



EX-IM
BANK **Strategic Plan**
2010-2015

Updated September 12, 2013

Introduction

The Export-Import Bank Strategic Plan: 2010-2015 (the “Plan” or the “Strategic Plan”) sets forth Ex-Im Bank’s (the “Bank” or “Ex-Im”) strategy to maximize support for U.S. jobs through exports while also remaining a self-sustaining agency. This update to the Plan, dated August 29, 2013 (“Update”) evaluates Ex-Im’s performance towards meeting the Plan’s goals over the past three years and refines the objectives and strategies to reflect Ex-Im’s progress towards achieving these goals. This Update also and incorporates new objectives and highlights the Bank’s Congressional mandates, which are central to the Bank’s goals and work and are therefore incorporated accordingly into the Bank’s strategic goals. This Update will also drive bank-wide performance planning and Government Performance and Review Act (GPRA) reporting for FY 2013 and FY 2014.

The Strategic Plan originally focused on three goals:

- Expand awareness of Ex-Im services through focused business development & partnerships;
- Improve ease of doing business; and
- Create an environment that fosters high performance and innovation.

The Strategic Plan also highlighted four institutional and policy trends that were expected to impact the Bank’s role and strategic choices for the 2010-2015 period. These were:

- Growing importance of exports driven by structural shifts in the global economy;
- Shifting landscape in the financial sector;
- Increasing competition from foreign export-credit agencies; and
- Greening the trade landscape.

These trends remain as relevant today as they were in 2010 and explain the increase in demand that the Bank has seen over the past three years. In addition, the President’s National Export Initiative has elevated the importance of exports, and Ex-Im’s ability to provide export financing has been an important component of supporting U.S. exports and U.S. jobs.

As described in the Strategic Plan, there are three key factors that have increased the importance of the Bank and the role that it plays to support U.S. competitiveness and jobs. For reference, these factors are also expanded upon in this Update:

- First, multiple financial market dislocations have fundamentally changed the role of commercial banks in trade and export finance. These dislocations include the credit crisis of 2009, the ongoing European sovereign debt crisis, and regulatory changes affecting commercial banks (Basel III). The net effect of these dislocations has been the substantially diminished interest of banks in underwriting trade and export finance transactions. U.S. exporters have responded by asking Ex-Im to step in to fill the breach.
- Second, several economic trends have contributed to an increased demand for the Bank’s services. Emerging market industrialization and development have created significant U.S. export opportunities, and high commodity prices combined with low interest rates are making a variety of capital-intensive projects viable. Moreover, new regulations may result in permanent changes to the role of commercial banks.

- Third, the competitive forces facing US exporters have intensified. There are 60 export credit agencies around the world, and each one is working to expand its footprint and meet its respective national goals. The dramatic increase in the role of non-OECD countries in providing attractive financing, at rates and terms outside of the OECD rules governing export finance, threatens the competitiveness of U.S. firms. In response to these trends, other OECD ECAs are both widening their focus (by increasing the use of untied financing and market window financing to deal with competitors) and expanding their tool kit (by adding funding programs with multiple objectives to address the unstable and shallow state of global funding from banks). The prevalence of these financing structures (both non-regulated OECD and increased OECD) creates increased competition for U.S. exporters selling into the global markets.

Ex-Im must constantly grow its knowledge of, and ability to respond to, these dynamic factors to ensure that a robust and proactive Ex-Im remains a bulwark against these forces and can help in leveling the playing field in support of U.S. jobs. In all that the Bank does, however, to provide strong support to its exporters, it must also balance standards of risk management and its commitment to remain a self-sustaining agency.

Although the Bank's relevance has grown substantially in this global context, its resources have not kept pace. In 2010, the Bank's principle challenge was to rapidly increase awareness of its services and make them available to more U.S. exporters in a difficult financial environment. Today, after making good progress in increasing awareness, the Bank will need to meet the higher level of demand, compared to recent history, from U.S. exporters in the face of strained Bank systems and staffing infrastructure. This challenge will require Ex-Im to address strategic issues in three key areas:

- *Scope*: Continue to optimize its international market reach while considering how best to support the needs of specific U.S. industries;
- *Scale*: Actively determine how to improve transaction processing to meet the high demand for financing from U.S. exporters and continue to successfully ensure strong risk mitigation; and
- *Customer*: Enhance its focus on understanding and meeting the needs of customers of our products and place a greater emphasis on customer experience.

