

Financing and economics management

## Planning and Resource Management



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## Content:

1. Planning - theoretical definition
2. Defence Planning
3. Defence planning - a process
4. Evaluation and assessment documents in planning
5. Target oriented planning in the defence sector



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# 1. Planning - theoretical definition

## 1. Planning - definition:

process of setting goals and then select the appropriate means and ways to achieve them.

Each plan must answer the question of WHAT, WHEN, WHO, HOW?

# 1. Planning - theoretical definition

Requirements of the goals:

- Priority;
- Measurability;
- Adequacy;
- Activities;
- Sources;
- Deadlines and accountability for goals.

# 1. Planning - theoretical definition

The actual planning process is divided into several stages:

- A. Collection of information;**
- B. Evaluate information;**
- C. Alternative plans;**
- D. Decisions;**
- E. Control.**

# 1. Planning - theoretical definition

## Division of planning by the time perspective

FACTOR	PLANNING		
	Strategic	Tactical	Operational
PERIOD	5 and more years	1 – 5 years	Maximum 1 year
THE DEGREE OF UNCERTAINTY	extremely high	high	low
FORECAST DATA	Mostly qualitatively generally structured	Mostly generally structured	Mostly exactly structured
CAPACITY CHANGES	YES – generally planning	YES – detailed planning	NO – capacities are considered constant
COMPETENCE	Top management	Middle management	Lower level management

Source: own elaboration



## 2. Defence Planning

Activities in the area of planning are made using so called **target (objectives) orientated planning**.

### National defence:

is a set of measures to ensure the sovereignty, territorial integrity, the principles of democracy and the rule of law, protection of life of residents and their property against external attack.



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## 2. Defence Planning

### Business planning and development department of defence



Source: *Business and Development Planning in the MoD*, PPT, Colonel. ing. Radek Dubec, Ph.D.



## 2. Defence Planning

### Defence planning system:

- A. Defence planning,
- B. Operational planning,
- C. Mobilization planning,
- D. Preparedness planning defence system of the State,
- E. Planning of preparations for rescue operations and carrying out humanitarian tasks.



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## 2. Defence Planning

### Defence plan includes:

- a) Plans activities of the State in ensuring the Czech Republic's defence against external attack, or if it is necessary to fulfil international treaty obligations on common defence against aggression,
- b) Summary of forces and means and schedule replenishment,
- c) Plan of economic mobilization,
- d) Plan of necessary supplies,
- e) Plan operational preparation of the state territory,
- f) Preliminary concepts and operational plans permanent operational plans,
- g) List of measures and a catalogue of measures for the transition state to state of emergency or a state of war,
- h) Manual of crisis response.

## 2. Defence Planning

### Defence planning in the Ministry of Defence – definition:

- ☐ Defence planning,
- ☐ Operational planning,
- ☐ Mobilization planning,
- ☐ Preparedness planning defence system of the State
- ☐ Planning of preparations for rescue operations and carrying out humanitarian tasks.



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## 2. Defence Planning

### Basic planning documents:

- I. Long-term vision for the development MoD.
- II. Directive defence minister.
- III. Medium-term Development Plan MoD.
- IV. Plan activities MoD year.
- V. Policy actions organizational unit per year.



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## 2. Defence Planning

### Principles of setting goals:

- Analysis of the accepted requirements and obligations,
- Capability Development Plan, NATO and the EU,
- Plan of Defence of the Czech Republic,
- Legislation and strategic and policy documents approved by the Czech government to ensure the defence.

