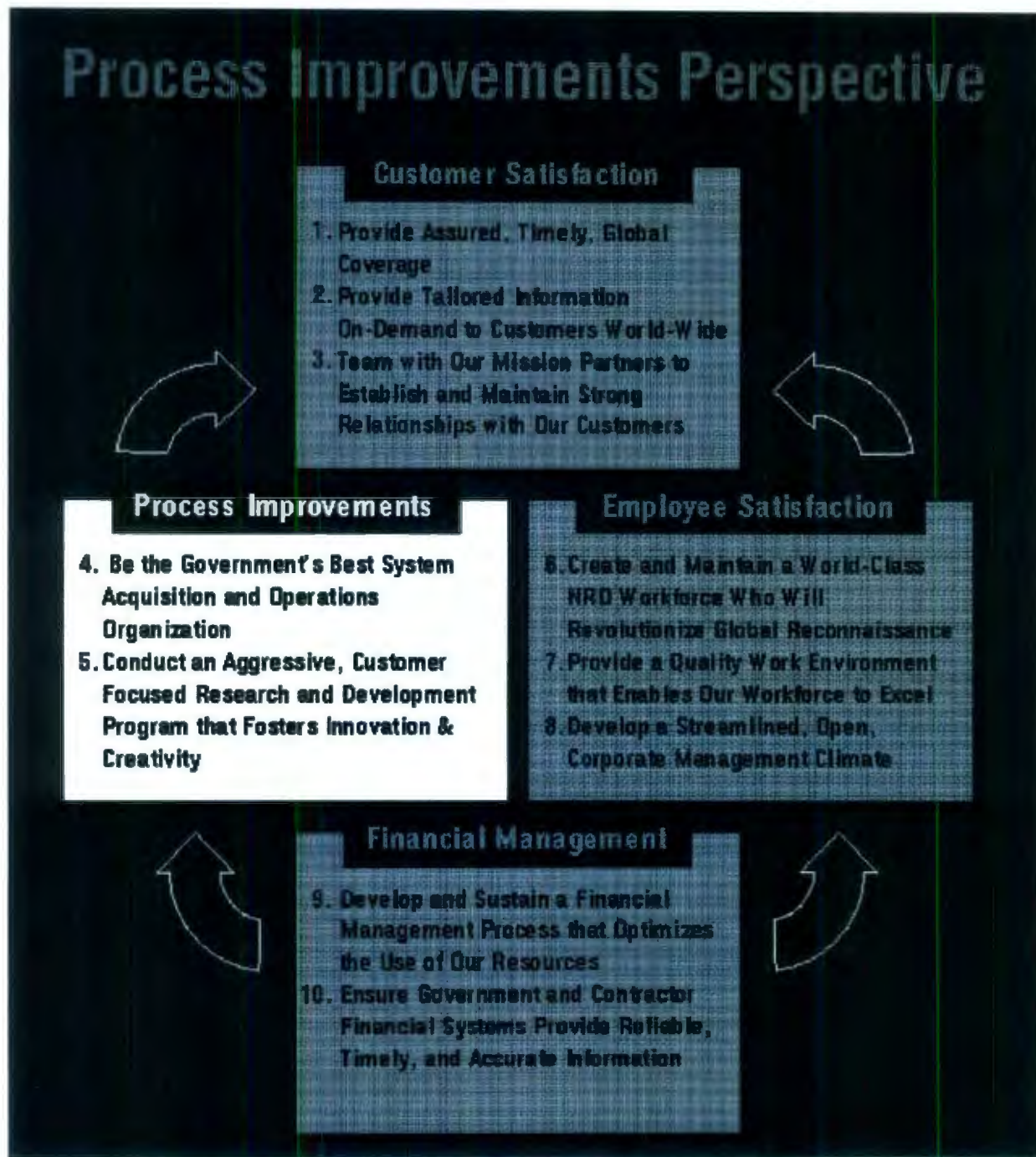
Figure 7: (U) NRO Process Improvement Perspective.

4.0 PROCESS IMPROVEMENT PERSPECTIVE (U)

4.1 Introduction (U)

(U) For several decades, the NRO has provided the United States with an unparalleled space reconnaissance capability. Today, in order to sustain this capability, we strive to remain at the forefront of technology and to apply these innovative technologies to the satellites acquired and operated by the NRO. Additionally, the NRO has attempted to raise the standard for both satellite acquisition and operations through numerous process improvement initiatives. This commitment to internal process improvement has enabled us to better serve customers, which ultimately serves to strengthen U.S. national security.

Goal 4: Be the Government's Best System Acquisition and Operations Organization (U)

(U) Our systems acquisition and operations are and should be the standard for the rest of the government. We need to be the undisputed leader in our efficiencies and in the effectiveness of our processes.

Goal 5: Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation and Creativity (U)

(U) This goal addresses our development and application of advanced concepts and technologies to space reconnaissance and services, and related systems. Advanced concept demonstrations, investments in mission-unique areas, exploitation of commercial technologies, and leveraging via government and industrial partnerships are examples of activities that we will pursue.

4.2 Strategic Initiatives (U)

(U) The following are examples of strategic initiatives that focus on the NRO's three primary processes: research and development, acquisition, and operations. These initiatives have been instrumental in moving the NRO toward accomplishing the process improvement goals.

4.2.1. (U) Emphasis on Revolutionary Technology . The NRO vision statement reiterates a commitment to revolutionizing global reconnaissance. To accomplish this revolution, the NRO is championing the development of technological solutions to solve the industry's most challenging information problems. Examples of some initiatives that focus on fostering these enabling technologies include a change in the management of research and development and an investment in new revolutionary technologies.

(S) In 1997, the NRO combined numerous internal research and development activities into a single Advanced Systems and Technology Directorate (AS&TD). Additionally, the NRO has increased its traditional research and development investment level from six percent of the budget to ten percent, to ensure our efforts are afforded the greatest opportunity for success.

(b)(1)
(b)(3)

4.2.2. (U) Acquisition Improvement. Because the NRO recognizes that its future depends on how well it acquires systems today, the NRO has initiated a number of programs that focus on improving the acquisition process within the NRO. Examples of these types of initiatives include the Acquisition Steering Group (ASG), the Acquisition Center of Excellence (ACE), and the FASTMAX contract vehicle.

(U) The ASG was formed to ensure that acquisition reform initiatives are shared throughout the NRO. This monthly forum is chaired by the Deputy Director of the NRO (DDNRO) and is represented by each Directorate and Office (D&O). In addition to the ASG, the NRO established the ACE for the purpose of identifying best acquisition practices. The ACE frequently interacts with external agencies to discover and implement these practices. It provides program directors from the NRO and its mission partners with the critical support tools and the expertise necessary to conduct efficient, streamlined acquisition of national priority

SECRET

(U Cont.) goods and services. Finally, FASTMAX was instituted in order to provide standardized project management. This vehicle also provides a significant cross-flow of information between the various directorates, offices, and staff elements.

4.2.3. (S) Operations Improvements. In addition to the many programs that have been undertaken to improve acquisition, the NRO has initiated several improvements to the operation of the satellite ground stations. The NRO is

(b)(1)
(b)(3)

4.3 Key External Factors Impeding Goal Accomplishment (U)

4.3.1. (U) Shifting Customer Requirements. NRO programs are affected by rapidly changing customer requirements and priorities. These shifting customer requirements could make it difficult to accomplish our acquisition and operations goal, because the satellites acquired and operated by the NRO may not be able to change priorities as rapidly as customers requirements can shift. Additionally, accomplishment of our research and development goal could conflict with changing customer requirements; by its very nature, research and development is a time-consuming process that may result in some dead ends and redirection as customer needs change. In order to mitigate the effects of shifting customer requirements, a variety of user exchange forums and requirements data calls are frequently used to review all NRO programs against current user needs. These forums help to ensure that the NRO understands and adjusts appropriately to changes in customer requirements.

4.3.2. (U) Changes in the Space Industry. Over the last few years, the U.S. space industry has undergone significant changes, such as commercialization; the ability to mass produce small, highly capable satellites; and on-going technological improvements in sensors, materials, and data processing and storage technologies. Failure to adjust to these innovations could potentially have an impact on the NRO goal of being the best system acquisition and operations organization in the government, as well as our goal to foster a customer-focused research and development effort.

(U)The NRO approach to revolutionizing global reconnaissance is highly dependent on collaboration with other government organizations and private corporations in the aerospace industry. A downturn or slowdown in this industry would not only force a change in the NRO approach, but it could also potentially limit our ability to leverage common industry products and services.

(S)The NRO approach to improving our acquisition and operations processes is to move from cost-incentive contracting to more firm-fixed price procurements, allowing us to "buy-on-orbit." Without a robust space industry that provides common services to many customers the NRO will be required to invest more heavily in common services, as opposed to the technologies unique to our mission. However, upward trends in the space industry are expected to continue, and the NRO is capitalizing on these trends through internal process actions and initiatives such as the establishment of AS&TD and the ACE, and the further consolidation of operational ground processing sites. These efforts are focused on reducing current operations and acquisitions costs and maximizing future NRO investment potential.

4.3.3. (U) Budget Limitations. As overhead intelligence needs change and innovations in technology offer improved collection and dissemination options, the NRO is investing a higher percentage of funding into revolutionary research and development efforts. Major fluctuations in the budget can have a serious impact on the accomplishment of NRO research and development, acquisition, and operations goals. It is critical, as the NRO implements a more commercial approach to acquisition, that it maintains a consistent program baseline. As the NRO moves away from cost-driven contracts for major systems developments to a fixed-price procurement approach, a stable set of customer requirements and a consistent funding profile become increasingly important.

~~SECRET~~

4.4 Goal 4: Be The Government's Best System Acquisition And Operations Organization (U)
(U) "The purpose of this goal is to drive down the costs of current procurements and operations to allow us to invest in the systems for the future. To be "Freedom's Sentinel in Space" we have to adapt to changes in best business practices and operations concepts to provide new capabilities and to continue the overall mission of Information Superiority from now and into the first quarter of the 21st Century."

Mr. Dennis D. Fitzgerald
*Director SIGINT Systems,
Acquisition and Operations*

4.4.1. Desired Outcomes and Performance Measures (U)

(U) Table 4a.

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
4.1 Improved acquisition process				
a) by acquiring NRO systems on-time and within budget	a1) Acquisition Schedule Integrity (ASI) • Milestone Achievement • Milestone Volatility a2) Earned Value (EV) • Schedule Performance Index • Cost Performance Index			a1) NRO Master Schedule a2) Program EVM Data
	b) TBD	b) TBD	b) TBD	b) TBD
c) by increased industry responsibility for end-to-end performance	c) TBD	c) TBD	c) TBD	c) TBD
d) by documenting NRO's best in class acquisition process.	d) Compare NRO's ASI and EV to DOD, NASA, and FAA.	d) TBD	d) TBD	d) Benchmark Study
e) by increasing the consistency within NRO acquisitions	e) Number of audit reviews in compliance with the NAM and FAR	e) TBD	e) TBD	e) Compliance audit reviews
4.2 Improved satellite and ground station operations				
		a) TBD	a) TBD	a) Directorates and Ground Stations
		b) TBD	b) TBD	b) Directorates and Ground Stations
		c) TBD	c) TBD	c) Directorates and Ground Stations

(b)(1)
(b)(3)

~~SECRET/BYEMAN~~

SECRET

Desired Outcomes (Cont.)	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
4.3 Improved external perception of the NRO's acquisition and operations processes				
a) Improved external perception within industry	a) % of companies surveyed that list NRO as one of the 3 premiere acquisitions and operations organizations	a) TBD	a) TBD	a) NRO Annual Commercial Acquisition and Operations Best Practices Survey
b) Improved external perception within government	b) % of organizations surveyed that list NRO as one of the 3 premiere acquisitions and operations organizations	b) TBD	b) TBD	b) NRO Annual Government Acquisition and Operations Best Practices Survey
c) by providing increased understanding and education on NRO Acquisition / Operations to external organizations.	c) TBD	c) TBD	c) TBD	c) Customer Survey
4.4 Reduced cost of doing business a) by allocating more dollars for spacecraft / operations and less for design / deployment	a) Measure of Efficiency - TBD	a) TBD	a) TBD	a) TBD
	b) TBD	b) TBD	b) Directorates and Ground Stations

SECRET/BYEMAN

(b)(1)
(b)(3)

(U) Table 4a Cont.