The Bank currently incorporates these strategies into its day-to-day operations; however, these themes are more formally incorporated into this Update to emphasize the continuing importance they serve in the Bank's ongoing strategy.

The Bank reacts to market needs: it does not have growth as a goal except insofar as needs of U.S. exporters are not being met through the commercial financial market. In FY2013, the Bank has begun to see a leveling off of demand in certain sectors, and may see a slight contraction in overall authorizations in FY2014. Nevertheless, the Bank projects overall demand to continue at levels above that existing prior to the financial crisis, and projects continued portfolio growth even if demand remains constant near its current level.

Structurally speaking, this Update is organized in the following manner consistent with the organization of the 2010 Strategic Plan:

- (1) Goals: These exist at the macro level and identify the fundamental components governing Ex-Im Bank strategy for the duration of the plan.

(1.1) Objectives: At the next level, an objective addresses the direction to be taken by the Bank in its effort to achieve the goal.

(1.1.1) Strategies: These highlight specific methods that, when implemented, will assure satisfactory completion of an objective.

- Performance Metrics: Within each goal, metrics have been included that will serve to measure progress made.

GOAL 1: EXPAND AWARENESS OF EX-IM SERVICES THROUGH FOCUSED BUSINESS DEVELOPMENT AND PARTNERSHIPS

The macroeconomic trends discussed earlier suggest that exports will continue to be crucial to U.S. job creation, growth and recovery from the recession. The Bank's ability to support exports and the jobs they generate requires that those who need the Bank know the Bank. Given that the Bank is a small agency with approximately 400 employees, it must leverage partnerships to increase its reach and distribute its products, and must focus outreach in areas with greatest export potential or sectors of heightened importance. In particular, the Bank should continue to prioritize extending its reach and distribution to small business and renewable exporters and to expand U.S. exports to Sub-Saharan Africa—areas which are Congressionally-mandated areas of focus for the Bank.

Progress and Gaps

Ex-Im has seen tremendous success in raising awareness of its services over the past few years, allowing it to support more U.S. jobs than ever before. Since FY2008, the Bank's authorizations have grown from \$14 to \$35.8 billion, in FY 2012 supporting nearly one million U.S. jobs. Over the same period of time, the Bank has seen an uptick in the number of first-time users—working with 3,547 new exporters and suppliers, 61 percent of which were small businesses.

To continue making progress towards this goal, the Bank will need to make slight modifications to its strategies.

The Bank looks to further extend its reach to SMEs by developing a broad network of new partnerships. Over the past four years, the Bank has expanded its partnership network to incorporate new state and local partners, opened four new regional offices and expanded its outreach across the board to small businesses. While these efforts have yielded 90 percent growth in the small business portfolio over the past four years and a record level of \$6.1 billion in authorizations, the Bank will continue to explore how best to work with its partners in order to continue to expand access to financing to small businesses. An increased focus towards better utilizing partners to amplify the Bank's efforts is particularly important given the challenges of growing the small business portfolio to keep pace with the rapid growth in demand for large project finance and transportation transactions. One way that the Bank will help better implement its goal of strengthening its partnerships is by introducing a new model for distributing its products to small businesses, focused on simple low-cost products delivered to a much wider range of partners by way of more systematized collaboration with Commerce and SBA. In 2011, the Bank initiated Global Access Forums providing small businesses with insights, resources and expertise they need to reach customers beyond the U.S. borders.

The Strategic Plan also sets forth a plan to target the Bank's business development resources on nine key markets: Brazil, Colombia, Mexico, Turkey, South Africa, Nigeria, India, Indonesia and Vietnam. The Bank's focus on these high potential emerging economies was designed to ensure that foreign buyers became aware of the Bank's products and services and commitment to provide competitive financing if buyers looked to U.S. companies for the procurement of goods and services. The Bank's focus on these markets helped to raise awareness abroad of the Bank's competitive financing products and a robust transactional pipeline and authorizations in many of these markets reflected a good measure of success in accomplishing the Strategic Plan's goal of raising awareness in key markets of focus. However, the Bank will continually

re-evaluate the list of target markets (and expand the list as needed) to take into account new markets with strong potential and to ensure that its resources are best utilized in focusing on markets that have most potential for Ex-Im support and U.S. exporter interest.

