



2014 – 2017 STRATEGIC PLAN

United States Bankruptcy Court,
District of Delaware

December 2014



Table of Contents

Introduction	1
Mission, Vision, and Core Values	2
Implications of Trends.....	4
Organizational Assessment.....	5
Strategic Focus Areas, Long-Range Goals, and Objectives	6
Strategic Focus Area #1: Strengthen Governance, Management, and Work Environment.....	7
Strategic Focus Area #2: Timely Resolution and Efficient Case Processing.....	9
Strategic Focus Area #3: Use of Automation/Technology to Improve Service & Efficiency.....	10
Strategic Focus Area #4: Outreach to Partners	11

Appendices:

A: Trends Summary and Organizational Assessment

B: 2014 Strategic Planning Survey – Summary of Results

2014-2017 Strategic Plan

December 2014

Introduction

The 2014-2017 Strategic Plan for the U.S. Bankruptcy Court, District of Delaware is presented below. It includes:

1. The Court's mission, vision, and core values;
2. A summary of trends analysis;
3. A summary of strengths, areas for improvement, future opportunities, and potential future threats; and
4. The Court's strategic focus areas, long-range goals, and objectives.

The Court's specific, annual strategic projects are listed in a separate, companion document – Annual Strategic Projects, – which will be reviewed regularly and updated annually.

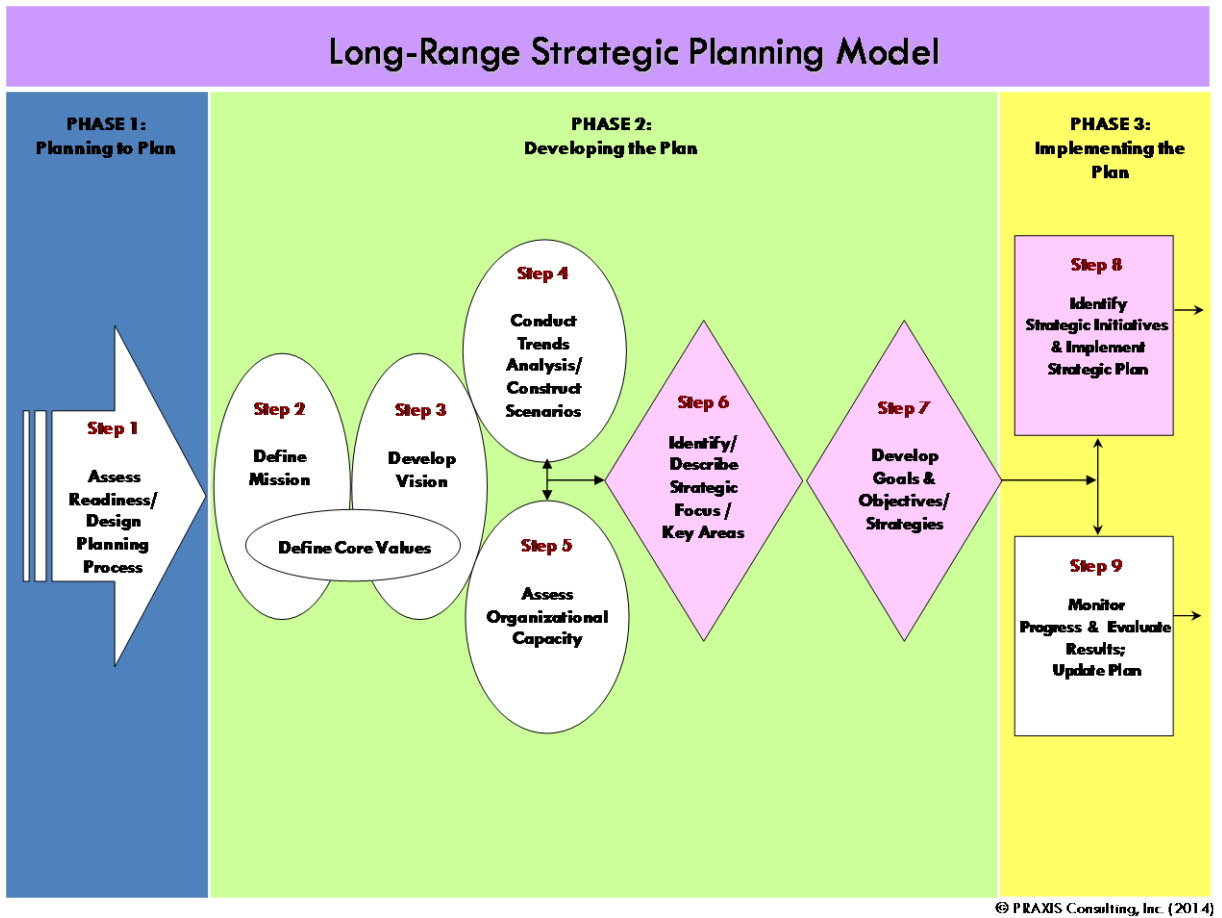
The Strategic Plan sets forth the Court's strategic roadmap for the next couple of years. Working to achieve the goals and objectives in each of the strategic focus areas will ensure the Court is continuing to provide the highest quality of services to court users and partners in the years ahead. This roadmap also will position the Court to respond proactively to the future trends, changing environment, and the increasing needs and demands of court users and partners.