SECRET   Handle via BYEMAN/Talent
Keyhole Channels Jointly

SECRET

4.4.2. Strategies To Achieve Goal (S/B)

Goal / Action Plan	Time Fra...	...ponsibility	Anticip... Outcome ...of...
1) Modify the NRO acquisition policy		OC/POLICY	
a) Adopt commercial-like acquisition practices to streamline the process			
1. Monitor legislative changes to acquisition policy	a1) Ongoing		
a. Update the NRO Acquisition Manual (NAM) to reflect changes	a) Ongoing		
b. Develop training courses to educate the acquisition workforce	b) Ongoing		
2. Solicit ideas for improvement from the work-force	a2) Ongoing		
a. OC All-Hands conference	a) 5/98		
3. Coordinate with NRO's industry partners and monitor acquisition reform initiatives of other government agencies	a3) Ongoing		
4. Implement FAR 12 & 15 changes	a4)5/98		
a. Update the NAM	a) 5/98		
b. Develop and deliver training courses for the workforce	b) 5/98		
5. Implement IMPAC credit card initiatives	a5) 7/98		
b) Maximize use of automation tools to allow the acquisition workforce to work smarter not harder.			
1. Deliver acquisition policy to the workforce's desktops	b1) Ongoing		
a. Utilize OC webpage to disseminate policy changes	a) Ongoing		
1. Updates to the NAM	1) Ongoing		
2. NRO acquisition circulars	2) Ongoing		
3. OC administrative notices	3) Ongoing		
2. Develop tools to collect required reporting data	b2) Ongoing		
a. Past performance database	a) 10/98		
b. CAAS database	b) 9/97		
3. Introduce CONTRAX tool to facilitate the process of creating a contract/RFP	b3) 9/98		
c) Establish Alternative Disputes Resolution (ADR) techniques and processes for bid protests			
1. Create a program to identify and implement ADR processes	c1) 9/98		
2. Train a team in ADR techniques	c2) 9/98		
d) Improve the identification and accounting process for Government Furnished Property (GFP)			
1. Deliver the Property Management Automated System (PMAS)	d1) 10/98		
2. Develop a process to screen excess equipment within the NRO and make it available for utilization	d2) 7/99		
3. Implement phase II - Enhanced capability to collect and service GFP data in PMAS	d3) 10/99		

SECRET/BYEMAN

(U) Table 4b.

SECRET

Handle via BYEMAN/Talent
Keyhole Channels Jointly

SECRET

Goal / Action / Tier (Cont)	Target Date	Implementation	Enabling Resources Required/Constraints
2) Establish a process to continually update and capitalize on operations best practices		SIGINT/GSPO	
a) Define NRO operations	a) 2/98		
1. Develop definition			
2. Identify scope (components and attributes)			
b) Define what "best" means	b) 3/98		
1. Identify attributes that will make NRO the best			
a. brainstorm with team			
b. develop and distribute an internal survey to gather employees input			
c. analyze responses from survey			
c) Gather existing metrics & studies on ground stations	c) 4/98		
d) Develop measures for "best" attributes	d) 5/98		
1. Brainstorm initial measures			
2. Refine list based on "best" attributes and metrics studies.			
3. Conduct feasibility check of measures			
e) Identify operations improvements	e) 7/98		
1. Baseline NRO performance			
2. Identify areas for improvement based on results from internal survey			
3. Establish an NRO baseline for systems availability overall			
4. Breakdown major contributors to unavailability			
5. Project trends in future as new systems come on-line			
6. Identify performance gaps/areas for improvement			
7. Identify relationship of vehicle spacecraft cost vs. system complexity			
8. Prioritize list of improvement areas			
9. Recommend focus areas for improvement			
f) Investigate and analyze other government and commercial operations	f) TBD		
1. Isolate best practices			
g) Adapt identified best practices to envisioned NRO process	g) TBD		
h) Implement changes/train workforce	h) TBD		
i) Continuously measure performance	i) TBD		
j) Apply acquisition reform lessons in architecture decision process	j) TBD		
1. Do not make blind architecture decisions			
k) Investigate "ACE" type initiatives for operations innovation and improvements	k) TBD		

SECRET/BYEMAN

(U) Table 4b Cont.

SECRET

Handle via BYEMAN/Talent
Keyhole Channels Jointly

SECRET

Goal / Action Plan (Cont.)	Target Date	Responsibility	Project Resources (Amount of Investment)	
3) Establish a process to continually update and capitalize on acquisitions best practices		OC/ACE		
a) Improve the skills of the NRO acquisition professionals				
1. Deliver Acquisition Management Team Training Course	a1) 9/98			
2. Deliver CAAS training course	a2) 9/98			
3. Deliver Commercial Acquisition Training Course	a3) 4/98			
4. Develop full suite of JIT acquisition training modules	a4) 8/98			
5. Ensure that all COTRs are certified and all COs are warranted	a5) 9/00			
6. Deliver Contractor's Perspective Course	a6) 9/98			
b) Eliminate delays that results from working in a paper environment			b) Unfunded	
1. Conduct electronic source selection evaluations	b1) 6/97			
2. Create a centralized on-line electronic repository of acquisition documents (Contractor Bidders Library)	b2) 6/97			
3. Create a paperless environment of real-time communications with industry within security parameters (intranet)	b3) 10/98			
4. Transition from intranet to internet communication within security constraints	b4) 9/00			
c) Identify and implement best acquisition practices in government and commercial organizations				
1. Identify government and commercial acquisition best practices	c1) ongoing			
a. Conduct benchmarking studies				
b. Participate in interorganizational working groups				
c. Participate in informal discussions/briefings (industrial/government tourism)				
2. Establish a "best practices" review and implementation process	c2) 9/98 - ongoing			
a. Develop a best practices review panel				
b. Review best practices to identify practices to should be incorporated at the NRO				
c. Implement chosen practices (incorporate into training, source selection, and program management)				
d) Communicate acquisition best practices as implemented				
1. Publish an end-to-end "how to" Source Selection Manual incorporating known best practices and FAR guideline revisions	d1) 6/98			
2. Develop a Lessons Learned collection process and database repository	d2) 9/98			
e) Determine if NRO systems are acquired within schedule, cost, and performance objectives				
1. Integrate Earned Value Management on the desktops of technical, financial, and program managers	e1) 5/99			

(b)(1)
(b)(3)

SECRET/BYEMAN

(U) Table 4b Cont.

(U) The objective of this goal is to drive down the costs of current procurements and operations to allow the NRO to invest in the systems of the future. In order to become "Freedom's Sentinel in Space," the NRO must adapt to changes in best business practices and operations concepts. This will allow us to provide new capabilities and to continue the overall mission of information superiority now and into the 21st Century. In support of this goal, two working groups have been developed; one focusing on acquisition and the other on operations.

(U) On the acquisition side, some initial tasks have been identified to enable NRO acquisition professionals to conduct their business more effectively and efficiently. This begins with improving the common skills of all NRO acquisition professionals and developing greater consistency across NRO acquisition activities. In addition to training the workforce, other initiatives have been identified to improve the acquisition process. One of the most promising is to establish a paperless environment of real-time communications with industry. Another significant action is to identify acquisition standards in the government and private industry so that the NRO can conduct frequent information exchanges. This dialogue will concentrate on common contracting and programmatic issues in order to increase our awareness of the latest innovations and improvements. Likewise, the NRO will learn from these opportunities what internal areas are in need of improvement.

(U) As best practices are identified, they will be reviewed by a panel to determine how to implement them within the NRO. It will be essential to communicate these practices so that they can be used throughout the entire acquisition process. A key element of this action plan is to integrate Earned Value Management onto the desktops of technical, financial, and program

SECRET

managers. This will allow these managers to determine if NRO systems are being acquired within schedule, cost, and

SECRET

Handle via BYEMAN/Talent
Keyhole Channels Jointly

(U Cont.) performance objectives.

(U) On the operations side, some initial work has been done to identify areas of improvement for NRO operations. In support of this effort, a working group consisting of members from major operational sites and directorates has been established.

(U) The working group initiated the effort by defining the scope of operations and identifying the attributes that would make NRO operations the "best." The attributes of availability, effectiveness, and efficiency were identified, and top level measures across NRO operations in these three categories are being developed. These measures will be used to obtain a baseline of current NRO performance.

(U) Once the group has established a baseline, it will begin to identify areas for improvement and make recommendations. The focus will be placed on maximizing operational availability, efficiency, and effectiveness within the bounds of available resources. Another possible way to improve operations is to reduce complexity in mission and payload; these improvements in turn have the potential to reduce operational complexity and cost.

4.4.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 4 is supported by one or more candidate performance measures as listed in Table 4a. This table also identifies known baselines and targets for the measures as well as the source of data. The candidate performance measures have also been defined in detail in the data capacity section. Table 4a serves as a preliminary glimpse of the performance measures and data sources to be used in the upcoming Annual Performance Plan.

4.4.4. (U) Data Capacity. The following measures are currently being tracked and will be used to measure progress toward the achievement of Goal 4:

Acquisition Schedule Integrity. Tracks program milestone changes against those originally planned and tracks program milestone achievement against the milestones established. This measure shows overall schedule dynamics and is a leading indicator of schedule changes. Analysis of this measure allows targets to be set for new programs as well as the monitoring of programs with high schedule risk.

(U) Earned Value. The earned value measure is a key leading indicator of acquisition program performance. This measure quantifies the amount of resources and time expended on acquisitions. It integrates program scope, schedule, and cost objectives into a baseline plan against which accomplishments can be measured. The measure also combines significant cost and schedule drivers and can be aggregated into a single NRO earned value composite view. Additionally, it can be used to compare NRO and similar DoD and NASA acquisition efforts.

(U) Operations Availability Measure. This measure tracks the overall availability of NRO operational assets. Availability is a system performance parameter that is a ratio of the total accomplished (executed) mission time or imaging operations versus the total planned operational mission time or imaging operations. Trend availability in terms of system complexity measures will also track system scheduled versus unscheduled outage time.

(U) Operations Effectiveness. Operational effectiveness measures critical characteristics of the NRO operations output that meet customer requirements. Although NRO data can be described by multiple characteristics that define effective operations, a top level measure for NRO Operational effectiveness is data production volume and the corresponding loss rate.

(U) For imagery intelligence (IMINT), operations effectiveness is a measure of the volume of NRO imagery products tracked over time as well as the loss or failure rate (as a percentage of total volume).

(b)(1)
(b)(3)

(U) Operations Efficiency. This efficiency measure for NRO operations addresses the efficiency with which our processes

SECRET

(U Cont.) are functioning. The output of products in terms of the operational cost resources required to produce deliverable products. The actual measure is TBD.

(U) Number of Unique Systems Delivered to the Ground Stations. This measurement will track the number of unique systems versus the number of standard systems delivered to the ground stations. By identifying a baseline for the number of unique systems delivered to the ground stations, we will be able to determine the level of standardization that has occurred. The level of standardization is important because increased system complexity leads to increased system cost.

(U) NRO Commercial Acquisition Best Practices Survey. The acquisition and operations best practices survey is an annual survey designed to gather information on commercial space system procurement and commercial space system operations practices. The survey supports the acquisition and operations goal in the internal process perspective by gather information on:

- Customer/supplier interactions
- Acquisition/procurement processes and planning
- Spacecraft operations
- Acquisition and operations best practices

(U) The results of the survey will identify areas where the NRO can focus on improving acquisition and operations practices and will provide commercial perceptions of the best acquisition and operations organizations (both government and commercial).

SECRET

4.5 Goal 5: Conduct an Aggressive, Customer Focused Research and Development Program That Fosters Innovation and Creativity (U)

(U) "Achieving this goal will dramatically enhance the value of NRO products and services and enable revolutionary advancements in space reconnaissance critical to satisfying future customer information needs. NRO research and development will aggressively pursue advanced sensor technologies and collection systems that provide new and unique sources of information. Another major focus will be next generation information system technologies and architectures that facilitate efficient exploitation of NRO data products, allow seamless interoperability with our mission partners, and virtually eliminate communications constraints across space and terrestrial systems. Additionally, our technology program will target new and innovative ways of reducing system acquisition and life-cycle costs to ensure information superiority at an affordable price.

(U) Working closely with our customers, mission partners, and technology allies, we will foster collaborations that will permit us to leverage each other's technology investments. This will result in an efficient and effective technology program that maximizes investment opportunity for NRO mission-unique technologies and provides significant synergistic benefits across the U.S. government technology enterprise."

Mr. Robert Pattishall
Director, Advanced Systems and Technology (AS&T)

4.5.1. Desired Outcomes and Performance Measures (U)

(U) Table 5a.