The Strategic Plan additionally included a focus on building expertise and tailored offerings in industry sectors with high potential for U.S. export growth. The Bank has developed several initiatives centered on sectors. With the last three years demonstrating that global industrial trends are driving demand for Ex-Im support as much as dynamics in particular countries, the Bank will place increased focus on creating awareness and developing increased expertise in domestic industrial sectors that require export credit agency financing to close deals and compete on a level playing field. Additionally, the Bank believes that there are ways to increase small business support throughout key industry supply chains.

The Bank's updated objectives and strategies for achieving this goal are:

Objective 1: Expand breadth and depth of partnerships to increase reach

Because of its small size, the Bank in particular needs to achieve operational leverage through partners. Effective partnerships allow the Bank to leverage local market knowledge, origination and underwriting capacities of other institutions. However, partners must be carefully selected, qualified, utilized and reviewed to ensure the Bank best accomplishes its mission to support U.S. jobs, particularly for underserved and small businesses, while protecting taxpayer dollars.

Strategy 1.1.1: Expand and refine strategic partnerships with key financial institutions and develop new products that enable the Bank to reach under-served or new market segments. In particular, the Bank should evaluate bid and performance bonds, international leasing companies, and products that enable Ex-Im to effectively and prudently delegate the functions of origination, underwriting, and servicing small loans that meet certain stringent criteria.

Strategy 1.1.2: Develop partnerships with national, regional, and community banks selected on the basis of the depth of their small customer relationships and ability to originate or underwrite substantial small business authorizations. These partnerships will focus on marketing certain Bank products such as Global Credit Express and Express Insurance. In addition, develop partnerships with key city and state partners with demonstrated export planning capacities and focus.

Strategy 1.1.3: Implement the White House Export Promotion Cabinet (EPC) collaboration among exporting agencies to better harmonize and cross-sell products and services among trade financing agencies.

Strategy 1.3.4: Review policies and procedures to potentially allow for collaboration with a wider range of partners and small business exporters including service businesses, franchises, freight forwarders, and factoring companies.

Objective 2: Target business development to countries with high potential for US export growth

The Bank is open for business in approximately 180 countries. However, given our limited business development resources, the Bank needs to prioritize the use of its travel resources on small number of strategic opportunities and find cost effective ways to monitor and pursue other trends and potential transactions. The Bank identified a group of nine key markets in the Strategic Plan to focus its efforts. The

Bank will continue to track opportunities in these markets while expanding its focus to an additional set of countries that represent high potential markets for U.S. exporters in the coming years.

Strategy 1.2.1: Identify a set of five to six additional priority countries based on the size of export markets for U.S. firms, projected economic growth, projected infrastructure plans, risks, financing needs and the Bank's past experience and current penetration in that market.

Strategy 1.2.2: Develop a strategic plan for Sub-Saharan Africa describing the Bank's approach to increasing its support for U.S. exports to Africa. The plan will describe Ex-Im's role in domestic export promotion in coordination with the U.S. government's Doing Business in Africa initiative and will describe the key African countries and industries in which the Bank expects growth to be concentrated.

Strategy 1.2.3: Continue to focus international business development resources on high potential emerging markets and significant projects.

Strategy 1.2.4: Develop low-cost approaches to monitor and pursue other opportunities for U.S. exporters in priority regions. This could include regular coordination with foreign embassies in the United States, conference calls with foreign buyers, and exchanges with key government agency partners including the Department of Commerce, US Trade and Development Agency (USTDA), and the Overseas Private Investment Corporation (OPIC).

Objective 3: Build expertise and tailored offerings in domestic industries with high potential for U.S. export growth

Ex-Im has built a deep expertise in transportation financing, and particularly aircraft financing, allowing us to serve that sector's needs in proactive, collaborative ways and support U.S. aerospace and rail exports to markets in Africa, South America, and Asia that were previously viewed as too risky. The Bank will consider other sectors and industries with strong export financing needs that could benefit from such a tailored or focused sector approach.

This objective will highlight the Bank's strategy to bring increased awareness of Ex-Im Bank's products to U.S. companies and to apply industry expertise to ensure that the Bank's products are helping to support U.S. exports in high potential sectors where Ex-Im has a comparative advantage. In addition, this sector focus will have the added benefit of allowing the Bank to further work with companies in order to find ways to increase the small business content of U.S. exports, particularly for large infrastructure projects where small business content is often limited.