The Court's judicial and administrative leadership met on September 11-12, 2014 in Baltimore, Maryland to update its strategic direction and priorities.¹ External and internal trends affecting the Court were discussed. A summary of the trends analysis is provided in Appendix A. Also discussed were the results of the 2014 Pre-Planning Survey of judges and staff. A summary of the 2014 Strategic Planning Survey is included in Appendix B. Dr. Brenda J. Wagenknecht-Ivey of PRAXIS Consulting, Inc. (located in Denver, Colorado) facilitated the strategic planning retreat and administered and summarized the survey results.

Finally, the Court used a 9-step strategic planning approach to update the Strategic Plan (see Figure 1 below). This approach, which has been used by many federal and state courts nationally and internationally, provided a framework for thinking strategically about the Court's future and developing comprehensive strategies for moving forward in our dynamic environment. It also helped our Court identify specific, strategic projects that we will implement over the next 12 months.

¹ Attendees included: Chief Judge Brendan Shannon, Judge Kevin Gross, Clerk of Court David D. Bird, Chief Deputy Clerk Stacey Manley, Financial and Budget Administrator Jan Morrill, and Operations Director/Administrator Tony Kelly. Additionally, invited guests included Phyllis Drum from the Federal Judicial Center and Dr. Bill Russ and Mr. Brian Lynch from the Administrative Office of the Courts.

Figure 1



Mission, Vision, and Core Values

The Court’s mission, vision, and core values are presented below.

Mission Statement

The mission of the U.S. Bankruptcy Court, District of Delaware is to:

“Promote social and economic order by reconciling the opportunity of debtors to a fresh start with the right of creditors to be paid.”

Vision Statement

The U.S. Bankruptcy Court, District of Delaware is striving to be a “*model court*,” which includes:

1. *Being accessible, timely, efficient, and affordable.*
2. *Providing excellent service.*
3. *Being a leader in using innovative practices and technology.*
4. *Being understood and supported by our partners and stakeholders.*
5. *Having the resources needed – fiscal, number of judges and staff, equipment, training – to fulfill our mission and vision.*

Our core values are as listed below. They are consistent and aligned with the core values of the Federal Judiciary, pursuant to the Federal Judiciary’s Strategic Plan adopted in September 2010 by the Judicial Conference of the United States.

Rule of Law: legal predictability, continuity, and coherence; reasoned decisions made through publicly visible processes and based faithfully on the law

Equal Justice: fairness and impartiality in the administration of justice; accessibility of court processes; treatment of all with dignity and respect

Judicial Independence: the ability to render justice without fear that decisions may threaten tenure, compensation or security; sufficient structural autonomy for the judiciary as an equal branch of government in matters of internal governance and management

Accountability: stringent standards of conduct; self-enforcement of legal and ethical rules; good stewardship of public funds and property; effective and efficient use of resources

Excellence: adherence to the highest jurisprudential and administrative standards; effective recruitment, development and retention of highly competent and diverse judges and staff; commitment to innovative management and administration; availability of sufficient financial and other resources

Service: commitment to the faithful discharge of official duties; allegiance to the Constitution and laws of the United States; dedication to meeting the needs of jurors, court users, and the public in a timely and effective manner

Implications of Trends

Many social and demographic, economic, policy and political, technological, and justice system trends were reviewed at the September 2014 Strategic Planning Retreat. Also reviewed were key internal trends. All of the trends will interact and converge in a myriad of ways, ultimately affecting the Court in the years ahead. Below are the likely future implications of the trends on the Court. See Appendix A for a summary of the trends.