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
5.1 Revolutionary reconnaissance capability that meets customer needs for global coverage and information on demand	a) Projects with identified transition date: Percentage of NRO R&D budget representing projects with transition dates to customer	a)	a)	a) AS&T
	b) Revolutionary Projects in Current Fiscal Year: Percentage of the NRO R&D budget deemed to represent revolutionary projects in the current fiscal year.	b)	b)	b) AS&T
5.2 Efficient and effective advanced technology program built on collaboration with mission partners and technology allies	a) Collaboratively funded efforts	a) TBD	a) Greater leverage on R&D efforts	a) AS&T

(b)(1)
(b)(3)

SECRET

SECRET

4.5.2. Strategies To Achieve Goal (U)

Goal / Action Plan	Target Date	Accountability	Required Resources (Number of Exec or Budget)
1) Identify the needs of our customers a) Establish customer interaction/needs identification plan b) Execute plan and update as necessary	a) 12/97 b) Continuous	AS&T	
2) Develop technologies and systems responsive to our customer's needs a) Establish plan to incorporate customer needs into technology development strategy b) Execute plan and update as necessary	a) 12/97 b) Continuous	AS&T	
3) Discover and leverage competencies outside the NRO a) Build knowledge base of other R&D programs b) Forge interactive relationships with R&D allies and partners c) Seek collaborations that have value for mission partners and allies	a) 10/97 b) Continuous c) Continuous	AS&T	
4) Staff research and development teams with the right mix of top people a) Develop a plan with HRMG to support R&D staffing	a) 11/97	AS&T/DIR	
5) Create an environment that encourages innovation and risk taking a) Consolidate the R&D organization with a revolutionary focus b) Increase investment share for innovative initiatives c) Pursue an aggressive flight demo program d) Provide a proving ground for new acquisition practices e) Provide unconventional organizational approach to problem solutions	a) Complete b) Complete c) Continuous d) Continuous e) Complete	AS&T/DIR	
6) Provide consistent funding and support to R&D programs a) Define objectives for investment and stick to them b) Integrate roadmaps with clear decision gates and transition strategies c) Emphasize multi-year planning d) Form a technology customer board of directors e) Increase AS&TD resource allocation authority	a) Continuous b) Continuous c) Continuous d) 1/98 e) 10/97	AS&T	

(b)(3)

SECRET

(U) Table 5b.

(U) AS&T's Strategy for Technology is focused on the NRO's Customer Satisfaction Goals -- to provide assured, timely, global coverage and tailored information on-demand to customers world-wide. To achieve those goals, AS&T conducts an aggressive, collaborative, customer focused research and development program fostering innovation and creativity. To make the program robust, the funding profile for research and development is being increased. The program continues essential investments in evolutionary technologies critical to maintain the viability of the current generation of systems and focuses new investments in revolutionary new capabilities required to address the nation's information imperative of the 21st Century. The technology investment strategy represents a cohesive research and development program that identifies and develops new, customer focused concepts and technologies, matures those that show great promise, and flys those that require large scale demonstration prior to

SECRET

Handle via BYEMAN/Talent Keyhole Channels Jointly

SECRET

transition. To multiply resource effectiveness, AS&T has substantively expanded research and development collaboration with (U Cont.) customers, mission partners, and technology allies to leverage their investments, learn about developments relevant to our mission, and identify new partnering opportunities. Finally, to ensure we have the right mix of talent leading our research and development activities, AS&T works directly with the NRO human resources group to recruit highly skilled staff and provide the requisite career development opportunities.

4.5.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcomes of Goal 5 is supported by one or more candidate performance measures as listed in Table 5a. This table also identifies known baselines and targets for the measures as well as the source of data. The candidate performance measures have also been defined in detail in the data capacity section. Table 5a serves as a preliminary glimpse of the performance measures and data sources to be utilized in the upcoming Annual Performance Plan.

4.5.4. (U) Data Capacity. The following measures are currently being tracked and will be used to measure progress toward the achievement of Goal 5.

(U) Projects with Identified Transition Dates. This measure represents the first pillar of the NRO strategic elements (customers). This is the number of projects (expressed as a percentage of the research and development budget) that have a date identified for when they will be transitioned to customers. This date will be jointly established by the customer and NRO. The measure supports the R&D goals of identifying and developing solutions to meet the needs of customers.

(U) Research and development programs throughout the government are often perceived as a collection of "pet projects." To avoid that perception, the NRO research and development program clearly demonstrates a direct tie and commitment to customers and their toughest intelligence problems. Research and development programs require strong support to provide consistent funding over the life cycle of a developing technology. A strong supportive customer base is essential not only to maintain support but to provide frequent feedback on technology application and performance goals.

(U) Collaboratively Funded Efforts. Collaboration is the second fundamental principle underlying our strategic planning. Collaborative projects are those that are partially funded by one of our technology allies or mission partners. The level of funding from the outside organization must be "significant" (defined as representing budget line items [BLI] level funding in their respective budgets) -- an amount that would be separately tracked and justified as a program. This measure supports our goal of leveraging technologies outside the NRO.

(U) The NRO can not pursue solutions to the future reconnaissance challenges on its own. Hard targets and intractable problems increasingly demand multisource intelligence collection. Collaboration with partners and allies on joint projects will be essential. The DNRO has the ability to influence both the unclassified and the classified space programs that will increasingly rely on similar advanced technology to provide information superiority.

(U) Our stakeholders and the American taxpayers are demanding a more efficient and effective space program that not only leverages technology investment but shares technologies and transfers them to the commercial sector for wider application.

(U) The fraction of the NRO research and development budget that is spent on collaborative projects is an indication of how aggressively we are pursuing collaborations.

(U) Revolutionary Projects in the Current Fiscal Year. This measure addresses the third pillar of the AS&T core strategic elements (revolution). Specifically, this measure tracks projects (expressed as a percentage of the research and development budget) that can be defined as revolutionary in a given fiscal year. The definition of revolutionary can be found in the AS&T Strategic Plan. One element for defining these projects is the five strategic thrusts:

- Solving hard targets
- Orders of magnitude increase in efficiency and effectiveness
- Solutions to intractable problems
- Frontiers of exploitation and processing
- Enabling space services

(S) This measure will provide the DNRO with insight into the rate at which the newly centralized research and development

SECRET

Handle via BYEMAN/Talent
Keyhole Channels Jointly

SECRET

program is shifting focus from evolutionary to revolutionary programs. This measure forces research and development leaders (S Conf.) to continually challenge conventional thinking and to adhere to the strategic plan and the overall capabilities goal set by the DNRO.

SECRET

Handle via BYEMAN/Talent
Keyhole Channels Jointly

Employee Satisfaction Perspective

Customer Satisfaction

1. Provide Assured, Timely, Global Coverage
2. Provide Tailored Information On-Demand to Customers World-Wide
3. Team with Our Mission Partners to Establish and Maintain Strong Relationships with Our Customers

Process Improvements

4. Be the Government's Best System Acquisition and Operations Organization
5. Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation & Creativity

Employee Satisfaction

6. Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance
7. Provide a Quality Work Environment that Enables Our Workforce to Excel
8. Develop a Streamlined, Open, Corporate Management Climate

Financial Management

9. Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources
10. Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information

Figure 8: (U) Employee Satisfaction Perspective

SECRET

5.0 EMPLOYEE SATISFACTION PERSPECTIVE (U)

5.1 Introduction (U)

(U) The NRO vision, which calls for "...One Team, Revolutionizing Global Reconnaissance," recognizes the important role that employees ultimately have in the success of the NRO. The "One Team" concept emphasizes that both government and contractor employees are the foundation of NRO's support to the Department of Defense (DoD) and the Intelligence Community (IC). The NRO has identified three goals in this perspective that focus on increasing employee satisfaction and improving our capability to excel in operating current systems, acquiring future systems, and conducting the revolutionary research mission partners and users demand.

Goal 6: Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance (U)

(U) People are the NRO's greatest asset. The NRO team must be informed and empowered to meet the challenges of revolutionizing global reconnaissance. Opportunities abound to contribute to and share in the NRO's success; the objective is to maximize the NRO's potential by giving everyone the opportunity to engage in challenging work where efficient and effective performance is rewarded equitably. In turn, we depend on each of our NRO team members to maintain the highest standards of integrity, conduct, and accountability.

Goal 7: Provide a Quality Work Environment that Enables Our Workforce to Excel (U)

(U) Our workforce must feel that they receive the infrastructure necessary and appropriate to accomplish the mission of the NRO. In this regard, by providing appropriate facilities, tools, information handling, and an improved quality of life through available services, the NRO can create an environment that will foster increases in employee productivity and satisfaction, and ensure the retention of our world class workforce, the latter being an important step in assuring continued support to the NRO's stakeholder and customer needs. To this end, a quality environment, one in which each and every employee knows the supporting infrastructure is there when needed, will allow our workforce to continue to be "Freedom's Sentinel in Space."

Goal 8: Develop a Streamlined, Open, Corporate Management Climate (U)

(U) All employees are critical to driving the continual evolution of the NRO's strategic direction. Our corporate climate should foster the ability to perform the NRO's mission, supported by an effective decision-making process, and clear lines of communication. We need to focus on eliminating non value-added processes, emphasizing "one team"; employees are the enabler of our success.

5.2 Strategic Initiatives (U)

(U) The following are examples of strategic initiatives that have been instrumental in moving the NRO toward accomplishment of the employee satisfaction goals.

5.2.1. (U) Employee Development. Since the inception of strategic planning at the NRO, several human resource initiatives to improve the development of employees have been introduced. Examples include the implementation of an employee performance recognition program and an evaluation of current training programs.

(U) The purpose of the employee performance recognition program is to create a unified, "One Team" approach that establishes equity among employees. The program was initiated to respond to the results of the first annual NRO Organizational Climate Survey that identified performance recognition as an area for improvement. This recognition program will provide greater opportunities for employees to be recognized for their contribution. In addition, this manager-driven program will delegate award approval authority and will give employees and managers greater access to award information.

(U) There are also initiatives underway to evaluate and improve NRO training programs. Currently, the Human Resources Management Group (HRMG) is assessing training needs and benchmarking training "best practices" throughout industry. In addition, the NRO is designing corporate education, training, and development programs, with a core curriculum aligned to our strategic needs. The Human Resources Management Group (HRMG) will provide competency-based training and development to promote a culture of continuous learning and professional growth.

SECRET TALENT-KEYHOLE Channels Jointly

Handle via BYEMAN/

5.2.2. (U) Organizational Development/Improvement. In addition to the employee development initiatives, there are a number of organizational development/improvement programs that have been helpful in identifying needed improvements throughout the organization. Examples of these types of efforts include an Organizational Climate Survey and a workforce analysis.

(U) The Organizational Climate Survey provides NRO managers with a full understanding of the strengths and weaknesses of the NRO as a place of employment. The survey collects reliable data regarding employee perceptions of the NRO. These perceptions are used by NRO managers at all levels throughout the organization to gain insight into aspects of the organizational climate that are favorable to employees, while also identifying aspects that require improvement. The results of the first annual survey have been analyzed and have provided a baseline level of performance against which subsequent survey results can be compared.

(U) HRMG is conducting an analysis to ensure that the NRO workforce possesses the right set of skills to attain its vision of revolutionizing global reconnaissance. The purpose of the analysis is to identify, review, and compare the NRO's current and future workforce needs. Results of the analysis will help to determine the skills, knowledge, and abilities that will be needed to support our future roles and missions. This analysis will also assist HRMG in identifying opportunities to enhance organizational effectiveness.

5.3 Key External Factors Impeding Goal Accomplishment (U)

5.3.1. (U) Information Security. Information security requirements could be an obstacle to implementing several of the strategies identified to achieve the goals in this perspective. Information security concerns could delay the introduction of "virtual offices" and telecommuting concepts. However, the CIO will establish information technology policies to complement information exchange and business practices for all NRO Strategic Goals (including Goal 7). Information technologies and policies should enable innovative business practices after risks have been assessed to ensure that operational procedures and information technologies adequately protect our valuable information resources.

SECRET

5.4 Goal 6: Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance (U)

(U) "People are the most important part of the NRO. Our people are striving to be world-class--the most dedicated, innovative, talented, and mission-oriented professionals in the Intelligence Community--committed to technical excellence and proud of the service we provide. As partners in this critical goal, NRO people are helping create a strategic human resource plan that fosters a challenging and productive work environment, and encourages and supports individual career development. The NRO will offer continuous learning and growth opportunities for all employees, leading to improved productivity, greater retention, and organizational excellence. Accomplishing this goal is a critical step in our pursuit of revolutionizing global reconnaissance."

