

BUREAU OF ENGRAVING AND PRINTING

STRATEGIC PLAN

2003-2008

**BUREAU OF ENGRAVING AND PRINTING
STRATEGIC PLAN 2003-2008
Table of Contents**

	<u>Page Number</u>
Message from the Director	1
Executive Summary	2
Section 1 Overview of the Bureau of Engraving and Printing	4
Section 2 Vision and Mission Statements	6
Section 3 Strategic Goals	7
Strategic Goal I: Customer Satisfaction	8
Strategic Goal II: Quality Manufacturing	10
Strategic Goal III: Counterfeit Deterrence	13
Strategic Goal IV: Security and Accountability	15
Strategic Goal V: Resource Management	18
Linking Treasury Goals and Objectives to Bureau Goals	21
Section 4 Management Strategies	23
Human Resource Strategy	23
Research and Development Strategy	23
Information Technology Strategy	24
Business Process Strategy	24
 APPENDICES	
Appendix 1 Strategic Planning Process	27
Purpose of this Plan	27
Responding to Change through GPRA	27
Strategic Planning Efforts	27
Appendix 2 Measuring Performance	29
Program Evaluations	29
Linkage to Annual Performance Plan and Budget	31
Linkage to Other Plans	32
Appendix 3 External Factors Affecting the BEP Strategic Plan	34
Appendix 4 Cross-Cutting Issues	37
Appendix 5 Consultation with Stakeholders	38
Appendix 6 Steps to Disseminate the Strategic Plan	40

MESSAGE FROM THE DIRECTOR

The Bureau of Engraving and Printing has a long history of manufacturing security documents of the highest quality for the Federal Reserve, the U.S. Postal Service and other government agencies.

This Strategic Plan furthers our commitment to maintaining state-of-the-art production capability, product quality and security, and employee safety and environmental stewardship as we continue to cost effectively meet the needs of our customers and the American public. During the next 5 years, we will be phasing out and terminating our work for the U.S. Postal Service. Our Plan provides a roadmap to effectively and efficiently transition the Bureau to focus on one major product, U. S. currency.

Looking forward, our goal is 100% customer satisfaction with our products, produced by a highly qualified and motivated workforce that has access to the latest equipment and technology. The Bureau's employees have always been our most important resource and continue to rise to the challenge of maintaining our reputation as the world's premier government securities printer.

I want to thank all of the employees of the Bureau, as well as our stakeholders and customers, for their input and support of the Bureau's Strategic Plan.

Thomas A. Ferguson
Director

EXECUTIVE SUMMARY

The purpose of the Bureau of Engraving and Printing (BEP) Strategic Plan is to present the strategies that will be used to accomplish its mission over the next five years and to support the Department of the Treasury Strategic Plan. This plan defines the Bureau's core business, emphasizes key strategies to achieve business objectives, and provides measures of success. The plan includes the BEP manufacturing goal, as well as supporting goals. The President's Management Agenda (PMA) guided the development of this Strategic Plan. As the Bureau is a manufacturing organization, the PMA's overarching goal of improving performance is critical to the accomplishment of its mission.

The Bureau's core mission is to design and manufacture high quality security documents that meet customer's requirements for quantity, quality, and performance as well as deter counterfeiting. The major customer is the Federal Reserve System, which, with the phase out of the postage program by 2005, will provide approximately 97% of the Bureau's annual revenue of about \$500 million. In late 2003, the Government will be issuing currency with new designs and security features to maintain the integrity of the currency system. The first denomination issued will be the \$20 note in late 2003. The subtle introduction of background color in the redesigned currency makes it safer, smarter and more secure. The issuance of the new \$20 note will be followed by a new \$50 note in 2004 and a new \$100 note in 2005.

The Bureau's commitment extends beyond meeting demand projections to providing products of value with quality features required by all customers. This is reflected in the performance measure for the percent of currency notes delivered to the Federal Reserve that meets customer quality requirements. The Strategic Plan has specific measures regarding product durability and its ability to function in the economic system; e.g., fewer notes returned because features do not function as intended in the cash system.

The plan also addresses the resources that are necessary for the Bureau to meet the projected design, quality, and quantity requirements for its products over the next five years. This includes security and accountability, asset management, information technology, and human resources. The Strategic Plan emphasizes modernizing and streamlining the Bureau's infrastructure through facility renovations, including the addition of a tour at the Western Currency Facility, expansion for process modification, production equipment upgrades and replacement, and environmental control system upgrades and expansion. The Bureau also has a strategic initiative to ensure the continuity of operations of essential functions in the event of an emergency.

The Strategic Plan places appropriate emphasis on two resource areas critical to success in today's competitive environment: information technology (IT) and human resources. The Bureau will leverage technology and employ appropriate Government and Treasury e-Gov initiatives to increase the efficiency and effectiveness of the Bureau's production, financial and accountability systems and to enhance BEP's service to our customers and business partners. As a prerequisite for the achievement of all these goals, the Bureau

must have a capable, motivated workforce with the skills required for 21st century manufacturing. The human resources components of the plan are designed to ensure that the Bureau maintains such a workforce.

Organization of the Strategic Plan

This Strategic Plan covers years 2003-2008. Section 1, Overview of the Bureau of Engraving and Printing, presents historical and current information on the functions of the Bureau. Section 2 lists our Vision and Mission Statements. Section 3, Strategic Goals, lays out our 5 goals and details what they are, how we plan to achieve them, and how we will measure our success on an annual basis. Section 4, Management Strategies, puts the strategic goals in the context of our overall management philosophy. Section 5, Strategic Planning Process, discusses the formulation and purpose of the plan. Section 6, Measuring Performance, discusses the program evaluations we have done and intend to do to improve our planning process and the linkage of the Annual Performance Plan to the Budget. Section 7, External Factors Affecting BEP, considers economic, political, and technological trends beyond our direct control but for which we can make educated predictions about the effect on our operations. Section 8, Cross-Cutting Issues, discusses those issues that transcend our Bureau and our coordination of those activities. Section 9, Consultation with Stakeholders, details our relationship with our customers and the public and what efforts we have made to create satisfied customers and stakeholders. Section 10 describes the steps to disseminate the Strategic Plan.

Section 1

OVERVIEW OF THE BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing has been in operation for 141 years. Created by an Act of Congress in 1861, the Bureau came into existence a year later to print Federal paper currency starting with one dollar and two dollar currency notes. Housed in a part of the south wing of the Treasury Building, the operation flourished and, by 1880, had outgrown its location. The next home of the Bureau was at 14th and Independence Avenue (now the Auditor's Building) and was specially constructed to be fireproof and secure. In 1894, the Bureau began printing postage stamps and other security documents and moved again in 1914 to its current Washington home at 14th and C Streets, S.W. In 1938, the Annex Building was completed and, in 1990, the Western Currency Facility in Fort Worth, Texas, was completed. As BEP has progressed through these facilities, it has adapted to many varieties of silver, gold, Treasury, and eventually, Federal Reserve notes. The Federal Reserve is the Bureau's primary customer and, with the phase out of postage stamp production in 2005, the manufacturing of U.S. currency will account for approximately 97% of all revenue.