Likely Future Implications of the Trends on the Delaware Bankruptcy Court

1. The composition of cases will continue to change (e.g., more individual bankruptcies by students and elderly; more asset bankruptcies; international insolvency cases will continue to grow).
2. As the economy expands and contracts, business bankruptcies may increase and become more complex.
3. Greater demand for remote access to court proceedings and court information/services is expected.
4. Continued volatility in case filings will affect fee revenue, budget, and staffing allocations.
5. The Court may need a more fluid and nimble staffing model in the Clerk's Office and Chambers to respond to budget and workload volatility and uncertainty.
6. Less physical space may be needed as staffing levels change, as staff work remotely, as fewer litigants/parties come to the courthouse, etc.
7. The Court must be increasingly nimble in the future; it must be able to respond quickly and effectively to the dynamic environment (e.g., changing needs of court users – multi-lingual; spikes in filings; bringing on new judges and staff; etc.)
8. Expanding and improving the use of technology will continue to be important in the future. New technologies will be needed to meet litigant demands (e.g., increased access 24 x 7, reduce travel costs), improve operational efficiency and effectiveness, and enhance overall court performance.
9. Staff may need new and different skills in the future; higher educational levels and/or more training may be necessary.
10. A multi-generational workforce (e.g., four and five generations) will have different expectations, needs, interests, etc.
11. Declining or stagnant budgets will impede the Court's ability to add needed technology, improve infrastructure, ensure adequate staffing levels, provide needed training, etc.
12. Political polarization and gridlock may forestall needed changes/fixes to the bankruptcy code and to the status of existing judgeships.
13. Pressure to consolidate or regionalize the Court will likely continue.

Organizational Assessment

An organizational assessment is an important part of a strategic planning process; it reveals an organization’s strengths, weaknesses, future opportunities, and possible future threats. The Court’s leadership team conducted an assessment of the Court at the September 2014 strategic planning retreat, which included an extensive review of the 2014 strategic planning survey results (See attachment B for a summary). A summary follows.

Strengths	Challenges/Weaknesses
<ol style="list-style-type: none"> 1. Use of technology 2. All are in one office/location 3. Respected nationally 4. High caliber of judges and court personnel 5. Use of innovative/strategic practices (e.g., shared services, focus on strategic priorities) 6. Seek input from staff; strive to address concerns (e.g., per survey) 	<ol style="list-style-type: none"> 1. Communication with staff – down, up, and across the Court 2. Need to enhance the work environment (enhance trust, improve accountability, etc.) 3. Communication and relationships with external partners and stakeholders 4. Lack of continuity in middle management 5. Staff don’t see how the Court is viewed nationally 6. Additional training is needed; skills and performance of some staff need enhanced
Future Opportunities	Future Threats
<ol style="list-style-type: none"> 1. Increase use of shared services agreements with other courts 2. Enhance staff development and training (e.g., provide college credit) 3. Increase use of existing and emerging technologies 4. Integrate and orient a new judge 5. Fine-tune procedural and local rules to enhance efficiency and effectiveness 6. Maintain and ensure high levels of professionalism, quality service, efficiency 7. Work more effectively with the Court’s partners and stakeholders (e.g., better “tell the Court’s story” – convey needs, demonstrate fiscal prudence, etc.) 	<ol style="list-style-type: none"> 1. Inadequate funding/resources 2. Budget uncertainty (from year to year) 3. Budget inflexibility (inability to carry funding forward) 4. Political environment 5. Bankruptcy courts are not understood 6. Work measurement methodology may adversely affect District of Delaware 7. Unpredictability of the Court’s workload 8. Broad market considerations (Federal, Circuit) 9. Venue and legislative changes (Delaware laws) 10. Level of fixed costs within the Judiciary 11. Retention of staff – losing good staff to other courts/organizations 12. Horizontal and vertical consolidation of courts 13. Failure to plan for the Court’s future leadership and staffing needs (in light of impending retirements, attrition/turnover, etc.)

Strategic Focus Areas, Goals, and Objectives

The Court will focus on four important areas in the coming years. Three of the four listed below, have been part of the Court's strategic plan over the past 5 years. They will continue to be a major focus going forward. The fourth strategic focus area listed below emerged as a new area of focus for the Court at the 2014 planning retreat. It has strategic and long-term implications on the ability of the Court to perform its mission and achieve its vision of the future.

Strategic Focus Areas

1. Strengthen Governance, Management, and Work Environment
2. Timely Resolution of Cases and Efficient Case Processing
3. Use of Automation/Technology to Improve Service and Efficiency
4. Outreach to Partners

Below are brief descriptions of each strategic focus area as well as the Court's long-range goals and objectives. The Court's strategic projects/initiatives for each of the key focus areas are listed in a separate, companion document.