Brig Gen Robert E. Larned, USAF
Director, IMINT Systems Acquisition and Operations

5.4.1.   Desired Outcomes and Candidate Performance Measures   (U)

(U)   Table 6a

Desired Outcomes	Candidate Performance Measures	Current Baseline	Annual Target	Source of Data
6.1 Increased employee satisfaction	6.1) Extent to which employees are satisfied with their jobs	6.1) 88% Agree	6.1) 90% Agree	6.1) Climate Survey - Job Satisfaction Factor
a) by increasing performance recognition	a) Extent to which employees think the NRO does a good job recognizing them	a) 71% Agree	a) 75% Agree	a) Climate Survey - Performance Recognition Factor
b) by increasing job involvement	b) Extent to which employees influence their daily work activities	b) 83% Agree	b) 85% Agree	b) Climate Survey - Involvement Factor
c) by reducing stress	c) Extent to which employees' work site & environment contribute to job satisfaction	c) 84% Agree	c) 85% Agree	c) Climate Survey - Quality of Life Factor
6.2 Increased workforce preparedness				
a) by maintaining the industry standard of annual training hours per employee	a) Training hours per employee	a) 48 Hours	a) 40 Hours	a) HRMG
b) by improving employee perception that they have the training required to do their jobs	b) Extent to which employees agree that they have the necessary training to do their jobs	b) 88% Agree	b) 90% Agree	b) Climate Survey - Training Factor
6.3 Increased employee retention & improved experience levels				
a) by reducing voluntary turnover of government employees	a) Average number of months that each current NRO employee has worked at the NRO	a) 86 months for civ; 30 months for mil	a) TBD	a) HRMG
b) by increasing positive job attributes	b) Extent to which employees perceive they have a good job	b) 93% Agree	b) 95% Agree	b) Climate Survey - My Job Factor

Unclassified

SECRET

Handle via BYEMAN/
TALENT-KEYHOLE Channels Jointly

(U) Table 6a Cont.

Desired Outcomes Class	Candidate Performance Measures	Current Baseline	Annual Target	Source of Data
6.4 Increased employee performance and competence *a) by encouraging employee professional development*	a) Extent to which employees are given an opportunity to develop & advance	a) 62% Agree	a) 65% Agree	a) Climate Survey - Employee Development Factor
6.5 A more flexible organization *a) by increasing employee awareness of strategic direction* *b) by providing stronger directional leadership* *c) by increasing positive supervision*	a) Extent to which employees perceive a clearly communicated vision b) Extent to which employees perceive strong directional leadership c) Extent to which employees perceive positive supervision	a) 78% Agree b) 83% Agree c) 82% Agree	a) 85% Agree b) 85% Agree c) 85% Agree	a) Climate Survey - Awareness in Strategic Direction Factor b) Climate Survey - Leadership Factor c) Climate Survey - Supervision Factor
6.6 A more productive workplace *a) by improving employee perceptions of the work environment at the NRO*	a) Organizational Climate Survey	a) 84% Agree	a) 85% Agree	a) Climate Survey - Overall Results

Unclassified

5.4.2. Strategies To Achieve Goal (U)

(U) Table 6b.

Goal / Action Plan	Target Date	Accountability	Expected Location
1) Strengthen the link between human resource planning and NRO strategic direction a) Facilitate, support, and strengthen strategic linkages between HRMG & other goal areas b) Identify companies who are "best-in-class" c) Baseline the workforce d) Translate NRO's strategic goals into HRMG operational practices	a) Completed b) Completed c) On-going d) 10/98	MS&O/HRMG	

2) Refine the staffing process to recruit, select, and assign NRO employees with the talent and experience required to accomplish our mission
a) Recruiting (external to the NRO)
 - Baseline NRO recruiting processes
 - Benchmark recruiting "best practices"
 - Analyze processes/identify improvements
     - refine processes to refine improvements
     - seek assistance from parent organizations to improve performance
 - Implement changes to current processes
 - Measure average "cycle time" at each part of the process to assess performance and provide feedback
b) Selection/assignments (internal/reassignment)
 - Baseline NRO selection and assignments processes
 - Benchmark selection and assignments standards with parent organizations
 - Analyze current processes and identify areas for improvement
     - refine processes to initiate improvements
     - seek assistance from parent organizations to improve performance
c) Succession planning
 - Baseline NRO Succession planning activities
 - Benchmark succession planning best practices from industry and other government agencies
 - Identify a succession planning model for the NRO
 - Conduct a succession planning exercise at the NRO
 - Measure performance, provide feedback, and refine processes
	a) On-going
	
	b) On-going
	
	c) 10/98
		MS&O/HRMG	

Unclassified

~~SECRET~~

(U) Table 6b Cont.

Goal & Action Plan (Continued)	Target Date	Accountability	Required Resources/Issues or Cost or Budget
3) Develop and maintain a world-class corporate education, training, and development program			

a) Requirements and assessment
- identify training implications of business goals
  - develop training to meet NRO core mission and roadmap and address NRO problems
  - assess the existing NRO education system
  - benchmark training "best practices"
  - conduct training needs assessment
    - develop occupational competency models
    - link competencies to training
	a) 10/98	MS&O/HRMG	- $ impact on Comm architecture
			- Unfunded requirement for Corporate Training

b) Training management and administration
  - implement training management system
    - develop on-line catalog of available training
    - use intranet to circulate training information
    - acquire authoring instructional materials software
  - develop and implement training guidance
  - project training resource requirements through 2000
    - establish and fund NRO training goals
  - establish NRO University concept
	b) 2/99		

c) Curriculum design and implementation
  - design and implement curriculum for NRO
    - newcomers' orientation, COTR training, information systems security training
    - instructor training, Microsoft N/T and Office 97 training, Harassment-Free Workplace training, financial management training
	c) 1/99		

d) Alternative methods of learning
  - explore future directions for training and development
    - implement desktop training, distance learning
    - establish partnerships with academic and corporate universities
    - establish NRO University concept, establish learning centers
    - develop new rotational programs
  - measure training results
  - training "outside the box"
	d) 1/99		

Unclassified

~~SECRET~~   ~~Handle via BYEMAN/~~
~~TALENT KEYHOLE Channels Jointly~~

(U) Table 6b Cont.

Goal/Action Plan (Continued)	Target Date	Responsible	Required Resources (Details of Current Year)

4) Foster employee professional development for continued career growth and competitive standing
a) Mentoring
  - develop research and action plan
  - baseline NRO mentoring programs
  - benchmark mentoring programs (formal and informal) in government and private sector
  - analyze data, identify best practices and determine NRO mentoring needs
  - develop and implement mentoring programs to enhance employee development
  - measure results
b) Career planning
  - develop research and action plan
  - baseline NRO career planning practices
  - benchmark career planning in government and private sector
  - analyze data, identify best practices and determine NRO career planning needs
  - develop and implement career planning programs to achieve results
  - measure results
	a) 8/98
	
	b) 8/98
		MS&O/HRMG	

5) Develop a performance recognition program that encourages an organizational climate for action (performance appraisals and recognition award program)
a) Performance Appraisals
  - baseline NRO performance recognition programs
  - baseline performance recognition "best practices"
  - identify performance recognition deficiencies
  - identify recognition fixes
  - implement recognition fixes
  - measure recognition results
  - provide recognition feedback
  - performance recognition "outside the box"
b) Recognition Award Program
c) Promotion
  - develop research and action plan
  - baseline NRO promotion rates
  - benchmark the promotion rates of parent organizations
  - analyze promotion rates and develop metrics
  - track promotion rates and make data available to employees to achieve results
  - measure promotion rates and employee perceptions of promotion rates
	a) TBD
	
	b) 10/98
	c) TBD
		MS&O/HRMG	

Unclassified

(U) At the inception of this goal, a cross-functional team was established to develop action plans to implement changes that will enable the NRO to create and maintain a world class workforce. Because of the breadth of issues that impact the workforce, this goal was further divided into five sub-goal areas:

- Human Resource/NRO Strategic Direction Linkage
- Staffing (recruiting, selecting, assigning)

•Education, Training, and Development
• Professional Development
• Performance Recognition

(U) Each sub-goal area has an individual action plan, and has an assigned manager to ensure that progress is made toward goal accomplishment. Performance in each sub-goal area has been assessed through the implementation of performance measures, and sub-goal teams have been established to identify problem areas, research best practices, and implement meaningful changes. Examples of progress to date include the launch of a new employee recognition program, a pilot 360 degree feedback program, and the development of a Human Resources Strategic Plan.

5.4.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 6 is supported by one or more candidate performance measures as listed in Table 6a. This table also identifies known baselines and targets for the candidate measures as well as the source of data. The specific candidate performance measures have also been defined in detail in the data capacity section. Table 6a serves as a preliminary glimpse of the measures and data to be used in the upcoming Annual Performance Plan.

5.4.4. (U) Data Capacity. The following candidate performance measures are currently being tracked and will be used to measure progress toward the achievement of Goal 6.

(U) Organizational Climate Survey. The organizational climate survey is an annual survey designed to assess employee perceptions of key organizational factors. The survey supports all three workforce development goals by gathering employee perceptions regarding:

•Tools/Information infrastructure (e.g., hardware, software, and networks)
• Facilities (e.g., office, parking, and supplies)
•Quality of Life (e.g., work hours and on site services)
•Employee Development
• Overall Climate
• Job Satisfaction
•Employee awareness of and involvement in the NRO strategic direction
•Training

(U) The results of the survey provide statistically reliable measures of NRO employees' perceptions over time. This information provides insight into areas requiring improvement, allowing the NRO to focus on policy or management changes that may lead to greater worker satisfaction, involvement, and productivity.

(U) Training Hours per Employee. Training hours per employee looks at the number of hours of formal training that NRO government employees attend. The number of training hours per employee provides an indicator to the Director of the NRO (DNRO) of the investment that is being made in the NRO workforce. The actual amount of training and development that is occurring impacts the degree to which the NRO workforce's skill set is remaining current and, therefore, impacts the level of productivity of the workforce. This information can then be used to compare training at the NRO to training against industry best practices.

(U) Organizational Experience Base. Organizational experience base measures the average number of months that the current government workforce has been employed at the NRO. The average organizational experience base provides insight to the DNRO regarding trends in institutional experience. It also provides a potential indicator of interest with regard to member processing costs, recruitment requirements, orientation and training needs, and NRO cultural stability.

SECRET

5.5 Goal 7: Provide a Quality Work Environment that Enables Our Workforce To Excel (U)

(U) "Our goal is to create a quality work environment that supports our employees and makes them proud to work for the NRO. We will accomplish this by providing employees with the appropriate tools and environment necessary to accomplish their jobs. Most importantly, we will supply them with a comprehensive set of services that will aid in enhancing employee productivity and increase job satisfaction. We are also dedicated to looking into the future to give our employees the infrastructure necessary for one team, revolutionizing global reconnaissance. All these things are possible, as long as we provide continued support to the NRO's stakeholders and meet the customers' needs."
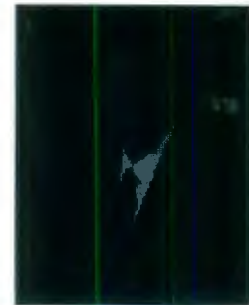
Mr. Roger C. Marsh
Director, Management Services and Operations (MS&O)

5.5.1. Desired Outcomes and Candidate Performance Measures   (U)

(U) Table 7a.

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
7.1 Increased employee productivity *a) by increasing employee perception that they have the correct tools and information infrastructure to do their job.*	a) % of employees that agree that they have the correct tools and information infrastructure to do their jobs.	a) 82.77% Agree	a) 86.91% Agree	a) Organizational Climate Survey - Tools/Information Infrastructure Survey Factor
7.2 Increased employee satisfaction *a) by increasing employee perception that the condition and the basic services of their site enable them to do their jobs effectively.* *b) by increasing employee satisfaction with the amenities available at their site.*	a) % of employees that agree that the condition and basic services of their site enable them to do their jobs effectively. b) % of employees that are satisfied with the amenities provided at their site.	a) 91.46% Agree b) 89.3% Agree	a) 91.46% Agree b) 93.77% Agree	a) Organizational Climate Survey - Facilities Survey Factor b) Organizational Climate Survey - Amenities Survey Question
7.3 Retention of a world-class workforce *a) by increasing the average number of months that each current NRO employee has worked at the NRO (partially attributed to providing a quality work environment).*	a) Organizational Experience Base.	a) 86 Months	a) TBD	a) HRMG

Unclassified

SECRET

Handle via BYEMAN/
TALENT KEYHOLE Channels Jointly

5.5.2. Strategies To Achieve Goal (U)

(U) Table 7b.