In 2003, the Bureau delivered 8.1 billion notes the Federal Reserve System and 9 billion stamps to the Postal Service. The current manufacturing facilities in Washington, DC and Fort Worth, Texas employ approximately 2600 individuals.

The Bureau is the Government's security printer. Its customers and stakeholders expect the highest degree of security. The Bureau continues to maintain the highest levels of security at its facilities and seeks to improve wherever possible.

In addition to maintaining a secure physical environment, the Bureau ensures security of its products by incorporating counterfeit deterrence features into currency. The Bureau conducts extensive research into improving the security features of the currency as well as improving the durability of life expectancy of the notes. Additionally, the Bureau belongs to several international governmental organizations that share research and development data on banknote improvement.

The Bureau also provides services to the public. The tour of BEP manufacturing operations and the Visitor's Center are among the most popular attractions in the Nation's Capital. A tour of the Western Currency Facility is scheduled to begin in 2004. The Bureau sells uncut currency sheets and other specialty items by mail, via the Internet, and at the Visitor's Center. It also processes claims for redemption of damaged paper currency.

The Bureau operates under a revolving fund and does not receive Congressional appropriations. Through product sales, the Bureau recovers the direct and indirect costs of operations, administration, and research and development, and generates sufficient funds for capital investment and to maintain working capital.

While manufacturing currency and other printed securities is the core business of the Bureau, the production operations are highly dependent on the effectiveness of support processes such as security, procurement, information systems, financial management, product accountability, human resources management, engineering, research, product development, and maintenance. Only when these processes work in concert can the Bureau be responsive to the needs of its customers.

Section 2

BUREAU OF ENGRAVING AND PRINTING

VISION STATEMENT

To be a world-class securities printer providing our customers and the public superior products through excellence in manufacturing and technological innovation.

MISSION STATEMENT

To design and manufacture high quality security documents that meet customer requirements for quality, quantity, and performance and that deter counterfeiting.

Section 3

STRATEGIC GOALS

Five strategic goals – Customer Satisfaction, Quality Manufacturing, Counterfeit Deterrence, Security and Accountability, and Resource Management – have been established to guide the Bureau in achieving its mission. These strategic goals will guide actions we need to take now and during the next five years. Success in accomplishing the strategic goals will be reflected in improved performance as measured by our annual performance over five years.

Strategic Goal I: Customer Satisfaction – *Satisfy the Federal Reserve Board and the public by providing responsive service and quality products.*

Strategic Goal II: Quality Manufacturing – *Manufacture state-of-the-art currency of consistently high quality while improving productivity and cost performance.*

Strategic Goal III: Counterfeit Deterrence – *Produce state-of-the-art currency that deters counterfeiting, contributes to public confidence, facilitates daily commerce, and extends the useful life of notes in circulation.*

Strategic Goal IV: Security and Accountability – *Ensure an environment of comprehensive security and accountability for the Bureau's personnel, facilities, and products.*

Strategic Goal V: Resource Management – *Manage Bureau resources to increase internal efficiency and effectiveness in support of the other strategic goals.*

Strategic Goal I: Customer Satisfaction

Satisfy the Federal Reserve Board and the public by providing responsive service and quality products.

Starting Point – The Bureau continually seeks feedback from its customers and has established standards of performance with the Federal Reserve. In April 2001, the Bureau was registered as an International Organization for Standardization (ISO) compliant firm for currency and intaglio ink production under the 1994 version of the standard. In May 2003, work was completed for the transition to compliance with the 2000 standard, which also cover ancillary processes, as well as quality planning, customer focus, and continuous improvement.

In Calendar Year 2002, the Mutilated Currency Program processed 29,000 claims and redeemed \$96 million of damaged currency from the public. The Bureau responded to all inquiries and currency redemption claims promptly in compliance with standards that resulted in positive customer feedback.

The events of September 11, 2001, have resulted in increased security considerations and requirements for the Bureau tour in Washington, as well as periodic closures due to heightened security alerts. The Bureau remains one of the more popular public tours in the city and most people have reacted positively to the new requirements. Plans continue to open a tour at the Bureau's Fort Worth Facility by April 2004.

Strategic Objectives

Success in achieving the customer satisfaction goal will be measured by using the following strategic objectives:

1. Provide high quality currency required by the Federal Reserve Board in a timely and cost-effective manner.
2. Improve the performance of U.S. currency notes in circulation.
3. Achieve a high level of public satisfaction with the public tours, public sales, and currency redemption services.

Means and Strategies

The Bureau's capability to provide complete customer satisfaction is inextricably linked to successful achievement of its strategic goals related to manufacturing, counterfeit deterrence, security and accountability, and resource management.

The Bureau will:

- Meet the Federal Reserve Board's expectations for timeliness of currency deliveries.

- Meet the Federal Reserve Board’s expectations for quality of currency notes.
- Assure that currency design changes facilitate the public’s usage of currency through coordination and communication with the Federal Reserve Board and the manufacturers of automated vending and cash handling equipment.
- Improve the safety and comfort of the BEP tour as well as its physical infrastructure in Washington, DC and in Fort Worth, TX. The Fort Worth tour is scheduled to open in 2004. Keep the educational displays current with design changes in the currency. Promote cooperative relationships with tour operators, school officials, and Congress.
- Improve the availability of souvenir sales items to the public through mail order, the Internet, and the Visitor’s Center.
- Ensure compliance with currency redemption standards for timeliness and quality resulting in positive customer feedback.

Customer Satisfaction Strategic Objectives and the Annual Performance Plan

One or more key performance indicators relating to each strategic objective will track progress toward the strategic goal. These performance indicators will be fully developed in the Bureau’s Annual Performance Plan. The relationship between the strategic objectives and performance indicators is illustrated below.

Strategic Objective	Performance Indicator/ Measure	Source of Data
Provide high quality currency to the FRB in a timely and cost-effective manner.	Meet FRB delivery requirements cost effectively.	BEP/FRB
Improve the performance of U.S. currency notes in circulation.	Productive meetings on technical information exchange with FRB and equipment manufacturers prior to issuance.	BEP/FRB
Achieve a high level of public satisfaction with the public tours, public sales, and currency redemption services.	Meet or exceed best practices in customer responsiveness.	BEP

Strategic Goal II: Quality Manufacturing

Manufacture state-of-the-art currency of consistently high quality while improving productivity and cost performance.

Starting Point – The Bureau was able to focus efforts on attaining certification for its currency quality management system under the internationally recognized ISO (International Organization for Standards) 9001 standards.

In April 2001, the Bureau was registered as an ISO 9001 compliant firm for the currency and intaglio production operations under the 1994 version of the standard. In May 2003, work was completed for the transition to compliance with the 2000 version of the standard. In addition, ancillary processes such as intaglio, offset and surface piece plate manufacture and specialty roller manufacture were added to the scope of the registration, as was offset printing for the new currency design. The primary improvements to the 2000 standard over the 1994 standard are quality planning, customer focus, and continuous improvement. Routine continuous assessments by our registrar will be conducted on a 6-month cycle in Washington, DC and a 1-year cycle in Fort Worth, Texas. Re-certification will be required in 2006, probably to an even-later (yet to be developed), version of the ISO standard.