Strategy 1.3.1: Create an integrated business-development approach to build expertise and manage activity in key domestic industries. Evaluate and determine a limited list of key domestic industries. Assign Ex-Im Bank staff key industry as well as regional responsibilities and expand domestic business development travel to enhance the Bank's presence at key industry meetings and conferences. Establish close working relationships with firms in key sectors and collaborate more regularly on business development and structuring.

Strategy 1.3.2: Expand working capital, Exporter Single Sale Insurance policy, and buyer financing product lines to enhance Bank support for SMEs.

Strategy 1.3.3: Use the Bank's understanding of key industry supply chains to support and encourage small business content in overseas infrastructure transactions.

Strategy 1.3.4: Diversify funding sources and structures to meet the demand of each sector and industry. Explore opportunities to increase funding from capital markets, PEFCO, and non-traditional export credit lenders that may include sovereign wealth funds, pension and insurance companies.

Strategy 1.3.5: Develop a strategic plan for increasing Ex-Im's support for renewable exports. This plan should segment the market for renewable energy technologies, identify areas in which U.S. firms are highly competitive, and highlight countries with the highest demand for U.S. renewable energy technology exports.

Performance Metrics

- Small business deals underwritten per small business sales staff per year;
- New customers originated per small business sales staff per year;
- Defaults rate by small business product line;
- Number of new active small business intermediaries (i.e. brokers);
- Number of new small business customers per intermediary;
- Number of new small business customers as a percent of all small business customers;
- Number of business development calls to high priority countries and domestic industries, and the number of high potential projects brought to approval in the high potential countries as a result of business development leads. FY2013 will serve as a baseline for this activity. The target for each new year beginning in FY14 will be determined by based on previous year's achievement and market data ;
- Percentage of small business authorizations across Export Finance transactions;
- Number of renewals and repeat customers; and
- New product(s) identified annually to innovate the market and meet customers' needs.

GOAL 2: IMPROVE EASE OF DOING BUSINESS WITH EX-IM BANK

Making potential customers and financial intermediaries aware of the Bank's products and services is only the first step in filling the credit gap that exists in the market. In order to help U.S. companies win sales in a highly competitive global marketplace, it is important that Ex-Im be known as an organization that provides superior service to its customers. A continued focus on customer perspectives and modernized business processes will help the Bank achieve its goal to improve the ease, transparency and predictability of doing business with Ex-Im Bank.

Progress and Gaps

Since 2010, the Bank has made considerable progress toward its goal to improve the ease of doing business for customers. For example, Ex-Im introduced and met bank-wide processing time benchmarks—approving 80% of transactions in fewer than 30 days and 90 percent of transactions for high-volume products in fewer than 100 days. In FY2012, approximately 90 percent of new applications were decided in fewer than 30 days and 98 percent of new applications were completed in fewer than 100 days. The Bank also reduced average processing times for medium-term guarantees, long-term guarantees and short-term insurance.

However, turnaround time is not the only indicator of customer satisfaction. According to a FY2012 survey of the Bank's exporting customers, the ease of doing business also means having access to sophisticated, web-based, self-service mechanisms, to consistent service, and to a willing, available staff.

To strengthen and centralize the Bank's customer experience initiatives, in FY2012, Ex-Im hired its first Vice President of Customer Experience. This role, which is located in the Office of the Chairman, is tasked with helping to ensure that business decisions consider customers' needs. This new position will help to ensure continuity and prioritization of customers' overall experiences with Ex-Im.

In keeping with this progress, the Bank would like to deepen its customer focus. This is reflected in the Bank's updated objectives and strategies for achieving this goal:

Objective 2.1: Amplify the Voice of the Customer

To fully understand the needs of customers and other intermediaries, Ex-Im will deploy systematic mechanisms for capturing feedback. The Bank will distribute and act upon relevant feedback in a timely manner, balancing standards of risk management and its commitment to remain a self-sustaining agency. Ex-Im's intent is to continue the pursuit of client-centricity at all levels within the organization and ensure the voice of the customer is ubiquitous.

