

United States Coast Guard Auxiliary

Scenario Planning Project



MELTDOWN

Planning in a declining United States economy for the viability of the U.S. Coast Guard Auxiliary in 2013.

Analysis of workshop results

2008

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REPORT TO THE NATIONAL COMMODORE

The United States Coast Guard Auxiliary should seek out both private and government partnerships, explore alternative funding sources and leverage virtual technology in order to remain a viable and sustainable organization.

Those and other core action strategies are the recommendations of 60 Auxiliary senior and executive leaders who participated in a scenario-planning workshop, *Meltdown*, in August 2008.

The workshop consisted of five groups of Auxiliarists asked to make recommendations based on a scenario where the boating public, the recreational boating industry, the Coast Guard and the Coast Guard Auxiliary might find themselves in 2013. Each group worked in the same pre-designed environment but through a different lens of: Recreational Boating safety, public education, operations, recruiting and retention, and what the organization would look like in 2013. Each group sought to produce five to 10 strategies – not tactics. The final nine core action strategies were based on finding a commonality of recommendations threaded through each group’s response. The *Meltdown* scenario is included in this report for review.

The goal of the exercise was to find viable solutions – core action strategies – to a worse case scenario that threatened the viability of the U.S. Coast Guard Auxiliary and its ability to continue to meet its missions and obligations. This report presents the strategies to the National Commodore and the Executive Committee for their consideration and potential action.

As the bridge reviews the core action strategies, it should keep in mind that more work will need to be done to develop corresponding action plans. For any core action strategies they choose to adopt, they may wish to bring a cross-section of Auxiliarists together to jump-start the development of short and medium-term tactics recommendations.

Credit must given to the 60 Auxiliarists – district commodores and vice commodores, department chiefs and deputy department chiefs as well as the area commodores who comprised the study’s five groups, as well as the facilitators who managed the groups. Special recognition is given to core group Lead Facilitator Linda Merryman and Commodore Ed Sweeney who made the project a success.

Respectfully,

Commodore Fred Gates
Chair, Strategic Futures Study Group

CORE ACTION STRATEGIES

1. **21st century partnerships** – Seek out, promote and institutionalize partnerships with other organizations; private, public, and non-profit as an essential means of mission execution.
2. **Funding self-sufficiency** – Identify and develop dynamic funding sources that support the requirements of a flexible suite of core mission programs.
3. **Strategic change management** – Manage continuous and accelerating change as a fundamental factor of mission performance; to improve agility and close the gap between strategic intent and execution.
4. **The right mission capacity** – Focus human, financial and training resources on missions that have the most impact to the member and the customer.
5. **The best team** – Develop a dynamic recruiting and retention system that anticipates organizational needs; has the agility and flexibility to quickly provide the capacity and competencies required in a constantly changing environment; and that fosters member satisfaction through fellowship and appropriate rewards.
6. **The right skills** – Provide each member a tailored continuum of training and professional experience that is linked to strategic objectives and desired organizational competencies, and that leverages emerging technologies to facilitate accessible, timely and relevant education.
7. **Communications excellence** - Expand and professionalize a sophisticated, timely, internal and external communications capability that serves the Auxiliary, the Coast Guard, partners and the public.
8. **Regional focus** – Develop a dynamic system that anticipates regional needs and recognizes member desires, and that has the flexibility to quickly design the required missions and related competencies.
9. **Effective marketing** – Expand and focus multi-media marketing to actively promote the Auxiliary image and its capabilities within the Coast Guard family, to partners and to the public.

Group's core action strategy suggestions	Associated CAS
(5) Partner/merge/promote cooperation with other organizations, private and government	1
(4) Explore alternate funding sources on an "al la carte" basis	2
(3) Leverage virtual technology	6, 7
(2) Align with regional/local needs and member desires	8
(2) Structure the Auxiliary as a temporary Reserve	3
(2) Focus on RBS missions	4
(2) Create an organization that values member satisfaction through fellowship, fun and rewards	5
(2) Focus marketing to promote the Auxiliary image and its capabilities	7, 9
Redefine operations missions to focus on the ones with the most impact; most return for the effort	4
Create a focus on recreational water safety (RWS) to encompass all water-based activities, not just those associated with boating	4
Align RWS with the Association, not the Coast Guard	3
Focus VE on vessel safety, not vessel compliance	4
Proactively incorporate senior (experienced) members into the organization as it changes.	5, 6, 7
Develop professionalism in members delivering missions that is competitive with other entities.	6
Balance quality of delivery, flexibility and relevance to the membership, public and partners	4, 5, 6, 8
Structure the organization and its services in a way that acknowledges the growing diversity of its membership, partners and customers	3, 4, 5, 6
Deliver (member) training that is more accessible, local and relevant.	6
Minimize barriers	3, 4, 5, 6, 7, 8
Actively pursue relevant legislative changes	2, 3
Optimize the structure of the Auxiliary	3, 8
Validate the customer base – who does the Auxiliary want to deliver its services to?	3, 4, 7, 9
Maximize human and other resources	2, 3, 4, 5, 6, 8

GROUP FOCUS AREAS

Each group answered their focus question by developing specific actions that became the strategic core strategies. Among the suggestions the groups reported were:

GROUP FOCUS: What will the Auxiliary look like in 2013?