In 2003, the Bureau's ISO certified currency manufacturing operation produced and delivered 8.1 billion Federal Reserve Notes to the Federal Reserve System. For 2004, the Federal Reserve System has ordered 9 billion Federal Reserve Notes.

During 2003, the Bureau delivered approximately 9 billion postage stamps to the U.S. Postal Service (USPS). In 2004, the USPS has ordered 7 billion stamps. This is consistent with the five-year interagency agreement with the USPS that plans for the phase out of the production of postage stamps at the Bureau by the end of 2005.

Strategic Objectives

Success in achieving this strategic goal will be measured by the successful completion of the following performance goals:

1. Improve the quality, productivity, and cost effectiveness of the Bureau's core manufacturing processes.
2. Maintain average outgoing quality level and reduce spoilage losses.
3. Maintain and upgrade International Organization for Standardization (ISO) Certification.

Means and Strategies

The Bureau will:

- Continue to invest in new technology that will ensure continued increases in the quality of manufactured products, provide for increased productivity, and assure our ability to meet Federal Reserve requirements.
- Reduce assignable causes of variability in currency manufacturing. Assist manufacturing personnel in using process data analysis to improve operations. A Spoilage Reduction Team, representatives of printing, processing, evaluation, and quality personnel has been established to identify causes of high spoilage and initiate corrective actions.
- ISO compliance is verified by periodic audits of the Bureau’s quality management systems by an independent ISO designated firm. Periodically the International Organization for Standardization updates the quality standards, thereby, requiring organizations already ISO certified to upgrade their quality management systems in order to maintain certification.
- Develop standards for excellence (quality standards) for responding to customer requirements.

Manufacturing Strategic Objectives and the Annual Performance Plan

One or more key performance indicators relating to each strategic objective will track progress toward the strategic goal. These performance indicators will be fully developed in the Bureau’s Annual Performance Plan. The relationship between the strategic objectives and performance indicators is indicated below.

Strategic Objective	Performance Indicator/ Measure	Source of Data
Improve the quality, productivity, and cost effectiveness of the Bureau’s core manufacturing process	Meet projected costs for currency.	BEP
	Meet annual goal of number of notes returned by Federal Reserve due to manufacturing defects.	FRB/BEP
	Meet annual goal of number of notes returned by the Federal Reserve due to counterfeit deterrence defects.	FRB/BEP

Maintain average outgoing quality level and reduce spoilage losses.	Assist manufacturing personnel in using process data analysis to improve operations.	BEP
	Improve the consistency of incoming materials.	BEP
	Reduce assignable causes of variability in currency manufacturing.	BEP
Maintain ISO certification and Make the transition to year 2000 version.	Maintain OQ programs related to ISO requirements.	BEP
	Aid in determining and implementing necessary changes to BEP Quality program.	BEP
	Complete and document a Quality Systems Plan for NexGen currency production.	BEP
	Provide web-based access to the Corrective and Preventive Action Program documentation and incorporate related WCF, Management Control, and Technical Support programs to streamline associated BEP operations.	BEP

Strategic Goal III: Counterfeit Deterrence

Produce state-of-the-art currency that deters counterfeiting, contributes to public confidence, facilitates daily commerce, and extends the useful life of notes in circulation.

Starting Point – Working with the Federal Reserve Board and the U.S. Secret Service, the Bureau’s technology development and investment strategy has focused on continuous currency design enhancements to improve counterfeit deterrence and the security of the Nation’s currency. A significant milestone of this activity is the 2003 planned introduction of the next generation \$20. The Bureau is working extensively with the public sector and public mass transit agencies to ensure a smooth introduction of the new notes. With its notable color design, the redesigned notes incorporate a number of new features to thwart technological advances available to counterfeiters while maintaining the large numerals to aid the visually impaired. The Bureau is currently engaged in the design development of the next generation \$50 and \$100 currency notes that will be introduced in the coming years.

Strategic Objectives

1. Identify and evaluate improved features consistent with the needs of the Federal Reserve Board and Bureau capabilities.
2. Design and develop state-of-the-art counterfeit deterrent notes that meet stakeholders’ requirements for currency that function reliably in the cash system.

Means and Strategies

In carrying out its highest priority, BEP will continue its activities intended to meet the needs of the public for counterfeit deterrent U.S. currency.

The Bureau will:

- Work with customers and stakeholders to identify and upgrade currency designs with state-of-the-art counterfeit deterrence features.
- Emphasize research and development in counterfeit deterrence.
- Promote public-private partnerships with the reprographic industry to inhibit the copying of U.S. currency.
- Strengthen and support our enforcement liaisons, partnerships, and public education efforts to promote global suppression of counterfeiting.

Counterfeit Deterrence Strategic Objectives and the Annual Performance Plan

One or more key performance indicators relating to each strategic objective will track progress toward the strategic goal. These performance indicators will be fully developed in the Bureau's Annual Performance Plan. The relationship between the strategic objectives and performance indicators is illustrated below.

Strategic Objective	Performance Indicator/ Measure	Source of Data
Identify improved features consistent with recommendations made by the Federal Reserve Board.	Offer ACD Steering Committee viable options for review and ultimate decision by the Secretary.	BEP/FRB
Design and develop state-of-the-art counterfeit deterrent notes that function reliably in the cash system.	Approved design features implemented on schedule.	BEP

Strategic Goal IV: Security and Accountability

Ensure an environment of comprehensive security and accountability for the Bureau's personnel, facilities, and products.

Starting Point – The Office of Management Control is responsible for promoting customer satisfaction by safeguarding Bureau property, funds, and other assets against waste, fraud, loss, unauthorized use, or misappropriation, through the development, implementation, and maintenance of effective management and product accountability control systems. Accountability policy and procedures have been developed and implemented for Bureau areas to minimize risks and vulnerabilities.

Presidential Decision Directive 67, Enduring Constitutional and Continuity of Government Operations (COOP) stresses the importance of having in place a comprehensive and effective program to ensure the survival of our constitutional form of government and continuity of essential Federal functions under all circumstances. In response to this directive, BEP formed a task force of representatives to ensure the continuity of essential functions in any national security emergency affecting BEP by providing for: succession to office and emergency delegation of authority in accordance with applicable law; safekeeping of essential resources, facilities, and records; and establishment of emergency operating capabilities.

Strategic Objectives

1. Maintain an accurate and cost effective system of accountability for Bureau products which will ensure that products are safeguarded and accounted for at each stage of production and that customers receive the quantities of product ordered.
2. Ensure physical security of BEP property, employees and products.
3. Maintain an effective COOP program to ensure continuity of essential Federal functions.