Strategy 2.1.1: Measure customer perceptions of their experience working with the Bank. Two pilot customer feedback programs will be launched. The first program will be a customer interview program where a cross-section of customers and intermediary partners qualitatively discuss their overall perceptions concerning the ease of doing business with Ex-Im, including turnaround times, team communications and potential workflow improvements. The second program will be an annual survey targeting a vital customer segment to evaluate our technology tools, communication approaches, and training materials, and/or our progress toward improvements.

Strategy 2.1.2: Use customer feedback to recommend improvements in the Bank's processes and programs. The feedback collected through the two data collection methodologies will be used to

provide the Bank with information about how Bank processes and programs can better align with customer expectations.

Objective 2.2: Streamline Business Processes

Recent discussions with frequent users of Ex-Im's programs have highlighted areas for improvement by the Bank. The Bank is engaged in a multi-year activity to streamline its various business processes, with a focus on those processes that are more complicated and labor-intensive as these processes have the highest potential for improving the ease of doing business for customers. Further progress towards streamlining and improving complex processes will improve customer ease, transparency and predictability of doing business with Ex-Im Bank.

Strategy 2.2.1: Streamline workflow processes in business areas with complicated and labor-intensive procedures with the goal of decreasing turnaround times and increasing the Bank's efficiency.

Strategy 2.2.2: Improve transparency and predictability of Bank procedures and policies by communicating business processes and broad turnaround time standards to customers.

Performance Metrics

- The Customer Effort Score will serve as an index score to measure customers' perceptions of the ease of doing business with the Bank. The index data will be collected in interview and questionnaire format using a standard rating scale.
- The extent to which staff resources are focused on value-added activities for each streamlined process. Data will be collected at discreet increments throughout a streamlining project.
- The change in turnaround time related to streamlined processes utilizing ERS data. The change in customers understanding of Ex-Im Bank processes as identified through interview or questionnaire.

GOAL 3: ENSURE EFFECTIVE ENTERPRISE RISK MANAGEMENT CONSISTENT WITH THE BANK'S CHARTER REQUIREMENTS

The Bank's mission is to support U.S. jobs through the financing to U.S. exporters and their credit-worthy clients. Ex-Im Bank supports a comprehensive risk management framework while meeting its mission as set forth in its congressional Charter and remaining competitive with the Export Credit Agencies of other countries. The Bank's decisions are and will continue to be financially prudent, and carefully measure, mitigate, and price to risk.

Ex-Im Bank continues its prudent oversight and due diligence standards to protect taxpayers through its comprehensive risk management framework. This framework starts with **effective underwriting** to ensure a reasonable assurance of repayments. Our comprehensive risk management program includes **detailed documentation** to ensure the Bank's rights are protected legally and that the transaction is not in violation of U.S. government policy, including Iran sanctions. And it continues after a transaction is approved with **pro-active monitoring** efforts to minimize defaults. The Bank believes that a comprehensive risk management framework with strong emphasis on continuous improvement minimizes claims and defaults. Ex-Im Bank engages in robust portfolio management, as well as oversight and governance, including the setting aside of adequate loan loss reserves

Managing risk has always been an important to Ex-Im and its recent risk management performance has been exceptional – as reflected by a low default rate of 0.287% at the end of FY 2012. As the Bank's portfolio and activity continues to grow the Bank has to manage and mitigate risk. To this end, the Bank has elevated objective 2.2 from the Strategic Plan, "Optimize product portfolio and risk pricing" into a new goal to highlight the priority the Bank places on continual enterprise-wide review of the Bank's risks.

The Bank's objectives and strategies for achieving this goal are:

Objective 3:1 Enhance enterprise risk management.

Ex-Im's Charter instructs the Bank to support jobs by providing export financing in order to level the playing field for U.S. companies that are competing for sales against foreign competitors and in cases when the private sector is unavailable. In doing so, the Bank ensures that each transaction it finances has reasonable assurance of repayment through: effective underwriting, pricing to risk, ensuring proper risk mitigation in the transaction structure, and reserving against expected loss. In addition, Ex-Im's credit risk management and mitigation extends throughout the life of a transaction and its associated assets through its monitoring functions and remedial functions.

The Bank has made considerable improvements to its risk management systems during the last three years, including the development of qualitative factors in reserve calculations that allowed it to account for concentration risk and the creation formalized stress testing on the Bank's portfolio. Given recent growth in the size and complexity of the Bank's portfolio, Ex-Im Bank has increased its focus on improving its enterprise risk management systems, and will continue to prioritize this objective.