Goal / Action Plan	Target Date	Responsibility	Resources/Resources Outside of Current Status
1) Baseline the work environment at all NRO sites in terms of: a)facilities, b) tools, c) information infrastructure, d) quality of life a) Design and administer datacall to NRO sites. b) Collect information from the datacalls that shows what currently exists at each NRO site. c) Reconcile information from datacall with NRO headquarters information.	a) 8/97 b) 11/97 c) 12/97	MS&O	N/A
2) Baseline employee perception of the work environment a) Design and administer survey of all NRO employees b) Communicate survey results to workforce	a) 12/97 b) 3/98	DIR/SP	N/A
3) Identify required improvements a) Conduct site visits in order to identify areas for improvement on a site by site basis. - Establish focus groups to determine specific issues, if necessary. b) Conduct benchmarking to identify best business practices. c) Develop improvement recommendations	a) 3/98 b) 3rd Qtr. 1998 c) 3rd Qtr. 1998	MS&O	N/A
4) Develop a conceptual workplace of the future a) Research state of the art work environments. b) Identify best practices that can be adopted. - Telecommuting, video phones, virtual work environments. c) Identify areas where NRO can accelerate declassification to facilitate the workplace of the future. d) Develop a vision of the end state work environment.	a) 2/98 b) 4/98 c) Summer 1998 d) 4th Qtr. 1998	MS&O COMM	N/A
5) Implement changes a) Develop plans for infrastructure upgrades at each site. b) Prioritize plans for implementation at each site. c) Execute infrastructure upgrades at each site based on necessity/cost.	a) 3rd Qtr. 1998 b) 3rd Qtr. 1998 c) FY 98/99	MS&O	FTE hours & expense (currently unfunded) to be determined by extent of improvements required at each site.
6) a) Update the conceptual workplace of the future and b) continuously improve NRO sites in general a) Re-survey employees periodically - Ensure that the environment and quality of life are being maintained. b) Identify required improvements c) Continue to perform required upgrades	a) Annually b) Annually c) Annually	MS&O COMM	Expenditure for rental space may be a factor.

Unclassified

SECRET

(U) The Goal 7 team has undertaken several initiatives in order to achieve their goal of providing a quality work environment that will enable the NRO workforce to excel. They initiated this effort by distributing a datacall to NRO sites with more than ten government employees. This datacall was developed in order to obtain an inventory of the facilities, technologies and amenities that currently exist at each site. The information from the datacall in conjunction with the results from the NRO Climate Survey will be used to identify potential areas of improvement. Once the potential areas of improvement are identified, the NRO will conduct a feasibility analysis in order to prioritize improvement areas.

(U) In addition, the Goal 7 team has also begun to research "the workplace of the future." The feasibility and practicality of cutting edge human resource initiatives will be investigated for possible implementation at the NRO. This will allow for not only a maintained quality of life at the NRO, but a continuously improved one as well.

5.5.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 7 is supported by one or more candidate performance measures as listed in Table 7a. This table also identifies known baselines and targets for the candidate measures as well as the source of data. The specific candidate performance measures have also been defined in detail in the data capacity section. Table 7a serves as a preliminary glimpse of the measures and data to be used in the upcoming Annual Performance Plan.

5.5.4. (U) Data Capacity. The following candidate performance measures are currently being tracked and will be used to measure progress toward the achievement of Goal 7:

(U) Organizational Climate Survey. The organizational climate survey is an annual survey designed to assess employee perceptions of key organizational factors. The survey supports all three workforce development goals by gathering employee perceptions regarding:

- Tools/Information infrastructure (e.g., hardware, software, and networks)
- Facilities (e.g., office, parking, and supplies)
- Quality of Life (e.g., work hours and on site services)
- Employee Development
- Overall Climate
- Job Satisfaction
- Employee awareness of and involvement in NRO strategic direction
- Training

(U) The results of the survey provide statistically reliable measures of NRO employees' perceptions over time. This information provides insight into areas requiring improvement, allowing the NRO to focus on policy or management changes that may lead to greater worker satisfaction, involvement, and productivity.

(U) Organizational Experience Base. Organizational experience base measures the average number of months that the current Government workforce has been employed at the NRO. The average organizational experience base provides insight to the DNRO regarding trends in institutional experience. It also provides a potential indicator of interest with regard to member processing costs, recruitment requirements, orientation and training needs, and NRO cultural stability.

~~SECRET~~

5.6. Goal 8: Develop a Streamlined, Open, Corporate Management Climate (U)

(U) "Developing a streamlined, open, corporate management climate is essential to creating an atmosphere that promotes the employee's ability to perform their mission. Supported by an effective decision-making process, and clear lines of communication, this goal ensures that the workforce is informed, involved and that the Director's strategic direction is understood at all levels. This goal also underscores the "One Team" concept where there is a corporate, NRO-wide awareness, participation, contribution, and ownership of corporate decisions made in support of the NRO strategy. Nurturing this climate will enhance the doctrine that all employees are critical to success in the continual evolution of the NRO's strategic direction. Ultimately, developing a streamlined, open, corporate management climate helps employees understand the connection between their performance and our corporate strategy by communicating NRO goals and connecting directorate and office responsibilities to corporate achievement."

Mr. Garnett R. Stowe, Jr.
Chief of Staff

5.6.1 Desired Outcomes and Candidate Performance Measures   (U)

(U) Table 8a .

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
8.1 Decreased number of required senior manager decision-making forums	a) Number of Decision Making Forums	a) 4 Forums	a) 3 Forums	a) Front Office
8.2 Increased employee awareness of the strategic planning process.	a) Extent to which employees are aware of and participate in defining the strategic direction of the NRO	a) 78.12% Agree	a) 85.93% Agree	a) Organizational Climate Survey - Awareness/ Involvement in Strategic Direction Factor
8.3 Reduced number of staff organizations required to support the NRO	a) Number of Headquarters Staff	a) 462 Head-quarters Staff	a) 416 Head-quarters Staff	a) Staffing Analysis

Unclassified

~~SECRET~~   ~~Handle via BYEMAN/~~
          ~~TALENT KEYHOLE Channels Jointly~~

SECRET

(U) Table 8a Cont.

Desired Business Cont.	Candidate Performance Measure	Current Baselines	Annual Target	Source of Data
8.4 Decreased time required to coordinate corporate communication	a) Action Completion Timeliness: Percent of actions closed on-time (quarterly). b) Action Completion Timeliness: Average cycle time for all actions (quarterly)	a) 8% of actions closed on-time b) 81 Days	a) 25% of actions closed on-time b) 60 Days	a) Front Office Database - tracked quarterly b) Front Office Database - tracked quarterly
8.5 Increased employee satisfaction by having an informed and involved workforce.	a) Extent to which information flows throughout the organization and employees are well informed about important issues. b) Extent to which employees can contribute to organizational improvement.	a) 87.27% Agree b) 83.4% Agree	a) 91.63% Agree b) 87.57% Agree	a) Organizational Climate Survey - Communication Factor b) Organizational Climate Survey - Participation / Involvement Factor

Unclassified

5.6.1.1. (U) Qualitative Outcomes

- *Decreased time required to make decision.*

SECRET   TALENT-KEYHOLE Channels Jointly

Handle via BYEMAN/

5.6.2. Strategies To Achieve Goal (U)

(U) Table 8b.

Goal & Action Plan	Target Date	Accountability	Required Resources (Dollars and Personnel Support)
1) Develop an effective decision-making and information flow process.		DIR/COS	

a) Baseline current corporate decision making processes
  - document and research guidelines for current decision making processes that have been identified as problem areas
    - Senior Staff
    - MCM
  - identify at which level decisions should be made
	a) 8/97		

b) Baseline current corporate level information flow processes - determine information flow needs/process owners	b) 8/97		
c) Baseline staff organizations - identify areas where the levels of bureaucracy can be eliminated	c) 3/98		

d) Implement changes to improve decision making and information flow needs
  - make adjustments to improve the decision making process
    - revise and reissue guidelines for the Senior Staff and MCM
    - establish a Board of Directors to make sensitive corporate decisions
    - recommend ground rules/operating procedures for each of the meetings to provide structure
  - make adjustments to improve the information flow process
    - document a MCP for the front office
    - develop a Correspondence Handbook for external and internal communication
    - establish the Executive Secretariat
  - make recommendations as to which staff organizations can be eliminated
  - communicate standards and expectations (ongoing)
  - provide feedback and readjust as needed (ongoing)
	d) 5/98		

Unclassified

~~SECRET~~ ~~TALENT-KEYHOLE Channels Jointly~~

~~Handle via BYEMAN/~~

~~SECRET~~

(U) Table 8b Cont.

Goal 8 Action Plan (Cont.)	Target Date	Accountability	Required Resources (Portion of Current Budget)

2) Foster an informed and well involved workforce
a) Enhance employee's role in the continual evolution of the NRO's strategic direction
  - link employee performance at all levels to corporate strategy
    - communicate NRO corporate level goals to employees
    - provide corporate level strategic planning information on the web
    - brief intent, status, and results of corporate level goals to employees
    - deploy the strategic planning process to the Directorate and Office level
    - link D&O responsibilities to corporate goal achievement
b) Establish mechanisms to solicit employee input
  - implement periodic climate/strategic feedback surveys
    - assess workforce awareness of and participation in the NRO strategy
    - assess the extent to which employees are well informed about important issues
    - assess the extent to which employees can contribute to organizational improvement
	a) 12/00
	
	b) 12/97
		DIR/SP	

Unclassified

(U) There are several initiatives underway within the NRO that will improve the corporate climate. These initiatives are focused on improving the corporate decision-making process, eliminating unnecessary bureaucracy, and improving communications while increasing involvement among all levels of the organization.

(U) This effort began by analyzing the senior corporate decision-making processes, documenting the guidelines, and identifying areas where improvements could be made. Concurrent with this effort, the corporate level information flow processes were analyzed. Adjustments to both of these processes were identified and some have already been implemented.

(U) An additional effort to reduce unnecessary bureaucracy within the organization was initiated. This effort focused on baselining the NRO staff. The study results revealed that the NRO staff had increased; this resulted in a recommendation to reduce the size of the NRO staff elements by 10 percent by December 1998.

(U) In order to improve the communication flow and involvement within the organization, the Strategic Planning Office has begun several initiatives. An organizational climate survey was developed and distributed to all NRO government employees, to solicit feedback on employee perceptions of the work environment. Additionally, the Strategic Planning Office has begun to assist the organization as it deploys the strategic planning process throughout the organization, in an effort to link employee performance at all levels to corporate strategy.

5.6.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcome of Goal 8 is supported by one or more candidate performance measures as listed in Table 8a. This table also identifies the baselines and targets for the candidate measures as well as the source of data. The specific candidate performance measures have also been defined in detail in the data capacity section. Table 8a serves as a preliminary glimpse of the measures and data to be used in the upcoming Annual Performance Plan.

5.6.4. (U) Data Capacity. The following candidate performance measures are currently being tracked and will be used to

~~SECRET~~ ~~Handle via BYEMAN/~~
~~TALENT KEYHOLE Channels Jointly~~

Financial Management Perspective

Customer Satisfaction

1. Provide Assured, Timely, Global Coverage
2. Provide Tailored Information On-Demand to Customers World-Wide
3. Team with Our Mission Partners to Establish and Maintain Strong Relationships with Our Customers

Process Improvements

4. Be the Government's Best System Acquisition and Operations Organization
5. Conduct an Aggressive, Customer Focused Research and Development Program that Fosters Innovation & Creativity

Employee Satisfaction

6. Create and Maintain a World-Class NRO Workforce Who Will Revolutionize Global Reconnaissance
7. Provide a Quality Work Environment that Enables Our Workforce to Excel
8. Develop a Streamlined, Open, Corporate Management Climate

Financial Management

9. Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources
10. Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information

Figure 9: (U) Financial Management Perspective.

SECRET

6.0 FINANCIAL MANAGEMENT PERSPECTIVE (U)

6.1 Introduction (U)

(U) To achieve the NRO vision of "...revolutionizing global reconnaissance," we must make optimal use of our fiscal resources. Although fiscal constraints can seem burdensome, thoughtful management of resources and appropriate use of program funding will ultimately act as a catalyst to the delivery of products that satisfy our customers' requirements. This perspective focuses on improving NRO financial management systems and processes so that senior leaders can better manage NRO resources.

Goal 9: Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources (U)

(U) This goal addresses our need for, and commitment to, building a financial management process that supports NRO managers at all levels. This process must be efficient and provide the insight necessary for managers to effectively make complex and difficult resource decisions.

Goal 10: Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information (U)

(U) This goal brings together our vigilance over the expenditure of funds on both sides of the government/contractor ledger. The systems must provide reliable and accurate financial status to our managers and our stakeholders.

6.2 Strategic Initiatives (U)

(U) The following are examples of strategic initiatives that focus on improving our financial systems and processes. These initiatives have been instrumental in moving the NRO toward accomplishing the corporate-level financial management goals.