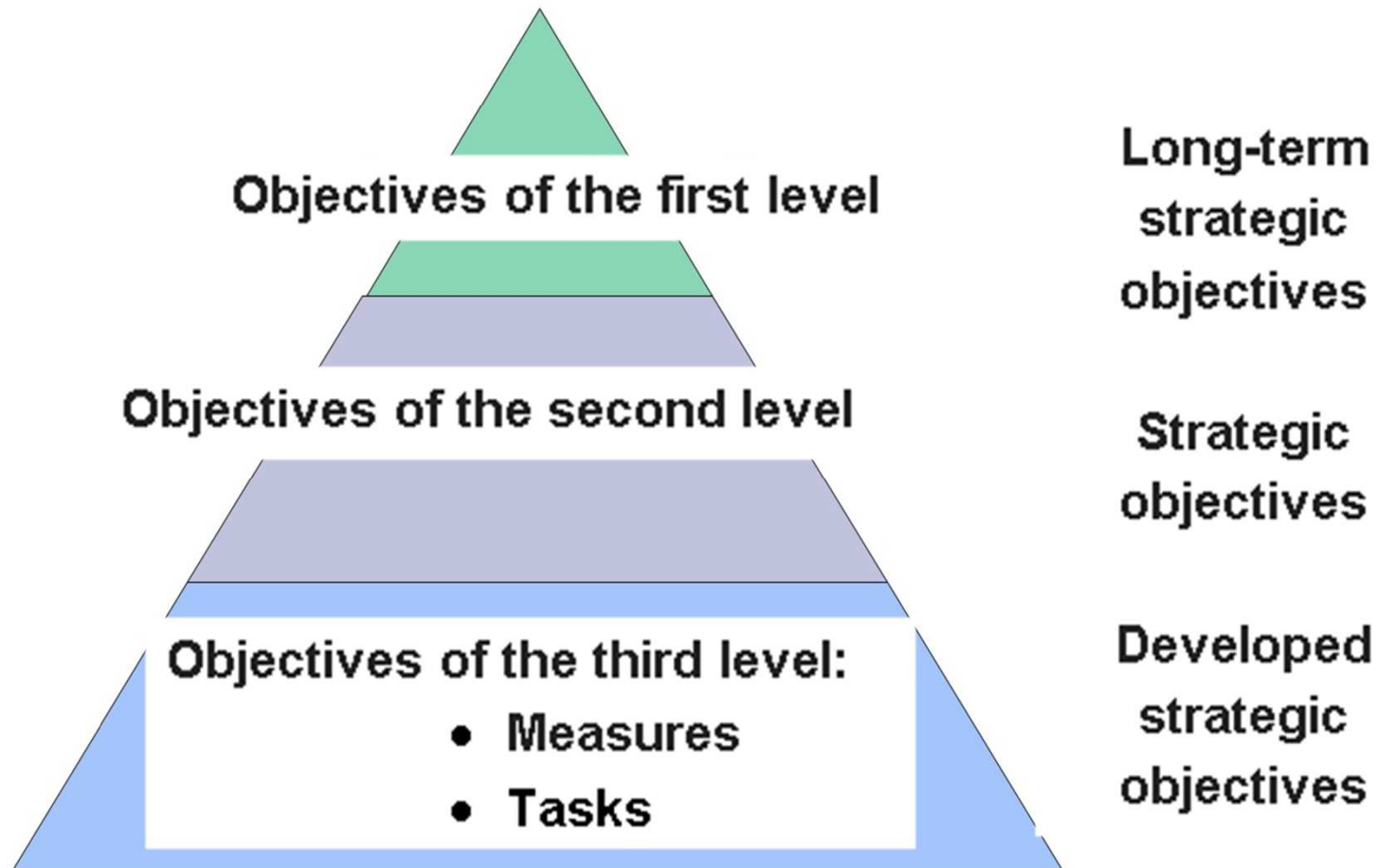


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## 2. Defence Planning

### Hierarchy of objectives



Source: *Business and Development Planning in the MoD*, PPT, Colonel. ing. Radek Dubec, Ph.D.

## 2. Defence Planning

The **target (objective)** is expression of the desired future state defined parameters and achieves the anticipated deadline.

Terms of objectives:

***availability,***

***simplicity, brevity and clarity,***

***concreteness.***

The **measure** is a set of activities aimed at achieving set objectives.

The **task** is a specific action in action towards achieving the objectives.

## 2. Defence Planning

Targets (objectives) are set **at three levels** :

- ☐ **Objectives of the first-level,**
- ☐ **Objectives of the second level,**
- ☐ **Objectives of the third-level.**



### 3. Defence planning - a process

Defence planning as a process is based:

- on the long-term development,
- over the medium-term plan to resort,
- to the annual plan.