Means and Strategies

As the printer of all United States currency, the Bureau has a responsibility to the American public with respect to the custody and safeguarding of its assets and high value items. In carrying out this responsibility, the Bureau will enhance its comprehensive security and product accountability program by identifying risks and vulnerabilities and implementing improved systems and procedures. To accomplish these objectives, the Bureau will:

- Maintain the effectiveness of the product accountability system by evaluating the impact of new processes and production operations and enhancing the technical capability of the system to stay abreast of changing environments.
- Ensure that managers and supervisors continuously monitor product accountability functions under their control.
- Ensure the physical security infrastructure of the Bureau results in safeguarding the integrity of BEP products from receipt of materials to delivery to customers.
- Ensure an efficient and effective environment for the security and accountability of US currency destruction activities performed at Federal Reserve Banks.
- Establish and maintain an effective COOP program to ensure continuity of Federal functions.

Security and Accountability Strategic Objectives and the Annual Performance Plan

One or more key performance indicators relating to each strategic objective will track progress toward the strategic goal. These performance indicators will be fully developed in the Bureau’s Annual Performance Plan. The relationship between the strategic objectives and performance indicators is illustrated below.

Strategic Objective	Performance Indicator/ Measure	Source of Data
Maintain an accurate and cost effective system of accountability for Bureau products which will ensure that products are safe-guarded and accounted for at each stage of production and that customers receive the quantities of product continuously monitor ordered.	Monitor and provide analysis of accountability system and results to identify gaps and vulnerabilities.	BEP
	Enhance system capabilities, scope and functionality by evaluating trends in technology.	BEP
	Periodic reviews of accountability and BEP access control and alarm monitoring systems.	BEP
Ensure physical security of BEP property, employees and products.	Meet goal for shipment discrepancy rate.	FRB
	Inventory reconciliation reports.	BEP
	Perform audits of unfit currency destruction operations at each Federal	FRB

Reserve Bank and Branch every 2 years to ensure compliance with Treasury regulations and requirements.

Maintain an effective COOP program to ensure continuity of Federal functions.

Succession planning and authority delegation established; essential resources, facilities, records safeguarded; emergency operating procedures developed.

BEP

Strategic Goal V: Resource Management

Manage Bureau resources to increase internal efficiency and effectiveness in support of the other strategic goals.

Starting Point – The Bureau has proactively instituted programs and policies for financial management, human resources, and information technology which comply with laws and regulations and support Treasury initiatives. An organizational emphasis on data reliability and quality has resulted in unqualified opinions on Bureau financial statements for the past 18 years. While significantly accelerating financial reports over the past two years, the Bureau has had no material weaknesses, reportable conditions, or material instances of non-conformance. Recognizing the importance of information technology in increasing accountability, enhancing IT security, and standardizing products and services in support of the Bureau’s mission, the Bureau’s Enterprise Architecture provides the foundation for and future direction of mission-related IT. Human capital has also been a priority, as the Bureau continues to emphasize workplace safety, injury reduction, and employee retention. All of these elements are responsive to the President’s Management Agenda as we partner with the Department and external evaluators in achieving world-class performance.

Strategic Objectives

1. Strategically align Bureau policies, business plans, programs and resources to achieve meaningful business results and improve financial management.
2. Achieve efficient and effective competition from all sources to achieve our mission in the most cost effective manner.
3. Expand electronic government.
4. Strengthen human resource recruitment, retention and performance to ensure a diverse, skilled workforce committed to excellence.

Means and Strategies

Accomplishment of strategic objectives will be determined by the following means and strategies:

- Improve accountable and results-focused management practices.
- Refine the review process to assess progress against targets and take corrective action.
- Meet financial compliance standards and improve integration of budget and performance planning.

- Deliver complete, accurate and timely products and services that meet customer and stakeholder needs.
- Support e-gov initiatives.
- Implement enterprise solutions using a sound governance process.
- Fully comply with the provisions of the Federal Information Security Management Act of 2002 and meet Departmental goals for IT system Certification and Accreditation.
- Recognize the contribution of the Bureau’s valuable workforce.
- Provide incentives to encourage and reward innovation.
- Develop and implement a plan of action to ensure that potential critical skill gaps are identified and addressed.
- Provide employees with challenging work, honest feedback, and mission-related opportunities for growth.
- Provide a safe and secure workplace.

Resource Management Strategic Objectives and the Annual Performance Plan

One or more key performance indicators relating to each strategic objective will track progress toward the strategic goal. These performance indicators will be fully developed in the Bureau’s Annual Performance Plan. The relationship between the strategic objectives and performance indicators is illustrated below.

Strategic Objective	Performance Indicator/ Measure	Source of Data
Align Bureau policies, business plans, programs, and resources to achieve meaningful business results and improve financial management.	Receive Unqualified Opinion on Annual Audit Report.	BEP/Independent Auditor
	Meet Departmental requirements for closing monthly financial statements.	BEP/Dept. of Treasury
Achieve efficient and effective competition from all sources to achieve our mission in the most cost effective manner.	Percent of contracts awarded competitively.	BEP

Expand electronic government.	Maintain Green rating on overall e-gov scorecard and on individual components.	Treasury e-Government Scorecard
	Use and comply with BEP's governance process for 100% of IT projects.	BEP
	100% of general support systems and major applications certified and accredited under Federal Information Security Management Act.	Program reviews
Strengthen human resource recruitment, retention, and performance to ensure a diverse, skilled workforce committed to excellence.	Percentage of employees with completed revisions of Individual Development Plans.	BEP
	Number of positions filled by recruitment programs aimed at meeting critical needs.	BEP
	Employee turnover rate.	BEP
	Lost-time accident case rate.	BEP

Linking Treasury Goals and Objectives with Bureau Goals

Treasury Goal	Treasury Objective	Bureau Goals
<p>Preserve the integrity of the U.S. Financial System</p>	<p>Increase the reliability of the U.S. Financial System</p>	<p>Customer Satisfaction – Satisfy the Federal Reserve and the public by providing responsive service and quality products</p> <p>Quality Manufacturing – Manufacture state-of-the-art currency of consistently high quality while improving productivity and cost performance.</p> <p>Counterfeit Deterrence – Produce state-of-the-art currency that deters counterfeiting, contributes to public confidence, facilitates daily commerce and extends the useful life of notes in circulation.</p> <p>Security and Accountability – Ensure an environment of comprehensive security and accountability for the Bureau’s personnel, facilities and products.</p>

Linking Treasury Goals and Objectives with Bureau Goals

Treasury Goal	Treasury Objectives	Bureau Goal
<p>Manage Treasury resources effectively, to accomplish the mission and provide quality customer service</p>	<p>Strategically align Treasury policies, business plans, programs and resources to achieve meaningful business results and improve financial management.</p> <p>Strengthen human resource recruitment, retention and performance to ensure a diverse, skilled workforce committed to excellence.</p> <p>Achieve efficient and effective competition from all sources to achieve our mission in the most cost effective manner.</p> <p>Improve financial performance.</p> <p>Expand electronic government.</p> <p>Integrate budget decisions with performance assessment to ensure Treasury is cost effectively delivering results for the American people.</p>	<p>Resource Management – Manage Bureau resources to increase internal efficiency and effectiveness in support of the other strategic goals.</p>

Section 4

MANAGEMENT STRATEGIES

The Bureau's management strategies create an environment conducive to implementing and accomplishing strategic goals. They embody fundamental management functions that cross directorate responsibilities and relate to each strategic goal. The strategies relate to Human Resources, Research and Development, Information Technology, and Business Processes.