6.2.1. (U) Financial Management Process Reengineering. As a result of the Joint Audit Report on NRO Financial Management Practices by the Central Intelligence Agency/Department of Defense Inspector General (CIA/DoDIG) 30 April 1996 audit, Congress required a complete revision of the NRO financial processes. Officials from the Director of Central Intelligence's (DCI's) Community Management Staff (CMS) and the DoD Comptroller's office required that the NRO conduct budget execution reviews and submit status reports of its "financial health" in order to provide proof of compliance. These reviews created an environment for positive change. New policies, procedures, and processes were developed to ensure that the budget for the NRO would be closely monitored in execution. In addition, a Management Control Program Directive was published to provide structure and direction for programmatic and budgetary compliance.

(U) Budgetary process mapping has allowed the NRO to efficiently and accurately align resources with requirements. Although a complete budgetary process map has already been developed, it is anticipated that processes will continually evolve and improve.

6.2.2. (U) Financial Management System. A new Integrated Financial Management System (IFMS) is currently being implemented, and is expected to be at Full Operating Capacity (FOC) as of 1 October 1999. The first module was implemented on 1 October 1997. The system will be used to account for, monitor, and track budgetary resources for the NRO, as well as providing information for the evaluation of management controls.

6.3 Key External Factors Impeding Goal Accomplishment (U)

6.3.1. (U) Changes in External Oversight Requirements. Changes in how and when information is due to external oversight organizations will influence the degree to which the NRO can develop and sustain financial management processes that optimize the use of resources. The NRO financial management process responds to requirements from the DoD, CMS, and six congressional committees. As the requirements from these organizations change in any given year, the NRO must modify its internal processes to permit responsive and timely actions.

6.4 Goal 9: Develop and Sustain a Financial Management Process that Optimizes the Use of Our Resources (U)

(U) "Effective budgeting and planning is crucial in today's environment of shrinking resources. This goal focuses on improving our budget build process to make it more open and corporate, and conducting better budget execution reviews to provide insight into NRO programs and to gather feedback on progress being made. These processes, in conjunction with the development of a resource allocation procedure manual and a resource allocation milestone calendar, will provide valuable NRO resource information to all managers. Besides improving our internal financial control, better execution in these areas will improve stakeholder confidence, which is essential to continuing our success in revolutionizing global reconnaissance."

Ms. Mary Corrado
Deputy Director, Resource Oversight and Management (ROM)

6.4.1. Desired Outcomes and Candidate Performance Measures   (U)

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
9.1 NRO elements receive clear guidance and direction; "repeat steps" minimized	a) Days late or early meeting key financial deadlines	a) FY 98	a) On-time	a) ROM
9.2 Resource allocation decisions aligned to customer priorities	a) Number and value of reprogrammings	a) FY 98	a) TBD	a) ROM
9.3 Optimal use of limited budget resources	a) Number and value of reprogrammings	a) FY 98	a) Zero	a) ROM
				Unclassified

(U) Table 9a.

SECRET

6.4.2. Strategies to Achieve Goal (U)

Goal / Action Plan	Target Date	Accountability	Required Resources (head of Current Budget)
1) Document the resource management process a) Establish new process for the FY00 IPOM and brief to NRO Directorates and Offices b) Incorporate Lessons Learned from the IPOM, and write-up full documentation of the process before the FY00 BES	a) Complete b) 7/98	ROM/RM	

2) Align resources to NRO requirements
 a) In budget build process
  - ensure requirements and execution status to determine budget guidance
  - develop tools to more effectively trade requirements and cost (in conjunction with P&A)
 b) In current year reallocations
  - establish policy to ensure current year funds realignments are consistent with NRO (vs D&O) priorities
	a) 10/98
	
	 b) 3/98
		ROM/RM	

SECRET

(U) Table 9b.

(U) Over the past eighteen months, significant efforts have been expended to develop and sustain a strong financial management process at the NRO. To date, a new process has been developed for the FY00 Intelligence Program Objective Memorandum (IPOM), and the NRO Resource Oversight and Management (ROM) office is working with each Directorate and Office (D&O) to ensure that processes are understood and properly executed.

(U) Development of processes that will allow the NRO to properly align resources with requirements will require good communication with each D&O. ROM acknowledges the importance of this communication, and has incorporated a "lessons learned" evaluation step in its action plan to encourage continuous process improvement and open and honest feedback from the D&Os.

6.4.3. (U) Relationship Between General Goals and Annual Performance Goals. Each desired outcomes for Goal 9 is supported by one or more candidate performance measures as listed in Table 9a. This table also identifies known baselines and targets for the candidate measures as well as the source of data. The specific candidate performance measures have also been defined in detail in the data capacity section. Table 9a serves as a preliminary glimpse of the measures and data to be used in the upcoming Annual Performance Plan.

6.4.4. (U) Data Capacity. The following candidate performance measures are currently being tracked and will be used to measure progress toward the achievement of Goal 9.

(U) Days Late or Early Meeting Key Financial Deadlines. This measure looks at the timeliness of financial information provided by the NRO to the Director of Central Intelligence (DCI) and the Deputy Secretary of Defense, Office of Management and Budget (OMB), and Congress. By tracking whether or not the NRO met or exceeded the due dates of the IPOM, the Budget Estimate Submission (BES), the Congressional Budget Justification Book (CBJB), and annual financial statements, it can be determined if the NRO is providing timely financial information. The timeliness of financial information provides an indicator to the Director of the NRO (DNRO) on the ability to comply with official deadlines, and provides an indicator as to the level of reliability that our oversight entities have in NRO financial data.

(U) Number and Value of Reprogrammings. This metric will measure how well the budget was initially planned and aligned, by tracking the number of times (and the amount) of both external and internal reprogrammings. This metric will inherently

Handle via BYEMAN/

SECRET   TALENT KEYHOLE Channels Jointly

C05106746

SECRET

identify program savings (realignment "resources"). The goal is to have properly allocated budget resources against NRO

SECRET   TALENT-KEYHOLE Channels Jointly

Handle via BYEMAN/

~~SECRET~~

(U Cont.) program priorities by the time the CBJB is submitted to the Congress thereby minimizing reprogramming requirements.

~~SECRET~~ ~~TALENT-KEYHOLE Channels Jointly~~

~~Handle via BYEMAN/~~

SECRET

6.5 Goal 10: Ensure Government and Contractor Financial Systems Provide Reliable, Timely, and Accurate Information (U)

(U) "The NRO is in the process of acquiring and implementing a new accounting system and developing a budget formulation tool. These two efforts will results in improved quality, availability, and timeliness of our financial information. The NRO will realize a number of benefits as a result of this development effort. First, we will have insight into our financial standing in ways that we have not had in the past. Additionally, by gaining more control over our budget and financial information, we will be able to more accurately respond to requests and provide information to our stakeholders. These efforts move us toward rebuilding trust in our financial policies and systems and will increase our credibility with Congress, the Secretary of Defense, and the Director of Central Intelligence. In the long run, these efforts will make future programs easier to justify, and will facilitate our ability to comply with the CFO Act and other statutory requirements."
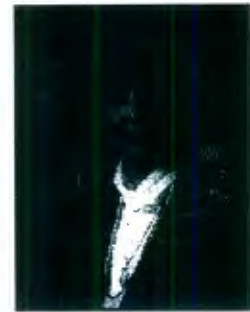
Ms. Mary Corrado
Deputy Director, Resource Oversight and Management (ROM)

6.5.1. Desired Outcomes And Candidate Performance Measures (U)

Desired Outcomes	Candidate Performance Measures	Current Baselines	Annual Targets	Source of Data
10.1 Improved quality and timeliness of NRO financial information				
a) by providing accurate and timely budget execution data for all NRO funds	a) Execution performance	a) FY 98 quarterly report	a) obligations target expenditures targe	a) ROM
b) by improving accuracy of contract requirements forecasts	b) Number and value of reprogrammings	b) FY 98	b) TBD	b) ROM
c) by increasing the ability to comply with the CFO Act and other statutory requirements	c) Timely resolution of defined discrepancies	c) CFO Act - 3/99	c) Zero at FY00	c) ROM
10.2 Improved stakeholder perception of the NRO				
a) by rebuilding trust in the NRO financial policies and systems	a) Execution performance	a) Quarterly for FY 98	a) obligations target: expenditures target:	a) ROM
b) by increasing the credibility of the NRO with Congress and the DCI, which will make programs easier to justify	b) Number of QFRs	b) Q3 FY 98 (119 QFRs)	b) TBD	b) ROM
10.3 Increased availability of financial, contract, and technical information to everyone who needs it	a) Days late or early meeting key financial deadlines	a) FY 98 current year	a) On-time	a) ROM

(b)(3)
(b)(3)
(b)(3)
(b)(3)

SECRET

(U) Table 10a.

SECRET

6.5.2. Strategies to Achieve Goal (U)

Goal 10 Action Plan	Target Date	Accountability	Required Resources (Outside of Current Budget)
1) Acquire and implement a new accounting system a) Meet requirements of the Treasury FASAB standards and the CFO Act b) Continuous training	a) 10/98 b) FY 00	ROM[____] (b)(3)	
2) Develop and implement a contractor performance measurement capability a) Integrate the elements of cost, schedule, and technical performance into an interactive database, (Winsight tool/EVM [IOC]) b) Training c) Contractor performance measures and financial accuracy d) Development of new CFSR formats/briefed contractors	a) 11/97 b) 10/99 c) 11/98 d) 3/97	ROM/[____] (b)(3)	
3) Integrate contract and NRO financial management systems a) Integrate contracts preparation, issuance, and administration system with the NFMS	a) 10/98	ROM[____] (b)(3)	
4) Develop and implement a budget formulation tool a) Ensure tool supports all phases of the budget process b) Provide timely and reliable responses to external information requests c) Compare and track current and planned contractual requirements against approved budgets d) Provide funds control and distribution capability e) Integrate Winsight with budget system f) Continuous training	a) 4/99 b) 4/99 c) 4/99 d) 10/99 e) 12/99 f) FY00	ROM[____] (b)(3)	

SECRET

(U) Table 10b.

(U) Through the implementation of the Goal 10 action plan, the NRO is diligently working to field a financial management system that will provide reliable, timely, and accurate information. To date, the first module of this system has been deployed, and follow-on capabilities are scheduled for initial operation at the beginning of fiscal years 1998 and 1999. When fully operational, NRO systems will meet the requirements of the Treasury Federal Accounting Standards Advisory Board (FASAB) standards and the Chief Financial Officers (CFO) Act.

(U) Over the past year, significant progress has also been made toward developing a contractor performance measurement capability. Contractor Fund Status Reporting (CFSR) formats have been developed and implemented, and cost, schedule, and performance data has been integrated using Earned Value Management (EVM) concepts.

SECRET

6.5.3. (U) Relationship Between General Goals and Annual Performance Goals. Each of Goal 10's desired outcomes is supported by one or more candidate performance measures as listed in Table 10a. This table also identifies known baselines (U Cont.) and targets for the candidate measures as well as the source of data. The specific candidate performance measures have also been defined in detail in the data capacity section. Table 10a serves as a preliminary glimpse of the measures and data to be used in the upcoming Annual Performance Plan.

6.5.4. (U) Data Capacity. The following candidate performance measures are currently being tracked and will be used to measure progress toward the achievement of Goal 10.

(U) Execution Performance. This measure reflects our management of resources based on our requirements. Obligations and expenditures will be tracked over time and analyzed against standard Department of Defense (DoD) metrics. This measure will track our current performance against targeted performance levels and indicate whether our program is phased properly with financing.

(U) This measure provides the DNRO with a reliable gauge of our corporate ability to manage our programs within a given level of resources. This measure provides our stakeholders with insight into the financial health of our programs.

(U) Number and Value of Reprogrammings. This metric will measure how well the budget was initially planned and aligned, by tracking the number of times (and the amount) of both external and internal reprogrammings. This metric will inherently identify program savings (realignment "resources"). The goal is to have properly allocated budget resources against NRO program priorities by the time the CBJB is submitted to the Congress thereby minimizing reprogramming requirements.

(U) Timely Resolution of Defined Discrepancies. A significant measure of successful implementation and operation of a corporate financial management system is the number of discrepancies identified by either the Federal Managers' Financial Integrity Act (FMFIA) management control self-assessment process or by external reviews conducted by the Inspectors General of the NRO, the DoD and/or the Central Intelligence Agency (CIA). The ultimate objective is to achieve unqualified affirmation of financial management system operations and identify no discrepancies. Recognizing the complexity and scope of the challenges, a practical approach is to close any identified discrepancies within 24 months of identification, and to close approximately one-third of the identified discrepancies in the first 12 months.

(U) All discrepancies identified will be tracked as part of the FMFIA management control program, and those items that have been closed will be documented with a memorandum approved by the Deputy Director of the NRO (DDNRO) and the ROM. This will provide for action tracking within the context of an existing mechanism and ensure periodic status and timely resolution is documented.