### 3. Defence planning - a process

#### The long-term vision for the development MoD:

- Specifies the strategy of strengthening the capabilities of the Ministry of Defence,
- Specifies the priority construction and development capabilities and development programs,
- Formulates use intentions and involvement in the development of joint capabilities,
- Underlines the need to launch projects in the field of defence research and development,
- Formulates requirements and availability of staff,
- is processed **for a period of 15 years in the four-year period.**



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### 3. Defence planning - a process

#### Directive of the Minister of Defence:

- Political and military targets entering through the first and second level,
- Planning assumptions in the area of personnel and funds,
- Priorities and constraints for planning for the planning period, which includes the following six years, the annual and medium-term planning.

### 3. Defence planning - a process

#### Medium-term plan:

- ☐ is broken down according to the structure and objectives of the command and control structure,
- ☐ is the eternal source and foundation of all subsequent planning processes of the Ministry of Defence,
- ☐ input for the preparation of annual plans, budgets and other sub professionally profiled plans,
- ☐ is divided into a text part and complete data bases,
- ☐ be drawn **for a period of 5 years.**



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### 3. Defence planning - a process

#### Annual plan of the defence resort:

- ☐ is the basic document for annual plans of organizational units,
- ☐ develops measures and tasks Goals third level set in the medium-term plan,
- ☐ is factually intertwined with targets, measures and tasks with Chapter 307 of the state budget MoD,
- ☐ to update the annual plan of the resort is continuously carried out change management,
- ☐ is processed until 30 September and submitted for approval to the Minister of Defence after discussion in the Council of 31 October.



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## 4. Evaluation and assessment documents in planning

### Semi-annual evaluation of the goals :

- ❑ Executives processed semi evaluate compliance measures and tasks for subordinate organizational units to achieve the targets, including the use of funds and submit them to the managers goals first level.
- ❑ Managers of the targets of the first-level process the semi-annual evaluation of the performance targets and submits them together with proposals to address the shortcomings annually in February and August for discussion in the Council.



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## 4. Evaluation and assessment documents in planning

### Evaluation of annual plan of resort:

- Executives are processed quarterly evaluation of the performance measures and tasks with their organizational units and inform their superiors.
- Evaluation of annual plan of the resort handles organizational entity has designated the Chief of Staff of the Army of the Czech Republic.
- Evaluation of the resort's annual plan of shall be submitted for approval to the Minister of Defence after discussion in the Council by 28 February.



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## 4. Evaluation and assessment documents in planning

### Report on ensuring the defence of the Czech Republic:

- Evaluates the condition of ensuring the defence of the Czech Republic.
- Evaluates progress in ensuring defence capability gap and its causes, and formulates requirements for their removal.
- It is the basis for the work on the security of the Czech Republic.
- The fundamental basis for the report is annual evaluation plan for the resort and the draft state final account of the state budget chapter 307 of the Ministry of Defence.
- be submitted for approval to the Minister of Defence after discussion in the Council of 30 April each year.



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## 5. Target oriented planning in the defence sector

Target-oriented planning is based on:

- "Guidelines for planning",
- since 2013 by the Order of the Minister of Defence no. 66/2012 *Planning and Business Development in the Ministry of Defence* and
- "Principles for the implementation of goal-oriented planning (GOP) in MoD".



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## 5. Target oriented planning in the defence sector

Guidelines for planning adjusted each year strategic objectives of the Ministry of Defence in relation to limited resources.

Stabilization of the structure of military expenditure:

1. personal mandatory expenditures in the amount of 50 %,
2. current expenditure of 30 %,
3. program funding in the amount of 20 % of the budget of MoD.



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## 5. Target oriented planning in the defence sector

Stabilization of the military expenditure (from 2015)

1. personal mandatory expenditures in 55 %,
2. current expenditure of 30 %,
3. program funding in the amount of 15 % of the budget of MoD.

## 5. Target oriented planning in the defence sector

Following facts from the Directive for setting the targets  
(corresponding to the current period):

- ❖ Security environment,
- ❖ Priority defence minister
- ❖ Planning assumptions in terms of deployment on operations,
- ❖ Objectives of the MoD,
- ❖ Further guidance on the planning process and to clarify for the year 2014.