Human Resource Strategy

Management is committed to enhancing the skills of the Bureau's highly-trained, specialized workforce to meet the needs of the 21st century. To maximize the Bureau workforce's capabilities as a flexible, diverse, and efficient resource, the BEP is committed to pursuing several approaches.

The first is to maintain a continuous learning environment by enabling all BEP employees to build the job competencies, computer and technology capabilities, work management skills, and flexibility required to achieve the Bureau's strategic goals. The BEP will ensure that institutional knowledge is maintained through effective recruitment and succession planning programs.

The second is to maintain the cooperative relationship between management and the 19 bargaining units. This cooperation will continue to effectively drive improvement at BEP (e.g., through the development of employee programs, joint safety and health committees, and employee recognition linked to program outcomes through a Bureau-wide goal sharing program). This relationship will also support development of consistent labor agreements and practices.

The third is to realign Human Resources (HR) programs around the business needs of the Bureau. This will be accomplished through implementation of technological solutions to human resources issues, including an effective Human Resources Information System (HRIS) structure and full utilization of HR Connect. These technological tools will enhance the efficient and cost-effective support services provided through the development of a "generalist" capability to provide a "full service" Human Resources program, and a pro-active customer service program.

Research and Development Strategy

The Bureau's mission is to manufacture United States currency and other documents which meet the needs of customers, are secure, and are produced in a cost-effective manner. In order to accomplish this mission, it is necessary for the Bureau to look ahead at technological trends and issues and continue to upgrade its capability in applied research. The BEP strategy to accomplish this is to identify state-of-the-art developments in currency production worldwide and to incorporate that information in its technical

knowledge base. Although much of the secure document innovation comes from the private sector, there are some technical areas that do not provide business incentive for involvement by private companies. In those cases, the Bureau intends to identify and fund basic research which is necessary to further the sophistication of its products.

In implementing this strategy, the Bureau pursues knowledge partnerships with the Pacific Rim and European countries, including the 27 countries in the Central Bank Counterfeit Deterrence Group on currency improvements. The Bureau also contracts for applied research with the U.S. Government's national laboratories and with public and private institutions. These activities ensure that the Bureau is taking a long-term look at product and process improvements in order to respond to the evolving needs of its customers.

Information Technology Strategy

The Bureau of Engraving and Printing will continue to develop programs to support business processes through compliance with Federal law and regulation, including compliance with provisions of the E-Government Act of 2002, the Federal Information Security Reform Act, and the Government Paperwork Elimination Act. BEP will refine its Enterprise Architecture, including necessary revisions to reflect the new Federal Enterprise Architecture Framework (from the current Treasury Enterprise Architecture Framework). Security will continue as a high priority with BEP plans to Certify and Accredited 100% of its systems during FY 2003. Enhancements will be made to the Bureau Intranet site, with the addition of applications supporting repair and maintenance requests, project management and tracking, web based training, and compliance testing.

To continue to enhance employee productivity and to provide better services, the Bureau is working to transform the Bureau Intranet site, "In\$ite," from a tool designed simply to bring critical information and services to employees into a true business tool. BEP is moving beyond the traditional support applications such as posting job vacancies, facilitating access to Employee Express, delivering web based training, and providing access to internal publications. Our goal includes providing Bureau wide web based applications such as repair and maintenance requests for services, project management and tracking, customer surveys, and compliance testing. Access to "In\$ite" applications is provided from the desktop, through remote access, and through kiosks that are located at various sites both in the Washington and the Fort Worth facilities.

Business Process Strategy

The Bureau is financed by means of an industrial revolving fund established in 1950 in accordance with Public Law 81-656. Operations are conducted on a business-like basis, with revenue from product sales used to reimburse the fund for all direct and indirect operating costs, including administrative expenses. Additionally, in 1977, Public Law 95-81 authorized the Bureau to include in its product prices amounts to fund capital investment and to meet increasing working capital requirements. Consequently, the Bureau's operating and capital budgets are directly funded through revenue generated by

the sale of products and services to agencies of the Federal Government, principally the Federal Reserve.

The Bureau maintains a sophisticated, commercial-type cost accounting system to maintain costs and develop billing rates. Each year, projections are made by analyzing actual costs for labor, materials, and services, their historical trends, and expected changes in price and productivity factors. Actual costs are reviewed to ensure conformance to plan and adjustments are made when necessary. Since the Bureau's only source of revenue is through the sale of products and services, meeting established spending plans and performance cost goals is essential.

The Bureau has a responsibility to the American public and the government agencies it serves to make the best use of resources in order to maximize productivity and minimize costs. The Bureau has a robust system for maintaining control of operating results and pursues a capital investment strategy consistent with the Strategic Plan. The Bureau's Capital Investment Review Committees ensure that investment plans and decisions meet Treasury objectives and OMB policies, meet rigorous cost/benefit criteria and applicable safety, security and environmental requirements.

APPENDICES

Appendix 1

STRATEGIC PLANNING PROCESS

Purpose of Strategic Planning

Purpose of this Plan

The purpose of this Strategic Plan is to provide our customers with a clear understanding of Bureau's current goals, objectives and services and an action plan for the continuation and improvement of services over a five-year period. The Strategic Plan was developed to ensure that the Bureau of Engraving and Printing securely and efficiently:

- Satisfies customers by meeting their changing requirements now and in the future.
- Responds to changes in technology which affect both customer requirements and our ability to produce new and improved products with increased efficiency.
- Meets the expectations of the American people for more effective and accountable government.

Responding to Change through GPRA

The Government Performance and Results Act (GPRA) of 1993 was enacted by Congress in order to promote a new focus on improving program performance and to provide greater accountability for results within the federal government. It was designed to hold agencies accountable for program performance by requiring that they think strategically and set, measure and report on goals annually.

For the first time federal agencies were mandated to become specifically results-oriented. Under the law, they are required to develop long-term Strategic Plans defining general goals and objectives for their programs, to develop Annual Performance Plans specifying measurable performance goals for all of the program activities in their budgets, and to publish an Annual Performance Report showing actual results compared to each annual performance goal.