(U) Number of Official Questions for the Record (QFRs). This measure depicts the total number of official Questions for the Record (QFRs). Some volume of QFRs are necessary, expected and invited. The objective is to limit the number of QFRs to a level that does not unduly burden program offices.

(U) Days Late or Early Meeting Key Financial Deadlines. This measure looks at the timeliness of financial information provided by the NRO to the DCI and the Deputy Secretary of Defense, OMB, and Congress. By tracking whether or not the NRO met or exceeded the due dates of the IPOM, the BES, the CBJB, and annual financial statements, it can be determined if the NRO is providing timely financial information. The timeliness of financial information provides an indicator to the DNRO on the ability to comply with official deadlines, and provides an indicator as to the level of reliability that our oversight entities have in NRO financial data.

Handle via BYEMAN/

SECRET

7.0   PROGRAM EVALUATION AT THE NRO (U)

(U) The NRO has implemented a comprehensive program evaluation approach to achieve two primary objectives. First, the program evaluation approach must ensure that current programs are on course to enable the NRO to achieve its corporate goals. The second objective is to ensure that each expended program dollar results in the maximum possible benefit for our customers. The processes in place to achieve each of these objectives are presented below.

Strategic-Level Program Evaluation (U)

(U) At the corporate level, the NRO has identified ten strategic goals and has committed resources in a variety of programs to achieve these goals in the coming years. Organizational performance, monitored through our corporate-level measures, will enable senior management to assess whether funded programs are delivering desired results.

(U) As discussed previously in this document, NRO measures include leading indicators of performance in our core business areas such as research and development, acquisition, and operations. These measures are balanced with lagging indicators, including survey results, that enable management to evaluate whether our processes are resulting in benefits to our customer base. This corporate-level view of NRO programs allows senior management to consider the effect of all programs in the aggregate since many programs have an impact on performance against each corporate measure.

(U) The NRO has already implemented a quarterly performance review to assess organizational performance and discuss the status of current programs. The measures presented in this forum will be incorporated into the new strategic planning process and will be included in annual NRO performance plans and annual performance reports as they are developed.

(U) The NRO also actively uses several cross-community panels to evaluate the strategic impacts of its major programs. The Director of the NRO (DNRO) has established the NRO Advisory Panel, the NRO Gold Team, and various program review panels to ensure that customers and stakeholders are informed and actively participate in major decisions. In addition, the DNRO invites industry partners semi-annually to meet with NRO personnel and share ideas. These forums, though strategic in nature, often focus on technical program assessment and issues involving the technical details of information superiority.

### Individual Program Evaluation (U)

(U) The NRO is responsible for its systems from cradle to grave.   A program office is established at the inception of a program and sees it through concept definition, system development, testing, production, launch, and on-orbit operations. Each phase of this life cycle is carefully managed, and mechanisms are in place to ensure that each program delivers its expected value. The source documents for managing this process are the NRO Acquisition Manual (NAM) and NRO Directive (NROD) 82-2.

(U) Below, two of the key forums for evaluating programs are introduced -- the NRO Acquisition Board (NAB), outlined in NROD 82-2, and the Quarterly Program Review (QPR).

(U) **NROD 82-2 (the NAB).** The overarching policy for managing the acquisition process is NROD 82-2. Under NROD 82-2, programs are structured in four phases that translate broadly stated mission needs into well-defined system-specific requirements. These phases are separated by key decision points (KDPs). The interrelationship between program phases and related KDPs are listed below.

SECRET

(U) At each KDP, a full review of cost, schedule, and performance is presented to and evaluated by the NAB. Members of the NAB include NRO Senior Management members, representatives from NRO mission partners (including NSA, NIMA, CMO, CIA, DIA, and USSPACECOM), and additional customers and stakeholders. This broad list of participants ensures that key members of the Intelligence Community (IC) are informed about NRO programs, and that crosscutting functions are appropriately managed to minimize duplication of effort.

Figure B.6ed *(U)* *Key Decision Points and Phase.*
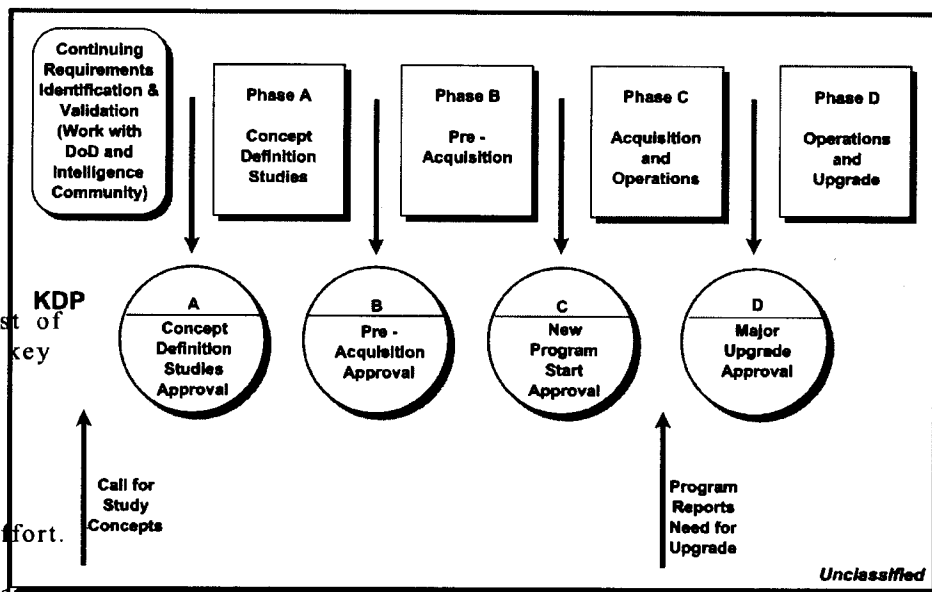
(U) At KDP-A, the Program Manager's proposed study approach is assessed as a justification for funding. Based on the information presented and ensuing discussion of the meeting participants, acquisition decisions are made and are later documented in an Acquisition Decision Memorandum (signed by the Deputy Director of the NRO (DDNRO).

(U) Two documents are used to facilitate the NAB and DNRO decision making process for KDP-B, KDP-C, and KDP-D Integrated Program Summary (IPS) is prepared by the Program Manager, and an Independent Program Assessment (II prepared by the NRO Office of Plans and Analysis. The purpose of the IPA is to provide checks and balances for the P Manager's self-evaluation. Both documents address 14 topics, including: execution status of the program; discuss alternatives; cost drivers and major tradeoffs; and, recommendations.

(U) Like KDP-A, the NAB proceedings for the other KDPs result in decisions to either redirect the program or aut continued effort; again, decisions are captured in an ADM. During KDP-C, the contents of a Baseline Agreement betw Program Manager and the DNRO are presented. This document is updated annually (or as necessary) as changes are m cost, schedule, and performance.

Quarterly Program Reviews (QPRs) (U)

(U) As discussed above, NABs focus on decision making at four KDPs across what is typically a multi-year program lil To keep the DNRO and DDNRO informed between KDPs, the NRO has instituted a quarterly forum to review program pr The QPR provides Program Managers with the opportunity to update program progress, inform management of tactica program decisions, and seek assistance where necessary. Programs that are proceeding successfully rely on the QPR primary forum to provide status. Programs that require additional oversight or assistance are reviewed more frequently forums.

Program Evaluation Under the Government Performance and Results Act of 1993 (GPRA) (U)

(U) As the NRO continues to comply with the requirements of the GPRA, formats for its annual performance plans and performance reports are being developed. The NRO envisions that these reports will serve as the cornerstone docume evaluating program performance, and for communicating organizational results. In Sections 3 through 6 of this doc outcomes and candidate performance measures are provided for each strategic goal. Though still in development, this information provides insight into the NRO approach for assessing performance.

SECRET

APPENDIX (U)

_____

8.1 (U) STATUTORY PROVISIONS

(U) As a joint interagency organization within the Executive Branch, the NRO is placed within the Department of Defense (DoD) for Executive Agent supervision and support (Para2, 1961, Agreement on Management of National Reconnaissance Program), but serves as a separate operating agency of the DoD (Para I, 1964 DoD Directive TS 5101.23 and Para B, 1965 Agreement on the Reorganization of the NRO). It is an intelligence community member pursuant to 50 U.S.C. 401A94 (F) and E.O. 12333. Pursuant to the National Security Act (Sec. 105) of 1995, the NRO is responsible for "the continued operation of an effective unified organization for the research and development, acquisition, and operation of overhead reconnaissance systems necessary to satisfy the requirements of the intelligence community."

(U) The Intelligence Authorization Act for Fiscal Year 1993 (October 1, 1992) states that, "The Director of the NRO reports to the Secretary of Defense, and the Secretary has ultimate responsibility, which is exercised in concert with the Director of Central Intelligence, for the management and operation of the NRO. The Director of the NRO executes the NRO's responsibilities through the Department of Defense and the Central Intelligence Agency."

SECRET   TALENT KEYHOLE Channels Jointly

Handle via BYEMAN/

SECRET

8.2 CONGRESSIONAL AND STAKEHOLDER CONSULTATIONS (U)

(U) During 1998, the NRO participated in several Congressional consultations with key staff members to discuss the NRO strategic planning process including: Vision, mission, goals, and implementation methodologies. The briefings provided detailed information about the NRO performance-based strategic planning process and reviewed its strategic foundation. Senior management confirmed its commitment and participation, and described the continued implementation of the corporate process down to the Directorate and Office level. Participation at all levels of the NRO was described as an important bridge from corporate goals to program management and budget allocation.

(U) The following individuals (with their designated Congressional committee) were consulted:

Congressional Staff/Committee Date

Mr. Art Grant, SSCI	8 January 1998
Ms. Mary Engebreth, HPSCI	30 January 1998
Mr. Jim Barnett, SSCI	3 February 1998
Mr. Gary Reese, SAC	20 February 1998
Mr. Taylor Lawrence, SSCI (NRO Off-site meeting)	14 April 1998
Ms. Diane Roark and Ms. Beth Larson, HPSCI	20 May 1998

---

1 Senate Select Committee on Intelligence

2 House Permanent Select Committee on Intelligence

3 Senate Appropriations Committee

SECRET   Handle via BYEMAN/
          TALENT-KEYHOLE Channels Jointly

8.3 MAJOR MANAGEMENT PROBLEMS (U)

(U) Based on the Jeremiah Panel Report of 26 August 1996, as well as the Joint Central Intelligence Agency (CIA)/Department of Defense Inspector General (DoDIG) reports, the NRO has identified two major management problems. The NRO and its stakeholders, including the Director of Central Intelligence (DCI) and the Secretary of Defense (SECDEF), have taken steps to investigate these problems and develop a course of action to improve in each identified area. Below, each problem is briefly introduced, along with improvement initiatives currently underway.

Customer Relationships (U)

(U) The Jeremiah Panel indicated that nontraditional customers' understanding of NRO system capabilities was elementary and often confused by security and technology. Specific examples include inconsistency in use of reconnaissance information, a belief that there is no financial impact associated with NRO products, and dissatisfaction among end users. The resulting confusion has eroded customer relationships. Based on these observations, the NRO has begun to design a customer support process that is inclusive, balanced, consistent, and accountable in partnership with stakeholders. The process will be flexible, allowing for centralized management planning and oversight, and decentralized execution. NRO leaders will be appointed to support customers of current tasking and dissemination and to derive future customer needs for new system designs, requirements, and architectures. Lead responsibilities for supporting national and military customers will be identified and carried out in coordination with discipline managers. This new approach to customer relations will provide for requirements and capability analysis, and a strong emphasis on innovative and cost effective technical solutions.

(U) The NRO is actively addressing this issue. One of the four perspectives framing the corporate strategic plan, customer satisfaction, is the focus of the first three corporate strategic goals. Additionally, a Customer Support Implementation Plan is currently being developed. In an effort to maintain open communication with key mission partners, the Director of the NRO (DNRO) conducts quarterly exchanges with counterparts in the National Security Agency (NSA) and the National Imagery and Mapping Agency (NIMA).

Spending Accountability (U)

(U) As a result of the Joint CIA/DoDIG audits, excessive funding and the need for accountability of expenditures have been identified as leading management problems at the NRO. Non-compliance with the audit findings provided the impetus for the NRO senior leadership to modify the financial management process and more closely monitor the allocation of funds. New policies, procedures, and processes were developed to ensure that the budget for the NRO would be closely monitored in execution. Officials in the DCI Community Management Staff (CMS) and the Department of Defense Comptroller's office required that the NRO conduct budget execution reviews and submit status reports of its "financial health" in order to provide proof of compliance.