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## 5. Target oriented planning in the defence sector

The content and structure of the medium term plan comprise the following priorities:

1. Defence of the Czech republic, including the operation and development of the defence system,
2. Implementation of international commitments.

## 5. Target oriented planning in the defence sector

### Target oriented planning:

- Outcome is the Medium-term plan (MTP),
- Target oriented planning is not a single event,
- a continuous process.



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## 5. Target oriented planning in the defence sector

Intention for planning contents:

- Expected development requirements for security personnel mandatory expenditures,
- Expected development of social benefits paid,
- Overview of contractual relationships for the entire resort  
MO structure:
  - program funding,
  - current expenditure.
- Overview of the contributions, transfers, subsidies,
- An overview of the budget of the European Union.



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## 5. Target oriented planning in the defence sector

Intention for planning contents: (continuing)

- Overview of the funds allocated to the objectives,
- Draft amendments to the measures/tasks resulting from the evaluation of the implementation of the objectives / measures / projects or new objectives / actions / tasks assigned to the implementation of the decision of the Government or the Minister of Defence,
- Overview cancelled during the year targets/actions/tasks and funds earmarked for their implementation,
- Overview of funds allocated in the previous planning period on goals that will already met with a proposal for their use in the next planning period.



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## 5. Target oriented planning in the defence sector

### Three of goals (targets / objectives)

in the planning process:

- ☐ Target level 1 (strategic objective),
- ☐ Target level 2 (strategic tasks),
- ☐ Target Level 3 (MTOs),
- ☐ Target Level 4 (medium-term tasks),
- ☐ Target Level 5 (task),
- ☐ Target level 6 (activity).

## 5. Target oriented planning in the defence sector

### Outputs from COP – overview:

- of third-level goals into action and tasks with the designation of the main goals and budgetary targets cost centers,
- of cost centers MO containing information about the amount of funds for their activities,
- of material needs, proposed for inclusion in program funding,
- of non-investment transfers abroad,



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## 5. Target oriented planning in the defence sector

Outputs from COP – overview: (continuing)

- of funds planned for the security of foreign missions and visits by individual goals and CC,
- planned spending on research, development and innovation,
- planned spending on pension benefits,
- planned expenditure on other social benefits.

## 5. Target oriented planning in the defence sector

**Relation** between the medium and the annual plan:

- A. *"The annual plan for the resort develops measures and tasks of the third, the levels established in the medium-term plan of activities for the calendar year. Text contains measures and tasks linked to the highest priority Ministry of Defence .... "*
- B. *"The annual plan for the resort is factually intertwined with targets, measures and tasks with Chapter 307 of the state budget Ministry of Defence",*
- C. *"To update the annual plan of the resort is continuously carried out change management with a link to change management ...".*



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## Process medium-terms and annual planning

### Inputs:

- Legal norms, the decision of the Czech Government,
- CR's commitments within NATO and the EU,
- Security Strategy, the Defence Strategy,
- A long term vision /White Paper on Defence,
- Term plan from the previous cycle,
- Conceptual documents MoD,
- Programs capability development and reproduction of assets,
- Operational scenarios,
- Analysis.