1. Remain a cost effective CG force multiplier
2. Become more financially independent
3. Optimize organizational structure
4. Validate our customer base
5. Maximize human and other resources
6. Focus on mission needs and geographic execution
7. Increase fellowship opportunities
8. Execute all the above with honor, respect and devotion to duty
9. Develop functional alliances
10. Remain Semper Paratus for 2013 and beyond

GROUP FOCUS: What will the Auxiliary's Recreational Boating Safety program look like in 2013?

1. Be safe today and have fun tomorrow.
2. Focus on Recreational Water Safety (RWS), not just Recreational Boating Safety.
3. Move RWS into the Auxiliary Association, away from the Coast Guard
 - a. Emphasis on vessel safety vs. compliance
 - b. Greater funding flexibility
4. Shift RWS focus to high-use areas such as paddle craft and sail craft
5. Shift Aux operations to an "unpaid reserve."
6. Explore merging with other boating organizations, such as BLA, USPS, BOAT U.S.
7. Use technology to reach more people with lower costs.
 - a. Members
 - b. Customers
 - c. Vendors
 - d. Virtual organization
 - e. Virtual reality (e.g. simulations)
8. Retain members to keep knowledge and skills.
 - a. Help older members keep up with changes, including technology
9. Reward members
 - a. Fun
 - b. Fellowship
 - c. Satisfaction
 - d. Patriotic feeling

GROUP FOCUS: What will the Auxiliary's public education program look like in 2013?

1. Motivation – “no boater left behind”
Encompass all independent partners, instructors and students to engage in professional and competitive public education opportunities, facilitating the image of RBS. Develop course curriculum to promote buy-in from federal, state and local agencies, including insurance, boating manufacturers, and technology corporations, which can provide technical expertise and funding support.
2. Establish partnerships with other PE providers, both non-profit and for-profit, to leverage their resources and capabilities with the Auxiliary's in order to provide:
 - a. Improved course development and materials with flexible course offerings
 - b. Varied methods of delivery
 - c. Professional development of the instructor corps
 - d. Development and implementation of cost and revenue sharing structures
 - e. Development of core curricula
3. Develop and implement a PE marketing plan stressing quality, advanced delivery methods, relevance and flexibility.
 - a. Delivery methods: new technology, interactive, dedicated educators, resident/virtual
 - b. Course content: cutting edge, relevant, flexible
4. Develop and implement an Auxiliary image-marketing plan, stressing tradition and capabilities.

GROUP FOCUS: What will the Auxiliary's operations program look like in 2013?

1. Individualized qualifications tailored to meet regional and member needs
 - a. Look at capability of members
 - b. Focus on what the member wants to do
2. Activate as a temporary volunteer reserve
Integrate into the Coast Guard Reserve as unpaid volunteers to take benefit of training and resources.
3. Institute a fee for service policy from broad, diverse, arenas
 - a. Charge for SAR response
 - b. Take donations
 - c. Charge for supporting entities such as Corps of Engineers, counties, states
4. Redefine operational missions
 - a. Focus on SAR, direct operational support, security
 - b. Minimize others, such as safety patrols
5. Use simulators, virtual reality training and other opportunities with strategic partners
6. Fund the Auxiliary as a congressional line item.

7. Use joint operations and resources with others such as Civil Air Patrol, United States Power Squadrons.
8. Accept asset donations such as marina space, fuel and facilities.
9. Give up operations and focus solely on RBS.

GROUP FOCUS: What will the Auxiliary recruiting and retention program look like in 2013?

1. Be a ready, diverse force for the Coast Guard and other agencies.
2. Develop a marketing program to target a more diverse audience through partnerships and other organizations.
3. Develop a better infrastructure for training that allows for more accessible localized training.
4. Meet member satisfaction expectations by minimizing barriers to participation and maximizing opportunity for self-fulfillment and personal development.
5. Identify resources and sponsorships that will allow training and personal development with minimal member cost.
6. Pursue legislative and internal changes that will expand and improve our capabilities as a ready force for support of CG, and other state, federal and local government agencies.

The Meltdown scenario

Everyone in the country feels the pain; the economy has tanked. Gas prices are sky high and due to go higher. Boat owners not only have a hard time affording gas for their cars but taking the boat out becomes a luxury most can't afford. As the rising prices of all consumables pinch already tight family budgets, those who pay dock fees have to cut back. Boats are sold where a buyer can be found and where they can't, boats are impounded. Many families lose their boats. Along with not paying for fuel and dockage, insurance goes unpaid. Sales of new powerboats, and of large trucks and SUVs capable of trailering, significantly decline. Boat repair shops, dealerships, marinas, gas docks and boat ramps lay off staff and many close. Chandleries do the same, impacted by a steep decline in sales of everything from charts to lifejackets to WD-40. Moreover, high gas prices affect the members, many of whom are unable to attend (some) meetings, training, and conferences.