Strategic Focus Area #1: Strengthen Governance, Management, and Work Environment

Overview: An effective governance structure and effective leadership and management practices are essential for the Court's continued success. An engaging, satisfying, and productive work environment also is critically important for the Court to perform at its highest level. Given the rapidly changing environment and the likely future challenges the Court will face, the Court is committed to continuing to strengthen these areas in the years ahead.

An effective governance structure includes: (1) having clearly defined roles and responsibilities; (2) having an appropriate span of control; (3) using effective decision-making, policy-making, and communication processes and practices; and (4) developing existing and future leaders and managers who work well together to govern the Court. Continuity in leadership at senior and middle management levels, consistent and fair practices, accountability at all levels, and effective and adhered to policies also are essential for effective court governance.

Effective leadership and management requires: (1) training, developing, and coaching supervisors and managers; (2) better defining the roles and responsibilities of court staff including case managers; (3) improving performance management and accountability; (4) implementing best management practices; and (5) implementing uniform procedures, to name a few.

Finally, continuing to improve the work environment is a high priority for the Court. The Court's leaders and managers are striving to achieve "maximum job satisfaction" along with "maximum job contribution," or what is now referred to as "full employee engagement." According to recent research, engagement drivers include: (1) finding the right fit for employees (giving them an opportunity to do what they do best); (2) career development opportunities and training; (3) more flexible job conditions; (4) greater clarity about what the Court needs and expects of an employee and why; (5) opportunities to learn and grow at work; (5) a coach or mentor other than one's manager; and (6) regular, specific feedback about how an employee is doing.

Goals and Objectives

Strategic Focus Area #1: Strengthen Governance, Management, and Work Environment	
Goal 1.1: The Court's governance structure, management practices, and work environment will support future court excellence.	
Objectives:	<ol style="list-style-type: none">1. Clarify, improve, strengthen, and stabilize management and the governance structure of the Court.2. Identify, train, develop, coach, and plan for the next generation of court leaders.3. Strengthen decision making and policy making among the Court's leaders, managers, and supervisors.4. Improve communication throughout the Court.5. Improve consistency among the Court's managers and between the Clerk's Office and Chambers.6. Strengthen performance management and accountability by holding all staff accountable for meeting job expectations, adhering to work rules, and being a team player.7. Modify and improve personnel policies and work practices to match the ever-changing environment.8. Implement innovative practices that will increase employee engagement and job satisfaction.
Goal 1.2: The Court's managers, supervisors, and staff will have the knowledge, skills, and abilities to effectively perform all of their duties.	
Objectives	<ol style="list-style-type: none">1. Clearly define, and expand where appropriate, the roles and responsibilities of supervisors and staff (e.g., case managers).2. Train and develop supervisors and staff.3. Coach and provide regular and specific feedback to supervisors and staff.4. Strengthen accountability for decisions, actions, and job performance.5. Develop and implement uniform procedures.6. Identify and implement best management practices including those that increase employee engagement and job satisfaction.

The Court's strategic projects for this strategic focus area are presented in the companion document.

Strategic Focus Area #2: Timely Resolution of Cases and Efficient Case Processing

Overview: The Court is committed to processing cases efficiently and effectively, and resolving cases in a timely manner. Providing high quality and timely services to all court users also is a continued priority of the Court. In response to the current and likely future caseload of the Court and resource constraints, the Court must remain focused on this area if it is to continue to excel.

To do so, the Court will continue to improve the efficiency of the case management process and find innovative and effective ways to provide timely services. This includes implementing best practices in case management, improving calendaring practices, using technology, streamlining and expanding the mediation process, strengthening judge-based assignments, and training staff and court users on the case management system and procedures, to name a few.

Goals and Objectives

Strategic Issue #2: Timely Resolution of Cases and Efficient Case Processing	
Goal 2.1: The Court will resolve its cases in a fair, timely, and efficient manner.	
Objectives	<ol style="list-style-type: none">1. Improve the efficiency of the case management process.2. Improve calendaring practices.3. Use technology to enhance service, efficiency, and timely resolution of cases.4. Streamline, improve, and expand the mediation process.5. Strengthen coordination, collaboration, and relationships across Clerk’s Office and Chambers including judge-based assignments.6. Train staff and court users on the case management system, procedures, and other key areas.7. Maintain best practices in managing and processing cases.

The Court’s Strategic Projects for this strategic focus area are listed in the companion document.

