

## Aligning Capabilities to Risk – The Road Ahead

---

### Aligning Capabilities to Risk – Good Governance and Good for Business

Over the last several years, Homeland Security organizations at all levels of government have made significant investments in their preparedness capabilities to prevent, protect, respond, and recover from catastrophic events. The nature of these investments has evolved over time, moving from basic equipment purchases to information systems to tactical training and exercising. *The next phase in this evolution is for states and urban areas to take a strategic view of their investments, aligning their capabilities to their risk profile and making investments based on quantified gaps in needed capabilities.* This strategy is good governance because it allows organizations to justify and demonstrate that they are making prudent operational and programmatic decisions based on an analysis of risk. It is also good for business because it aligns State and local organizations to the National Strategy, Federal Grant Programs, and the 2007 Homeland Security Appropriations Language<sup>1</sup>.

#### Key Questions to Answer:

Aligning capabilities to risk requires States and urban areas to take a novel approach to determine the risks they face, their current status of preparedness, and the gaps in capabilities to address their risks. This approach must take into account public expectations, current state and local capabilities, federal capabilities, and most importantly, must be consistent with federal guidelines, best practices and approaches. The assessment must be risk-based, measurable, replicable, and enable a state or urban area to answer critical preparedness questions:

- What are my risks? From what and to what?
- What capabilities are needed to address those risks?
- What are my target capability levels based on my risks?
- What are the gaps between my current capabilities and my target capabilities?
- What are the most cost-effective strategies to close those gaps?

States and urban areas must implement a rigorous capability assessment to answer these questions if they are to stay aligned with National strategies and best practices and stay competitive for critically needed resources. Alignment of capabilities to risk is part of a continuous process of *identifying* capability gaps, *investing* resources to close those gaps, and *testing* through exercises to ensure actual performance.

---

<sup>1</sup> The 2007 Department of Homeland Security Appropriations language requires states receiving federal preparedness assistance to prepare and submit a report to the Department that includes:

- 1) An assessment of State compliance with national preparedness system, National Incident Management System, National Response Plan, and other related plans and strategies;
- 2) An assessment of current capability levels and a description of target capability levels;
- 3) An assessment of resource needs to meet the preparedness priorities including an estimate of the amount of expenditures required to attain preparedness priorities, and the extent to which expenditures from the previous year helped to achieve those priorities.

## **A Roadmap for Alignment:**

States and urban areas can stand up a program of risk and capability alignment by leveraging their existing data and systems, and focusing on the following steps:

- **STEP 1: IMPLEMENT A RISK ASSESSMENT FRAMEWORK**

States and urban areas must be able to produce a credible risk picture based on the best risk models available, using relevant data from regional, state, and Federal sources. To accomplish this, States and urban areas should adopt a systems-based approach that allows them to catalog and store information about critical infrastructure and key resources (CI/KR), maintain baselines of threat descriptions, and analyze risk continuously as information changes.

- **STEP 2: IMPLEMENT A CAPABILITIES ASSESSMENT FRAMEWORK**

States and urban areas must develop a standardized way to tie capabilities to risk, assess current capability levels, set target capability levels, and analyze gaps. This framework must be aligned with HSPD-8, but must also provide explicit risk-based capability targets and quantifiable metrics for measuring progress toward targets.

- **STEP 3: CONDUCT A CAPABILITIES GAP ANALYSIS**

With the capability to address jurisdiction-wide risks, and a framework for analyzing existing and desired capabilities, States and urban areas must conduct a formal gap analysis that provides quantification of the gaps between existing capabilities and desired target capability levels. This analysis can be conducted initially to establish the current state of preparedness, then repeated periodically as investments and strategies begin to impact the capability levels.

- **STEP 4: ADDRESS GAPS THROUGH STRATEGY AND INVESTMENT**

With a set of identified gaps in capability analysis, States and urban have a range of options available to them to address these gaps. In particular, organizations should align their investment strategies to these gaps and ensure that they use this analysis to justify their investment requests. Additionally, these organizations should consider revising their strategic plans and enhancement plans to account for the new information provided through the gap analysis.

## **The CNA-Digital Sandbox Approach:**

The CNA Corporation and Digital Sandbox, Inc. are experts in risk and preparedness and are experienced in supporting all levels of government. Our team has developed an integrated approach to aligning capabilities to risk that we can implement in your State or urban areas immediately. This approach includes the systems to collect, analyze, and report data, the methods that are aligned with DHS standards and practices, and tailored strategies for implementation. To get started, we recommend an initial meeting where we can show you the basics of this approach, explain how we can keep you aligned with standards and best practices, and explore your unique requirements.

## **Contact information:**

Timothy L. Beres  
CNA Corporation  
[berest@cna.org](mailto:berest@cna.org)

Anthony F. Beverina  
Digital Sandbox, Inc.  
[beverina@dsbox.com](mailto:beverina@dsbox.com)