The only bright spots in the industry are that paddle craft sales are growing exponentially, and now account for over 50 percent of total boat sales. New fuel-efficient four-stroke PWCs and small (non-powered) sail craft also remain popular with water enthusiasts.

Because few people can afford powerboats, the Auxiliary's traditional Public Education classes see a decline in the number of students, making it no longer a sufficient source of income for flotillas. Without classes, many instructors have nothing to do and drop out of the program. Vessel exams also see a steep decline because of the number of people selling their boats, or simply abandoning them because they can no longer afford the mooring fee, fuel, and insurance. Some lose their enthusiasm and either let their qualifications lapse, or retire/drop out of the Auxiliary altogether.

The marine industry suffers and hunkers down to wait out the downturn. Of those that remain in business, many are very concerned about boating's image as a 'dangerous' activity. The industry is selling lifestyle and doesn't want anything distracting, like safety messages, to interfere with potential sales. The industry leaders now perceive the

Auxiliary and Coast Guard's safety messages in an unfavorable light because they show hazards to a fun lifestyle and the industry feels that is impeding sales.

The industry puts pressure on the few remaining boat shows to not offer free exhibit space to the Auxiliary and Coast Guard; thus, due to budget constraints, these shows will no longer have a Coast Guard or Auxiliary presence, which further speeds the decline of potential class attendees as well as potential Auxiliary members.

The Auxiliary, faced with the inability to sustain its recreational safe boating mission for the Coast Guard because of declining resources (monetary and human), seeks funding from the Coast Guard. The Coast Guard, strapped by other budgetary concerns, is unable

to rescue the Auxiliary RBS program, and in fact makes further cuts by announcing they will eventually run out of funding to print any safety material available through ANSC. The existing inventory level at ANSC is all that is available; once exhausted, people will have to download and print their own, or do without. Corporate sponsorship, which has never been a great source of funding, is completely cut off as corporations struggle to survive with the new economy.

There are still those few Auxiliarists who can afford their boats and related expense, but they are very few – not enough to support the operations program and keep it active. As more members have trouble financially maintaining their surface facilities, more and more operational missions are canceled, adding to an already declining number of operational mission hours. The Coast Guard adapts to this and uses the Auxiliary less and less for surface and air operations, as well as communications. With fewer surface facilities available for patrols, members become discouraged. Coxswain and crew are no longer able to maintain qualifications. Some leave the Auxiliary altogether.

Faced with a significant loss of revenue needed to support other missions and programs, flotillas look unsuccessfully for other sources of funding and – finding none – many units lose membership and the public loses a valuable resource. As exposure to the Auxiliary from public boating classes, vessel exams and public affairs, such as boat show booths, plummets, recruiting, already affected with insufficient new blood to be able to build membership, becomes even more difficult. This is compounded by a demographic shift in volunteering. The result is that membership precipitously declines and with it the dues funding structure that supports the Auxiliary.

No one doubts the economy will recover; perhaps in five years the optimists say people will return to boating. By then, all the states will have agreed on boater education and require mandatory classes for all boaters.

Since the classes are mandated in every state, entrepreneurs in the public sector see a chance to make money and form companies to give public classes. Seeing the free or low cost classes the Auxiliary gives as a threat to their business, and taking a lesson from the towing companies, these companies petition the Coast Guard to have the Auxiliary, as a government agent, cease and desist the low cost/free classes because this interferes with free enterprise. The Coast Guard lawyers agreed with this argument and the Auxiliary can no longer offer free classes.

Forced to compete in an open market for their share of the boater education classes, the Auxiliary – for the first time in its history – must admit that many of their instructors aren't able to perform at the level of their paid counterparts. Moreover, many of the traditional Auxiliary courses aren't meeting the needs of the public, and those that do appear rigid when compared to those classes offered by private firms.

Meanwhile, the boating public demands shorter classes to meet the state mandate for education, but they also want short seminars that are more relevant to their particular type

of craft or boating interest. Moreover, the public demands that all classes be available on a flexible schedule, with the right to choose traditional classroom setting or on line on-demand training. Many of the new companies' courses provide a variety of subjects, formats and methods to take the classes, and the Auxiliary struggles to keep up, due to the loss of many talented members who retired or dropped their membership.

– Commodore Fred Gates

The process

The workshop participant's process is to accept the scenario as given and develop strategic concepts to meet the challenges presented in five years, 2013.

These concepts should be formed as a way forward for the Auxiliary to begin planning tomorrow how to institute the changes necessary for the Auxiliary to become a viable institution in the 2013 environment as envisioned.

Once the strategic concepts are devised, they will be organized and submitted by the Meltdown core group to the National Commodore and the Executive Committee for prioritization. The National Executive Committee would plan the tactics for the execution and implementation of the strategic concepts at their discretion.

Why use scenario planning as a way to determine the Auxiliary's course ahead? In uncertain times, a structured stakeholder dialogue can provide valuable insights into how the future might unfold for an organization. Because of stakeholder involvement, even unpleasant futures can be accepted as plausible, allowing the organization to become aligned around facing and planning for them.