To enhance enterprise risk management, the Bank will adopt the following strategies:

Strategy 3.1.1: Enhance enterprise risk awareness and the management of financial, credit, legal, operational, reputational and other risk. To meet this standard, the Bank will establish an Enterprise Committee, headed by a Chief Risk and Operating Officer, of its most senior executives charged with understanding, assessing, managing and mitigating the full spectrum of enterprise risks.

Strategy 3.1.2: Develop risk management policies and controls over underwriting and monitoring activities through the use of a formalized feedback loop. The Bank's underwriting and monitoring procedures are the first line in the Bank's risk management system. The Bank is in the process of reorganizing and updating its credit procedures, monitoring and feedback process. Going forward, the Bank will ensure that all existing and new procedures and policies are documented, clear and complete. The Bank will also incorporate a training program to confirm that all staff understand and follow the procedures and policies. Finally, the Bank's Credit Management Group will continue to review transaction-level compliance on a scheduled basis to ensure that all transactions are treated consistently and in accordance with Bank policies and procedures.

Strategy 3.1.3: Continuously evaluate and improve the Bank's reserving methodology. The Bank will continue to assess and enhance its portfolio risk mitigation and reserving approaches, including its use of qualitative practices and other appropriate best practices.

Strategy 3.1.4: Ensure the Bank has appropriate financial accounting systems to manage risk. The Bank is investing in a new financial system and other IT systems that will improve the flexibility and efficiency of the Bank's financial accounting and exposure monitoring processes.

Objective 3.2: Assess and evaluate opportunities to meet customer financing needs in light of the competitive landscape.

The Bank must continually ensure that it has adopted an appropriate risk appetite that balances the needs of supporting U.S. exports while ensuring comprehensive risk management. The Charter provides two complementary instructions to the Bank regarding risk. First, the Bank should provide financing only where a reasonable assurance of repayment exists. Second, the Bank should avoid competing with the private sector and provide its support only when private-sector financing is not available, affordable, or competitive with financing provided by foreign ECAs. As the landscape in the financial sector continues to shift and as competition from foreign export credit agencies intensifies, Ex-Im Bank must continue to monitor these changes to assess how to balance risk appetite while fulfilling its Charter mandates to fill gaps in the commercial markets and to help exporters compete with foreign competition.

Strategy 3.2.1: Assess competitive landscape, and customer needs

Competitive landscape. Assess the risk posture of three to five major ECAs, along with a comparison of what tools each ECA uses to mitigate risk, compared to Ex-Im's risk position and tools.

Customers. Routinely collect and evaluate customer perspectives on the Bank's risk posture by major product type. The Bank's customers provide an important source of feedback on how the Bank's risk posture affect their ability to meet their financing needs at a time when private financial markets are in flux.

Strategy 3.2.2: Systematically identify and assess opportunities to more effectively meet the Bank’s mission. The Bank will use the results of this assessment to explore opportunities to adjust the Bank’s risk posture in accordance with the Charter requirement for reasonable assurance of repayment, the competitive landscape, and customer needs. The Bank will explore other changes to its risk posture or procedures to increase its ability to offer competitive financing to U.S. exporters, meeting their business needs and foreign competition while reviewing mitigation approaches, including risk-sharing and structural enhancements.

Strategy 3.2.3: Analyze product portfolio and risk pricing. The Bank will continue to examine areas where it believes program fees are inadequate to cover administrative costs and losses going forward. Matching fees to risk will reduce need for the program budget and will encourage underwriters and clients to develop mitigants that lower the risk of a given transaction and thus the associated exposure fee.

Performance Metrics

- By October 2014, a study will be completed to determine how the Bank’s risk mitigation tools compare to the tools used by a comparison group of three-five ECAs that are members of the OECD Arrangement.
- By March 2015, specific actions will be identified that the Bank can take to improve the competitiveness of the Bank’s risk posture while continuing to ensure reasonable assurance of repayment.
- Default rate net of recoveries will remain under two percent of loan disbursements and authorized amounts. Unqualified opinion for the Bank’s annual financial audits, updated credit manual and feedback loop procedures will be uniformly documented and implemented; work can be internally audited at any time to ensure compliance.