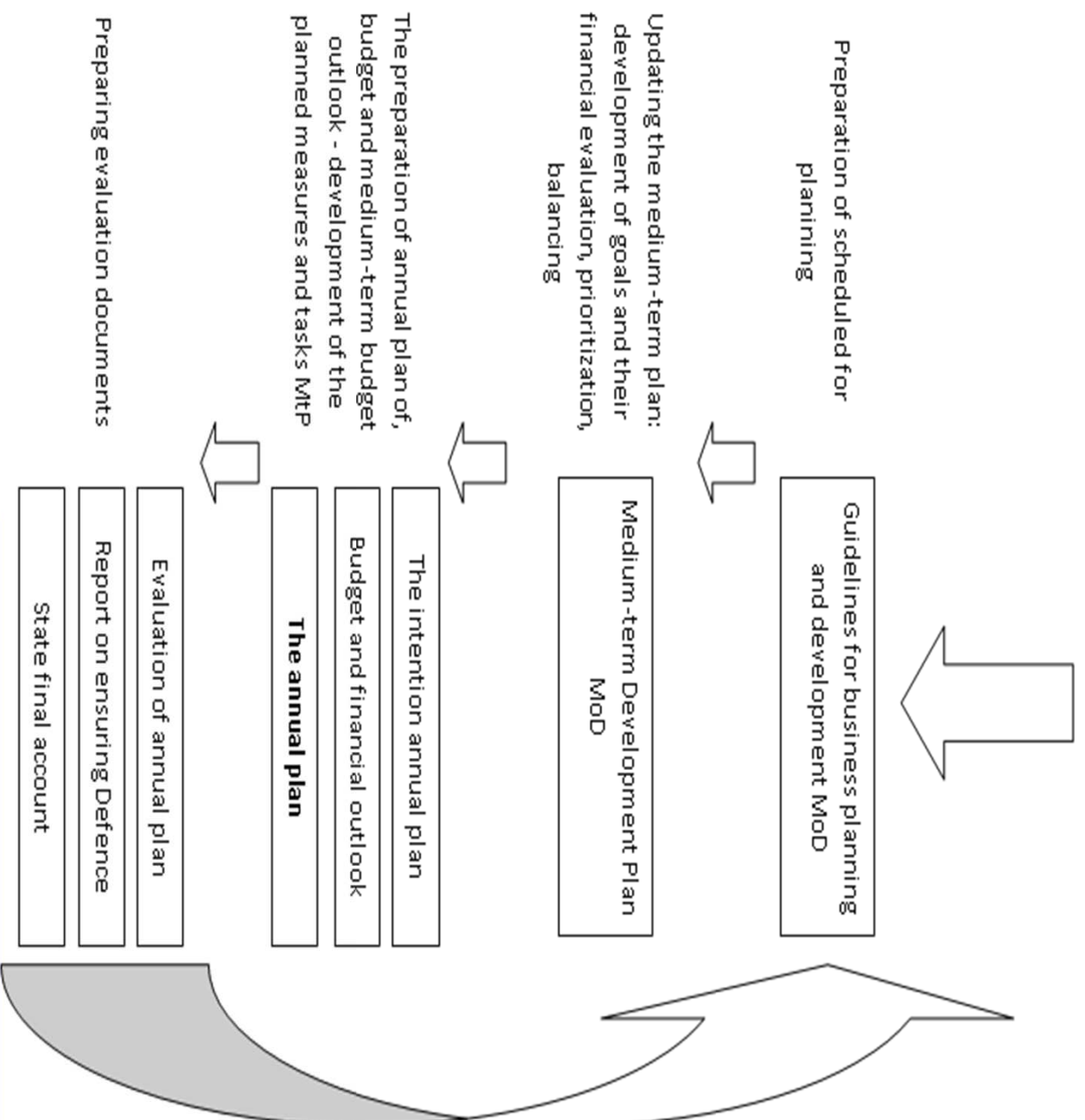
*Source: Methodology medium-term  
and annual planning MoD. Praha.  
Ministry of Defence. 2011. p. 24.  
Reference no.: 613-1 / 2011-3691.*



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# Process medium-terms and annual planning

(continuing)



## Keywords

*Planning, defence planning, defence of the state, plan, long term, medium-term plan, annual plan, goal, action, task, ability, goal-oriented planning process medium-term and annual planning, economic management.*

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## List of tasks for students:

- 1) Explain the nature and content scheduling page.
- 2) Characterize the basic elements of defence planning. What does the planning system in the MoD?
- 3) Explain the long, medium and short-term planning.
- 4) Try to define the content of defence planning (defence plan, planning documentation, principles, and objectives hierarchy - basic concepts).
- 5) Characterize the target-oriented planning - development in the MoD.
- 6) Explain interconnection medium and the annual plan.
- 7) Draw and explain the process of medium-term and annual planning.
- 8) Draw and explain the binding of planning and economic management.



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