(U) Additionally, the NRO is actively seeking compliance with the Chief Financial Officer's (CFO's) Act. The NRO has begun implementation of a new transaction-driven accounting system that will produce auditable NRO financial statements for fiscal year 1998. These financial statements will be audited by the DoD and CIA Office of the Inspector General (OIG). In preparation of the fiscal year 1998 financial statements and their subsequent audit, the NRO is initiating an effort to identify and correct any deficiencies which could hamper compliance.

SECRET

8.4 NRO ROLES AND CROSS-CUTTING FUNCTIONS (U)

(U) The NRO mission states that it is responsible for "...unique and innovative technology, large scale systems engineering, development and acquisition, and operation of space reconnaissance systems..." By executing this mission, the NRO is the U.S. government's primary provider of space-based intelligence and operational support. Although its mission is unique, many NRO core competencies are similar to those found at other agencies, and the NRO proactively collaborates with these agencies to ensure that redundancies are minimized.

(U) Figure 11 below illustrates the NRO role in the intelligence cycle. This cycle begins with the definition of customer needs through collection management, which is conducted by NRO mission partners[4]. Requirements are given a priority and provided to the NRO, and the NRO collects and processes intelligence products. Once processed, the information is exploited and disseminated by mission partners who also archive products for future use.
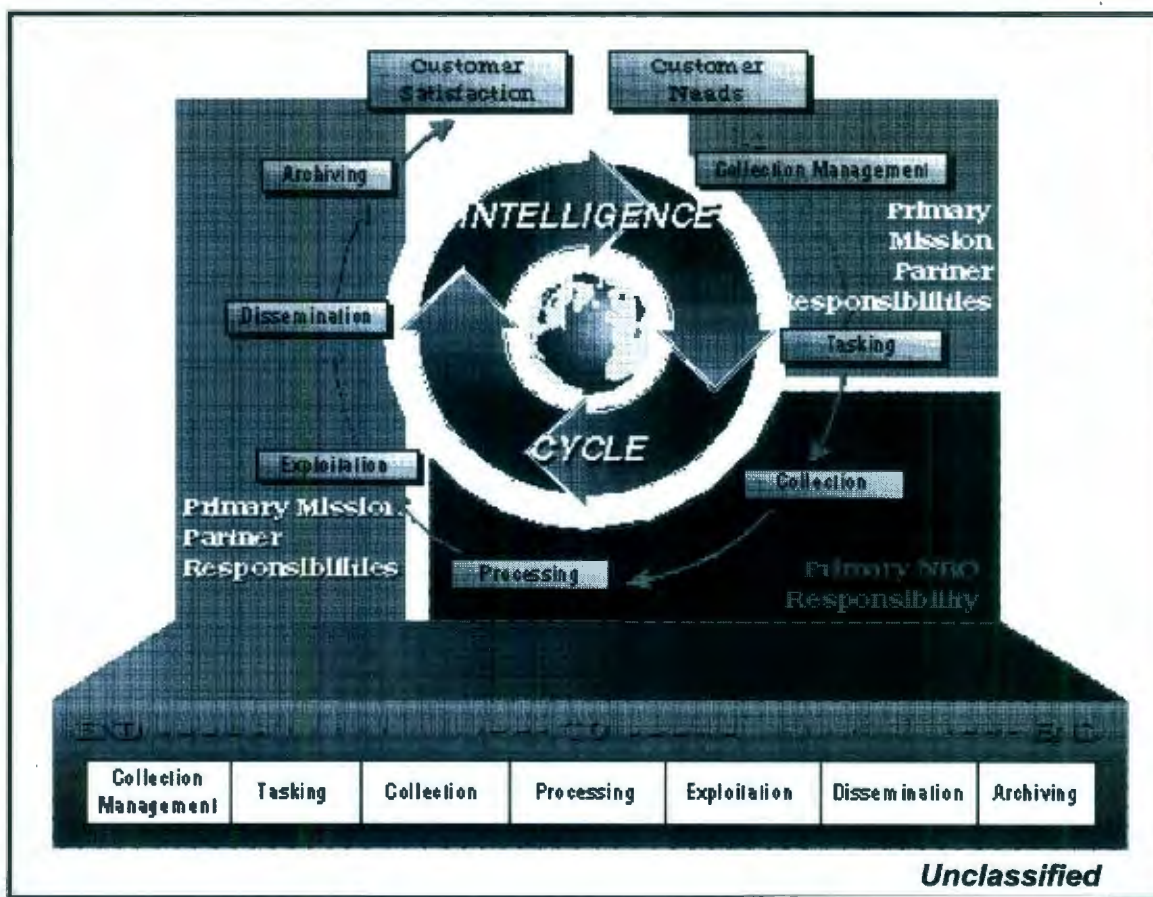
Figure 11: (U) The Intelligence Cycle

(U) NRO programs are selected and managed with the objective of providing optimal support to the collection and processing

---

[4] (U) NRO mission partners include the National Security Agency (NSA), the National Imagery and Mapping Agency (NIMA), the Central Measurement and Signature Intelligence Office (CMO), the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), and the United States Space Command (USSPACECOM).

SECRET Handle via BYEMAN/ TALENT KEYHOLE Channels Jointly

SECRET

steps of the intelligence product delivery cycle. As described in the mission statement, the NRO has three key program phases

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

(U Cont.) that are central to developing and deploying these collection and processing systems. Each phase is presented below, with an explanation of where it cross-cuts other organizations and what the NRO is doing to minimize redundancies.

Research and Development (U)

(U) The NRO research and development efforts ultimately provide many of the technological advances that have established U.S. preeminence in space-based reconnaissance. To ensure that this position is maintained in the future, the NRO proactively works as a partner with external agencies that conduct similar types of research and development efforts. This collaborative emphasis conserves NRO research dollars, and reduces duplication of efforts in the Federal Government. The annual NRO Technology Forum is an example of ongoing efforts to bring industry and government together to share requirements and capabilities, and to explore opportunities for collaboration.

Acquisition (U)

(U) Like many organizations in the Government, the NRO expends significant effort to ensure that products and services are acquired as efficiently and effectively as possible. The NRO has established an Acquisition Center of Excellence (ACE), which frequently interacts with external agencies to identify and implement best acquisition practices.The Acquisition Steering Group (ASG) shares these ideas internally.

(U) Several federal organizations acquire satellites, and the NRO recognizes the synergy of working with and learning from these organizations. The recent establishment of the Air Force/NRO Integration Planning Group (IPG) is representative of efforts to form partnerships with external acquisition organizations.

Operations (U)

(b)(1)
(b)(3)

Other Cross-Cutting Functions (U)

(U) In addition to the NRO core areas discussed above, there are two other functions inherent to the NRO that cross-cut with other organizations in the Intelligence Community (IC) and DoD.

(U) Customer Interaction. Though the intelligence cycle illustrated in Figure 7 shows that mission partners are primarily responsible for direct customer interaction, the NRO also interacts with its users. Within the NRO, the Operational Support Office (OSO) and several of the directorates have ongoing direct relationships with customers.

(U) The NRO recognizes the importance of coordinated customer support, and has developed a Customer Support Board (CSB) and a Customer Support Implementation Plan (CSIP) to improve these interactions. The NRO strategic direction also calls for improvement in our relationships with mission partners (strategic Goal 3); quarterly exchanges with NIMA, NSA, DIA, and CIA, and CMO are conducted to coordinate on issues of common concern.

(U) Financial. Within the IC and DoD, financial management redundancies result from systems and processes that are not integrated. For example, the DoD Planning, Programming and Budgeting system is similar to the IC Capabilities Programming and Budgeting System, but they are executed separately. These financial management problems are beyond the scope of the NRO, but they create cross-cutting redundancies that adversely impact the NRO in terms of budget development, execution, and reporting requirements.

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

SECRET

8.5 LIST OF ACRONYMS (U)

ACE	Acquisition Center of Excellence
ACG	Advanced Concept Group
ADM	Acquisition Decision Memorandum
ADR	Alternative Disputes Resolution
AG	Action Group
API	Architecture Planning and Integration Group
ASD[C3I]	Assistant Secretary of Defense/Command, Control,Communication and Intelligence
ASI	Acquisition Schedule Integrity
AS&T	Advanced Systems and Technology
AS&TD	Advanced Systems and Technology Directorate
BES	Budget Estimate Submission
BLI	Budget Line Item
CAAS	Contractor Advisory and Assistance Service
CBJB	Congressional Budget Justification Book
CFO	Chief Financial Officer
CFSR	Contractor Fund Status Reporting
CIA	Central Intelligence Agency
CINC	Commander-in-Chief
CITO	Central Imagery Tasking Office
CMO	Central MASINT Office
CMS	Community Management Staff
CMWG	Customer Measures Working Group
CO	Contracting Officer
COMM	NRO Communications Directorate
COMPT	Comptroller's Office
CONOPS	Concept of Operations
COS	Chief of Staff
COTR	Contracting Officer Technical Representative
CSB	Customer Support Board
CSIP	Customer Support Implementation Plan
D&Os	Directorates & Offices
DARO	Defense Airborne Reconnaissance Office
DCI	Director of Central Intelligence
DDMS	Deputy Director for Military Support
DDNRO	Deputy Director National Reconnaissance Office
DDNS	Deputy Director National Support (changed to SANS)
DIA	Defense Intelligence Agency
DIR	Directors Office
DNRO	Director National Reconnaissance Office
DoD	Department of Defense
DUSD [SPACE]	Deputy Under Secretary of Defense for Space
EIS	Enhanced Imaging System
EO	Electro-Optical
EV	Earned Value
EVM	Earned Value Management
FAA	Federal Aviation Administration
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FIA	Future Imagery Architecture
FMIPO	Financial Management Improvement Project Office
FMFIA	Federal Managers' Financial Integrity Act
FOC	Full Operational Capability

Handle via BYEMAN/
SECRET   TALENT-KEYHOLE Channels Jointly

~~SECRET~~

FTE	Full Time Equivalent
FY	Fiscal Year
GFP	Government Furnished Property
GPRA	Government Performance and Results Act
GSPO	Ground System Program Office
HPSCI	House Permanent Select Committee on Intelligence
HRMG	Human Resources Management Group
IAS	Imagery Architecture Study
IC	Intelligence Community
IFMS	Integrated Financial Management System
IG	Inspector General
IMINT	Imagery Intelligence
IOC	Initial Operating Capability
IOSA	Integrated Overhead SIGINT Architecture
IPOM	Intelligence Program Objective Memorandum
IPRG	Intelligence Program R??? Group
IPS	Integrated Program Summary
IPT	Integrated Product Team
JCS	Joint Chiefs of Staff
JSEAD	Joint Suppression of Enemy Air Defenses
KDP	Key Decision Point
MASINT	Measurement and Signals Intelligence
MCM	Management Committee Meeting
MCP	Management Control Plan
MS&O	Management Services & Operations
N/A	Not Applicable
NAB	NRO Acquisition Board
NAM	NRO Acquisition Manual
NASA	National Aeronautics and Space Administration
NFIP	National Foreign Intelligence Program
NICB	National Intelligence Collection Board
NIMA	National Imagery and Mapping Agency
NMC	Network Management Center
NRL	Naval Research Laboratory
NRO	National Reconnaissance Office
NROD	National Reconnaissance Office Directive
NRP	National Reconnaissance Program
NSA	National Security Agency
NSS	National Support Staff (formerly DDNS)
NSSA	National Security Space Architecture
OC	Office of Contracts
OCMC	Overhead Collection Management Center
OMB	Office of Management and Budget
OPELINT	Operational Electronic Intelligence
OPLANS	Office of Plans
OPNAV	Office of Naval Operations
OPS	Operations
OSF	Operations Support Facility
OSO	Operational Support Office
P&A	NRO Plans & Analysis Directorate
PDD	Presidential Decision Directive
PMAS	Property Management Automated System
PMQF	Program Manager Quarterly Forum
QFRs	Questions for the Record

~~SECRET~~ ~~Handle via BYEMAN/ TALENT-KEYHOLE Channels Jointly~~

~~SECRET~~

QPR	Quarterly Program Review
R&D	Research & Development
RFP	Request For Proposal
RMS	Requirements Management System
ROM	Resource Oversight and Management
SANS	Special Assistant for National Support
SECDEF	Secretary of Defense
SEO	Systems Engineering Office
SIGINT	NRO Signals Intelligence Directorate
SOSA	System of Systems Architecture
SP	Strategic Planning
SPO	Special Program Office
SQNM	Square Nautical Miles
TBD	To be Determined
TDG	Technology Development Group
TOE	Time of Entry
TOI	Time of Intercept
TOR	Time of Receipt
TOT	Time of Transmission
USSPACECOM	United States Space Command
USG	United States Government

~~SECRET~~   ~~TALENT KEYHOLE Channels Jointly~~
~~Handle via BYEMAN/~~