Strategic Focus Area #3: Use of Automation/Technology to Improve Service and Efficiency

Overview: Technology is changing and evolving very rapidly. It is difficult to keep pace with the many changes. Nonetheless, even in lean fiscal times, the Court is committed to continuing to make technological improvements and better use existing, new, and emerging automation to enhance access, service, and operational efficiency.

Goals and Objectives

Strategic Issue #3: Use of Automation/Technology to Improve Service and Efficiency	
Goal 3.1: The Court's technology will improve access, service, and efficiency.	
Objectives	<ol style="list-style-type: none">1. Implement/complete existing technology projects.2. Continue to enhance and expand the use of existing technologies/automation.3. Evaluate and implement new and innovative technologies/automation as they become available.4. Continue to participate in national activities that evaluate, recommend, and establish future technology priorities for Bankruptcy Courts.

The Court's strategic projects for this key area are presented in the companion document.

Strategic Focus Area #4: Outreach to Partners

Overview: The Court's future success in part hinges on its relations with partners and stakeholders. Strengthening outreach to partners and stakeholders including communication, information sharing, and collaboration will help increase awareness, understanding, and support for the work, needs, and priorities of the Court.

Goals and Objectives

Strategic Issue #4: Outreach to Partners	
Goal 4.1: Partners and stakeholders will understand and support the work, needs, and priorities of the Court.	
Objectives	<ol style="list-style-type: none">1. Better communicate the needs and priorities of the Court.2. Provide consistent information to partners and stakeholders.3. Reach out to and strengthen relationships with partners and stakeholders.4. Work collaboratively with partners and stakeholders to make changes and improvements.

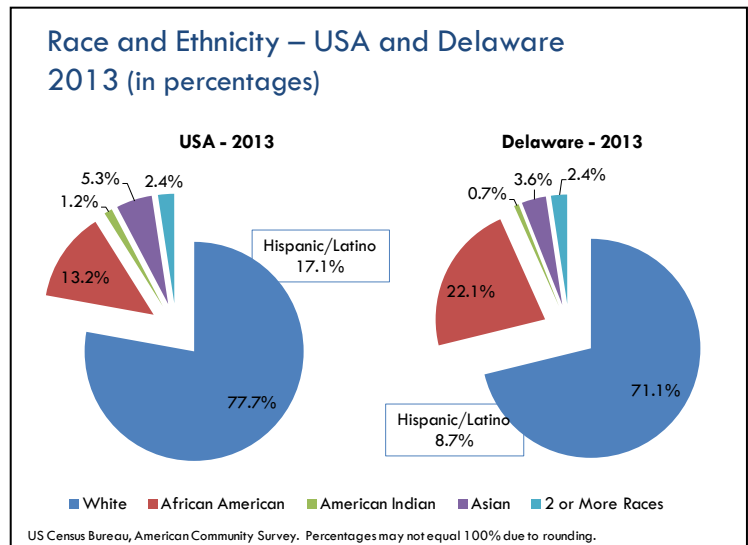
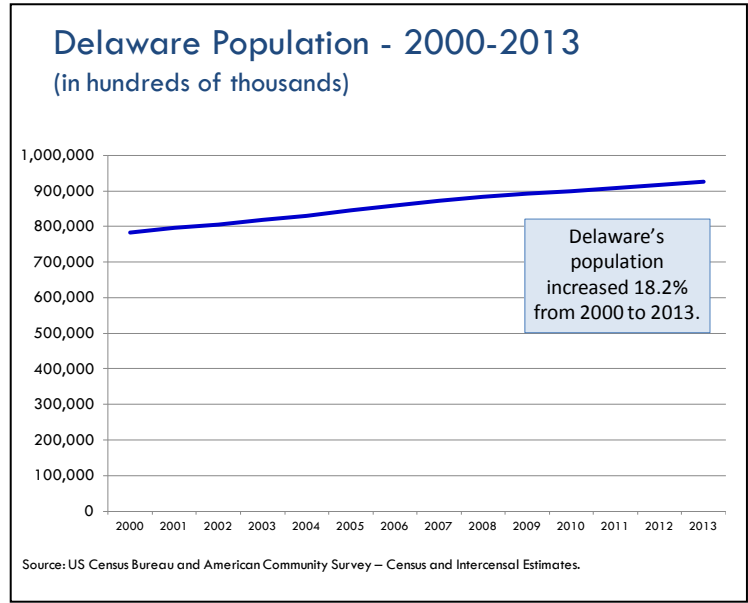
The Court's strategic projects for this key area are presented in the companion document.