Strategic Planning Efforts

In 1989, before GPRA required a plan, the Bureau embarked on its first round of strategic planning by developing a participative process committee to develop organizational goals. This committee collaborated to identify the best strategies for meeting the increasing demand for currency by the year 2000. This effort led to the production of the FY 1991-1995 Strategic Plan. A second round in 1993, produced "BEP 2000," a plan to meet expanded capacity requirements for the currency program through equipment acquisition, reconfiguration or work units, and team-based management. In 1996, the Bureau of Engraving and Printing participated in the Treasury pilot GPRA program. The feedback received from the two reviewing congressional committees on the pilot plan heavily informed revisions and was significant in helping to shape the Bureau's strategic

direction. As a result, an updated FY 1997-2000 Strategic Plan was developed, addressing the requirements of the GPRA. As mandated by GPRA, the Bureau continuously updates the Strategic Plan in three-year intervals. The Strategic Plan covering FY 2000-2005 centered on sharpening our focus on core business and support processes. The current plan covering FY 2003-2008 focuses on providing excellence in manufacturing and technological innovation.

Appendix 2

MEASURING PERFORMANCE

The Bureau is an organization that relies on measurement of its performance. As a manufacturing enterprise, the Bureau must provide continuing feedback on cost, operational performance, effectiveness, and efficiency. These are elements that are demanded by customers. Performance measurement is therefore part of doing business and involves the entire organization.

The Bureau is concerned with the performance of all levels of the organization. Therefore, measures exist at three levels: the overall organization, individual components, and individual employees. At the organizational level, the measures link directly to the strategic goals. These measures provide feedback on the Bureau's accomplishment of its mission. The second level of measure is related to the activities of individual organizational components. Within the overall objectives of the Bureau's Strategic Goals, each office develops annual performance plans for its own activities, with performance goals and measures. Results are reported quarterly to the Office of Strategic Planning and Analysis and distributed to all offices within the Bureau. Finally, a strategic planning performance element is incorporated in Bureau executives' individual performance plans. This ensures that BEP employees will be accountable for supporting the strategic planning process.

Program Evaluations

BEP conducts evaluations to provide valid and reliable information for measuring and improving performance. They are a collection of data composed of customer surveys, external reviews, and internal evaluations.

Security and Accountability

The following reviews and analyses played a key role in developing our security and accountability performance goals. These analyses were used to assess current levels of performance and to identify areas where performance could be enhanced.

- 1.) Sheet Accountability Load Analysis
- 2.) Compliance Reviews
- 3.) Presidential Decision Directive 67

The Sheet Accountability Analysis evaluated the accountability over currency production loads at each step in the manufacturing processes. This analysis incorporates the results of periodic physical inventories of security items to determine trends and areas of focus. Additionally, discrepancies are identified from daily production reporting, analyzed to determine causes, and corrective actions initiated to ensure that the accountability system accurately reflects the physical status of production. The results of these reviews and analysis were used to develop the first strategic objective, "*Maintain an accurate and*

cost effective system of accountability for Bureau products which will ensure that products are safeguarded and accounted for at each stage of production and that customers receive the quantities of product ordered.”

Compliance reviews conducted in the operational and off-line security areas and regular trend analyses of key data and transactions in the Bureau of Engraving and Printing’s Management Information System (BEPMIS) were used to gauge employee compliance with accountability and security procedures. The results of these reviews were used to develop the second strategic objective, *“Ensure physical security of BEP property, employees and products.”*

Presidential Decision Directive 67, Enduring Constitutional and Continuity of Government Operations (COOP) stresses the importance of having in place a comprehensive and effective program to ensure the survival of our constitutional form of government and continuity of essential Federal functions under all circumstances. This directive resulted in the establishment of a BEP task force to ensure the continuity of essential functions in any national security emergency affecting BEP and is the basis for the third strategic objective, *“Maintain an effective COOP program to ensure continuity of essential Federal functions.”*

Management Challenges and High-Risk Areas

The Bureau began Fiscal Year 2002 with three open audit recommendations issued by the Office of the Inspector General (OIG). During the year, 21 additional recommendations from seven OIG audit reports were added. The recommendations were the result of audits requested by the Bureau contracting officers and planned audits by the OIG.

Of the 21 recommendations added during 2002, four pertained to contract issues and involved the planned acquisition of services, material or equipment. The remaining 17 new recommendations involved program issues such as information services and property control. Nineteen recommendations were implemented or addressed in FY 2002, resulting in monetary benefits in excess of \$5 million. The remaining five recommendations will be addressed by BEP as appropriate.

ISO Quality Standards

In April 2001 the Bureau was registered as an International Organization for Standardization (ISO) compliant firm for the currency and intaglio ink production operations under the 1994 version of the standard. In May 2003 work was completed for the transition to compliance with the 2000 version of the standard. In addition, ancillary processes such as intaglio, offset, and surface piece plate manufacturing and specialty roller manufacturing were added to the scope of the registration, as was offset printing for the new (NexGen) currency design. The primary improvements to the 2000 standard over the 1994 standard are quality planning, customer focus, and continuous improvement.

In order for the Bureau to maintain certification, the registrar conducts continuous assessments on a semi-annual basis, reviewing the entire system over a period of two years. During these continuous assessments, the auditor may find instances of either non-compliance with the standard or of the organization's Quality Management Standards (QMS) procedures. Depending on the relative seriousness of the non-compliance found, the auditor may require the BEP to address correction of the non-compliance through our Corrective Action process, or if the non-compliance indicates a major breakdown in the system, recommend suspension of the certification until the systemic non-conformance is corrected. The Bureau's Office of Management Control has trained quality system auditors on staff in both plants that perform internal audits on a schedule that covers the entire organization at both facilities over a period of one year.

Vision Committees

In December 2002 the Director established a number of Vision Committees that are aligned with the Bureau's core businesses, objectives, and key strategies as outlined in the Strategic Plan. The Committees address a wide range of business concerns including process improvement, workforce, and external relations. The Committees report to the Director.

President's Management Agenda

As part of its efforts to improve performance at all levels, the Bureau is implementing the President's Management Agenda, established by the President in 2002 to make government agencies citizen-focused, results-oriented, and market-based. These government initiatives are:

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget and Performance Integration

Most of these initiatives are included in the Bureau's Resource Management Strategic Goal, "Manage Bureau resources to increase internal efficiency and effectiveness in support of the other strategic goals." The strategic objectives include financial accounting, human resource management, and enterprise architecture development. In each of these areas, strategies and performance measures have been developed that would also allow the Bureau to meet the requirements of the President's Management Agenda.

Linkage to Annual Performance Plan and Budget

The strategic planning process is closely allied with the Bureau's budgetary process and is the starting point for the generation of annual performance plans. The performance plans provide short-term goals for functional areas (offices or resource areas) which directly support the strategic goals. The performance plans track progress on the goals in the annual performance plans.

The strategic plan provides the overall framework for budget formulation at the Bureau. Performance goals, which are designed to ensure that the organization meets customer's requirements, are the result of coordination between the Office of Strategic Planning and Analysis and the Office of Financial Management, as well as the components responsible for their achievement. Major capital and operating budget priorities are directly linked to the principle initiatives of the strategic plan.