GOAL 4: CREATE AN ENVIRONMENT THAT FOSTERS HIGH PERFORMANCE AND INNOVATION

Ex-Im Bank considers its most important resource to be the dedicated and innovative staff it employs. The Bank competes with the private sector and other federal agencies for talent, and must therefore ensure that Ex-Im is a top option for potential employees. In this effort to both obtain and retain talent, the Bank must proactively revise certain processes, while at the same time, it must effectively communicate with staff on all changes taking place.

Progress and Gaps

The Bank has made considerable progress towards the two objectives established in the 2010 Strategic Plan: update performance metrics and enhance knowledge management. The Bank launched a new performance management system that was aligned with the Bank’s strategic goals and divisional metrics, in addition to the Bank’s budget and metrics cycle. The Bank also launched new data warehouse and business intelligence systems that significantly improved the Bank’s knowledge management.

The goal can be refined to focus on a new objective: creating an environment to manage change. Increasing high demand for Bank financing and competitive pressures will require the Bank to be more nimble, integrated, and efficient: since 2010, authorizations have increased by 70% while headcount and administrative budget have grown by only 7% and 16%, respectively (see chart below). To effectively carry out its mission, it is important that the Bank’s staff is aligned with the Bank’s organizational strategy through improved communications, have access to training and technology that will allow them to meet rising demands in a constrained resource environment, and encouraged and empowered to find innovative and cost-effective ways to achieve the Bank’s mission. This objective is vital even in an environment where demand for new authorizations is projected to level off, as the Bank’s portfolio is projected to continue to show growth.

	FY09	FY10	FY11	FY12	
Headcount	375	382	396	406	
Administrative budget for previous year (USD millions)	85.1	83.7	89.9	89.9	

The Bank’s updated objectives and strategies for achieving this goal are:

Objective 1: Update performance metrics for departments and individuals to align with overall Bank strategy

This objective originally intended to align the Bank’s performance and talent-management system to its Strategic Plan. Connecting the strategy of the Bank to the work of each department and each individual is essential so that the organization may move forward in unison. The Bank will review and update the performance metrics to align directly with its strategic vision. Through these metrics, each department and each individual will understand the impact of their daily work on making that vision a reality.

Strategy 4.1.1: Establish performance metrics that are aligned with the objectives and strategies captured in the Strategic Plan Update

Objective 2: Enhance knowledge-management processes

Through its origination, underwriting, and claims processes, the Bank collects a large amount of information, typically in countries and firms that are not easily accessible to the broader market. In an effort to mitigate risk more effectively and appropriately price transactions, the Bank must enhance its ability to manage all collected information and subsequently convey that information to those responsible for the underwriting and pricing processes.

Strategy 4.2.1: Ex-Im will continue to invest, through Total Enterprise Modernization (TEM) and the Information Technology strategic plan, in business intelligence tools to gather, analyze, and distribute information from all sources and make it available bank-wide.

Objective 3: Create an environment to manage change. As noted, Ex-Im Bank has grown substantially over the past four years. In 2008, annual authorizations were averaging between \$12 and \$14 billion. By 2012 however, authorizations reached a record-breaking \$35.8 billion. Ex-Im strives to maintain a ‘people first’ attitude, since it must compete with the private sector and other federal agencies for prospective employees. Therefore, the Bank must continue to invest in its people and effectively communicate with them on all change processes.

Strategy 4.3.1: Develop an internal communication plan to: ensure all staff goals are aligned with the Bank’s strategy; improve collaboration; ensure staff participation in workplace and strategic planning; and lastly, to better integrate regional staff

Strategy 4.3.2: Develop a modern work environment by investing in systems, technology, and training, all of which increases staff effectiveness and flexibility, thus lightening the load for Bank employees

Strategy 4.3.3: Establish recognition programs to encourage the development and implementation of innovations that improve bank efficiency, cost-saving, or customer service.

Performance Metrics

- Upward alignment of business unit goals with the strategic and operational goals of the Bank.
- Data, available through knowledge management tools, are accurate and of high quality, which will be measured against standard protocols established for data quality. Better user interface and system tools available to employees as measured by ease of use surveys upon deployment and six months after the fact
- Financial systems ready for deployment and use by October 2014.
- Improve/Maintain Federal Employee Viewpoint Survey (FEVS) key metrics:
 - Collaboration;
 - Customer Service;
 - Innovation; and
 - Job Satisfaction.

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