Budget estimates are built on historical cost trends within the context of the budget year's customer orders. These estimates are adjusted to reflect the expected cost impact of the achievement of the performance goals supporting the strategic plan. For example, productivity goals provide the basis for projections of labor requirements from which accurate budget adjustments to historical labor cost trends can be made. Similarly, raw material requirements are based on historical trends, cost escalation factors, and projected program output levels. The budget estimate for raw materials is then adjusted based on "spoilage" goals for the program year. Since BEP must recover all of its costs, the performance goals must be achieved to ensure that costs stay within budget and are fully recovered through the billing rate for products delivered.

The foundation for the Bureau's capital investment plan is the strategic plan. The capital investment plan reflects the approved requests from resource managers based on BEP's long-term strategy and projected order levels. Capital requests must be accompanied by detailed business case analyses, which include a discussion of the linkage of the capital investment plan to strategic goals. This ensures a coordinated approach to capital investment planning and ensures that investments support strategic priorities.

Linkage to Other Plans

Financial Plans

The Bureau's ability to undertake cost-effective, long-term, customer-driven strategies requires investments in financial management systems, equipment, and human resources. This, in turn, ensures our ability to efficiently meet customer quality and volume requirements. To that end, the Strategic Plan drives the development of the Bureau's annual budget, the Five-Year Financial Management System Plan, and the capital investment program.

IT Strategic Plan

The Bureau sets goals and selects overall strategies to meet business objectives and to comply with the President's Management Agenda and the e-Government Act as part of its IT strategic planning process. This plan ensures that the Bureau supports its core mission and achieves green on the Government Scorecard.

Business Continuity Plan

The Bureau has developed a Continuity of Operations Plan (COOP), which describes the mechanisms and structures by which BEP personnel are able to make decisions, mobilize resources, and conduct activities to address the consequences of a disruption that impedes the Bureau from performing critical functions. The COOP provides the framework for continuing operations or recovering operations in the event of a disruption and defines the roles and responsibilities of key organizations and personnel.

Environmental Management Plans

The Bureau is in the process of seeking ISO 14000 certification for its Environmental Management Systems, as well as complying with OSHA's Voluntary Protection Program (VPP) for excellence in health and safety. VPP would exempt the Bureau from planned OSHA inspections, and ISO 14000 certification should give the Bureau a competitive edge in the marketplace. Achieving certification in these two areas would mean that all environment, health, and safety (EHS) programs are of the highest quality, the Bureau is engaged in a continuous improvement process, and EHS considerations are integrated into all business decisions, as well as daily operations.

Office of Securities Technology Work Plan

The Advanced Counterfeit Deterrence (ACD) Steering Committee directs the Bureau's efforts in the area of counterfeit deterrence through the Office of Securities Technology (OST). OST identifies and manages security feature research, testing, design implementation, and outreach to the technical groups of other Federal agencies, academia, and industry.

Appendix 3

EXTERNAL FACTORS AFFECTING THE BEP STRATEGIC PLAN

This section discusses the most salient and significant factors external to the Bureau of Engraving and Printing which affect its programs. As an organization with an active planning program, the Bureau tracks trends in the economy and the political realm and coordinates with its major customers to ensure that future equipment, material and personnel meet its requirements. As part of the Department of the Treasury, BEP is subject to many of the same external factors that affect all Executive Branch organizations. Even though BEP does not receive appropriations, it still is subject to Congressional oversight through apportionment and other types of hearings, GAO and OMB rules, regulations, and program reviews. However, as a manufacturing organization that recoups its operating expenses through the sale of its security products, the Bureau is also affected by technological trends in the security printing industry and economic factors that influence the Department of the Treasury and the Bureau's major customer, the Federal Reserve System.

The Bureau is the largest industrial plant in the central core in Washington, D.C. BEP also operates a currency manufacturing facility in Fort Worth, Texas, which produces a little over half the nation's currency. Both cities are in EPA non-attainment areas for ozone and nitrogen pollutants. Introduction of new presses or processes that are necessary to meet customers' needs are subject to rigorous regulatory processes, and must incorporate the best available control technologies. Although the Bureau has satisfied regulators to date regarding the installation of new equipment and processes and has greatly upgraded environmental controls of existing equipment, these are areas that must be constantly monitored. The Bureau monitors existing and new environmental laws and regulations, both on the local and the national level and works closely with local regulatory bodies in the District of Columbia and Fort Worth/Dallas to ensure that construction and operating permits are up to date. Planning for environmental controls for equipment and building systems is part of the Bureau's strategic and short-term capital planning process and capital acquisition.

Rapid developments in reprographic technologies and the increased access of the public to sophisticated design systems and widely available, highly capable computer-driven printing present counterfeiting challenges which may be as great or greater than threats from the traditional type of job shop counterfeit. Innovation is necessary on the Bureau's part in work on counterfeiting issues with other Federal Agencies, in order to identify emerging technological threats and to develop research strategies to meet these anticipated threats. The analyses, which are necessary to identify the varieties of counterfeiting threats and to accurately assess the success of anti-counterfeiting devices employed in currency, can be accomplished only through "cross cutting" interagency cooperation among the BEP, U.S. Secret Service, and the Federal Reserve System. The translation of conceptual counterfeit deterrents into manufacturing capabilities is often difficult and requires the Bureau to accurately assess internal factors such as equipment capability, materials suitability, and personnel training. In some cases, the Bureau is

“pushing the technological envelope” in designing, or acquiring, and integrating these complex technologies. BEP works with premier public and private institutions, including universities and Government laboratories.

Currency is the Bureau’s major business and will account for 97% of its annual revenue by 2005 when the Bureau will no longer be printing postage stamps. The volume of the annual currency order and the mix of currency denominations are influenced by a number of factors, some of which are within the control of the Federal Reserve System and some of which are not. However, many external factors influencing the volume of the annual order, whether they are controllable or not, can be predicted. This “ability to predict” is a result of the existence of a large number of tools and techniques for forecasting economic trends. Staff at the Federal Reserve Bank cash office and at the Federal Reserve Board collaborate to develop estimates for the demand for currency. They consider, for example the public’s demand for currency which includes estimated changes in currency usage and destruction rates of unfit currency. Environmental conditions affect physical conditions of bank notes and how quickly they are soiled, worn, or torn. Other factors which enter into the calculation of cash requirements are recurring cycles in the economy, both long-term and seasonal (such as Holiday cycles), issue dates of new currency designs and signature changes. Based on all of these factors, Federal Reserve staff evaluates trends, reconciles variations, considers the amount of currency held in vaults at BEP and at Federal Reserve Banks, and calculates currency demand estimates with Bank forecasts. A consensus print order is then approved by the Board.

U.S. currency is the world’s currency. Roughly 60% of U.S. currency is circulating overseas, of which 75% is \$100 notes. The dollar value is approximately \$650 billion. Over the last ten years, there has been an increase in currency being shipped overseas, with Eastern Europe and Latin America being the largest recipients. However, there are counter trends recently. Overseas demand has decreased slightly since the introduction of the Euro. This trend could continue if the Euro is accepted as a viable alternative for U. S. currency in world markets. Additional external effects on the requirements for currency include cash substitution mechanisms, such as smart cards or other stored value cards, where the amount of a transaction would be deducted from the amount “stored” on the card; and e-cash, where money is transferred electronically outside the established network of banks, checks, and paper currency. These have the potential to replace a portion of currency note demand, although there has been no great effect to date. Finally, if a \$1.00 coin were introduced to replace the dollar note, this would have repercussions on manufacturing at the Bureau.

One factor that could increase the amount of currency needed worldwide is dollarization, the adoption of the dollar either as the official unit of currency of a foreign country or the use of U. S. currency in tandem with domestic currency. In addition, counterfeiting threats increase the need to continue to redesign currency and ensure that “old” currency is replaced in the national and international markets as quickly as possible.

Other external factors that may influence the Bureau do not directly affect their core businesses include changes in personnel ceilings and pay/benefit programs that are made

by Congress or the Executive Branch. These have morale and personnel retention implications, particularly for an organization that relies heavily on a highly trained, specialized, and unique workforce.

Appendix 4

CROSS-CUTTING ISSUES

Cross-Cutting Counterfeit Deterrence Program

The Bureau of Engraving and Printing works in conjunction with the United States Secret Service (USSS), Federal Reserve Board (FRB), and the Treasury Department Advanced Counterfeit Deterrence (ACD) Program to design and produce banknotes, which address advances in the reprographic industry. Through the Advanced Counterfeit Deterrence Steering Committee, the BEP works to develop and incorporate currency features that will provide safeguards against emerging technologies in order to prevent the input, manipulation, and/or output of illegal or unauthorized banknote images. In conjunction with the FRB, USSS, and the Treasury Department ACD, BEP works to enhance public awareness of security features as new currency is introduced.

Cross-Cutting Management Initiative

The Bureau's security products, particularly currency, represent the integrity of the Federal Government, and therefore directly involve other Federal Agencies that are also concerned with security and integrity. BEP research into counterfeit deterrent features directly impacts efforts of the Federal Reserve Board and the U.S. Secret Service to accomplish their missions. The Federal Reserve for example, was founded "to provide the nation with a safer, more flexible, and more stable monetary and financial system." Since 1865, one of the main functions of the USSS has been to "suppress the counterfeiting of U.S. currency.

Counterfeit deterrence activities represent a major effort by BEP in research and development and also require the expenditure of significant capital and human resources in manufacturing. The strategic plan proposes to directly address the effectiveness of these measures in meeting the needs of external parties.

Appendix 5

CONSULTATION WITH STAKEHOLDERS

The Bureau consulted with a variety of stakeholders concerning the Strategic Plan in order to gain input into the plan and comments on the draft document. These stakeholders include the general public, the Congress, Bureau customers, and its employees.

Public – The Bureau effectively communicates with and seeks input from stakeholders through the BEP web site which is designed to be an easy-to-use resource for information on security documents and is currently assessable in two languages, English and Spanish. The site includes the Facts & Trivia section, where over 40 informative public documents are located, information on our public tour, one of the most popular tours in Washington, DC, information on stamps and currency, a collector’s forum, and a section which allows the user to conveniently send comments or requests to BEP. The web site also provides a link to the “New Color of Money” web site, which provides information about the Bureau’s latest redesigns to United States currency, in 19 different languages. In addition, the web site has direct links to the Department of the Treasury, the Federal Reserve, the United States Postal Service, U.S. Secret Service, U.S. Mint, and Internal Revenue Service.

Congress – The Bureau provides the opportunity for the appropriate Congressional committees and their staffs to consult concerning the content of the Strategic Plan before finalizing the document.

Customers – The Bureau has a well-developed process of obtaining input on both policy and operational matters from our major customers. Bureau officials hold regular meetings with officials from the Federal Reserve Board (FRB). These meetings discuss Bureau policy, strategies, and performance goals. Furthermore, communication with customers such as the FRB and currency processing equipment manufacturers provides continuous feedback on the quality of the Bureau’s product and how well it is meeting its production goals.

Since October 2000 the Bureau has been working with currency processing vending machine manufacturers to provide information about the Series 2004 redesigned currency and to facilitate testing of the new design currency with their equipment. Outreach to this group has included contact by phone, correspondence electronically and by letter, and face-to-face meetings at the Bureau. Feedback obtained by this group has resulted in adjusting and adopting procedures to improve the process of introducing new currency.

As part of the Series 2004 redesigned currency education campaign, regular meetings involving cross-functional offices at the Bureau, as well as the Federal Reserve Board, the Federal Reserve System Cash Office, and the U.S. Secret Service have been conducted to review and discuss all components of the campaign. Trust and acceptance of the dollar in the United States and internationally are vital to the security and stability

of the world's monetary system. To that end, the public education and awareness campaign is a vital part of the introduction process of the redesigned currency to make the public aware of the changes being made to the notes and to ensure the new currency's acceptance around the world. It is crucial that not only Americans, but currency users worldwide, are aware of the changes so there is no confusion when the redesigned currency is issued, and so that people will be able to recognize it as genuine United States currency when they receive it. Additionally, the Office of External Relations regularly discusses issues with Treasury's Office of Public Affairs and meets with the Anti-Counterfeiting Deterrence Committee to discuss milestones and initiatives regarding redesigned currency.

The Bureau has also established communication with various stakeholder audiences including the vending, transit, retail, banking, and gaming industry to ensure their awareness of the plans to introduce the new currency, to encourage that they contact their machine manufacturers to update their equipment and to ask their support in outreach to their members, employees and customers about the new currency. These discussions have helped to define the public education campaign to be more effective in reaching these customers and providing them with information and materials that will be useful in reaching the campaign's goal.

Other methods of obtaining feedback from customers include customer surveys, conferences, individual contact, e-mail, fax, and telephone. All of these techniques are valuable devices for ensuring that the Bureau maintains customer-oriented goals.

Employees – The Bureau has a variety of methods for ensuring employee input into the Strategic Plan and performance measures. Office Chiefs, and Associate Directors are involved in the development of the strategic planning document. Bureau management also seeks input in developing appropriate performance measures and data requirements. The unions play a particularly significant role in this process. With nineteen union locals, the union-management partnership continues to provide a forum to improve communication for all employees. Key to this partnership is the open communication between senior management and the unions.

Appendix 6

STEPS TO DISSEMINATE THE STRATEGIC PLAN

The Bureau has several methods for disseminating information regarding its strategic goals and objectives. The strategic plan is published on the Intranet for employees, and information is also distributed in its internal newsletter. The continuous communication with outside stakeholders and customers is another method for providing information concerning the Bureau's Strategic Plan. Finally, the Strategic Plan will be posted on the Bureau's web site.

COMMENTS

We welcome your feedback:

Comments or questions regarding this Strategic Plan should be referred to Allan Wibbenmeyer at (202) 874-2335 or Tom Watson at (202) 874-2604, Bureau of Engraving and Printing.

E-mail: allan.wibbenmeyer@bep.treas.gov or tom.watson@bep.treas.gov.

Mail – Office of Financial Management, Strategic Planning Branch
BEP
Room 211A
14th & C Sts., S.W.
Washington, DC 20228