APPENDIX A: TRENDS SUMMARY

Many social and demographic, economic, policy and political, technological, and justice system trends will interact and converge in a variety of ways, ultimately affecting the Courts in the years ahead. A few of the most significant social, economic, technological, and policy/political trends affecting the Bankruptcy Courts in the next five years are:

Social/Demographic Trends

1. Growing population. Delaware’s population increased 18 percent from 2000 to 2013. According to US Census estimates, Delaware’s population was nearly 926,000 in 2013.
2. Increasing racial and ethnic diversity. Delaware’s population is increasing racially and ethnically diverse. Between 2000 and 2010, the proportion of Delaware’s white population declined while African American, Asian, other races, and people of 2 or more races increased. Additionally, Delaware’s Hispanic/Latino population also increased during this decade (from nearly 5 percent in 2000 to slightly more than 8 percent in 2010). In 2013, Delaware’s Hispanic/Latino population increased to nearly 9 percent (as compared to 17 percent for the US as a whole.)
3. Aging population.² Delaware’s median age is higher than that of the US. In 2010, the median age for the US was 37.2 and was 38.8 for the state of Delaware.
4. Education levels. Delaware’s education levels are similar to that of the US. In 2013, 28.5 percent of the population in the US and in Delaware had a Bachelor’s Degree or higher.



² Median = the midpoint; ½ are above and ½ are below.

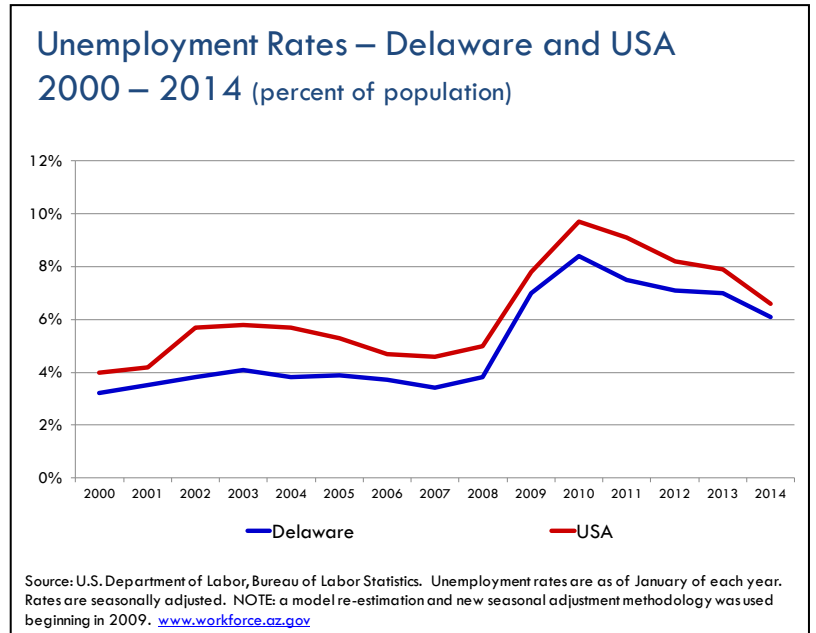
5. Other social trends:

- Increasing polarization of people by class, race, ethnicity, and lifestyles.
- Increasing service demands
- Changing work and lifestyle choices
- Explosion in the use of social media and networking to maintain connections, communicate, and do business

Economic Trends

6. Unemployment rate.

Delaware's unemployment rate has mirrored the unemployment rate of the US, but has been consistently less than the US' rate. In January 2014, the US and Delaware unemployment rates were 6.6 and 6.1 percent respectively. NOTE: These rates do not count the increasing number of people who are under-employed or who have dropped out of the labor force.



7. Median Household Income.²

Delaware's median household income increased 27 percent from 2000 to 2013. In 2013, Delaware's median household income was \$60,119. For comparison purposes the median household income for the US increase 26 percent from 2000 to 2013; it was \$53,046 in 2013.

8. Median Value of Owner Occupied Housing.² The median value of an owner occupied home in Delaware increased 85 percent from 2000 to 2013 (for comparison purposes, the median value increased 52 percent for the US during the same time period). In 2013, the median value in Delaware was \$241,100 (for the US, the median value was \$181,400).

9. Persons Living Below Poverty. In 2013, 15 percent of the US population and 11.5 percent of Delaware's population were living below the poverty line.

10. Other economic trends:

- There is increasing stratification between people with higher and lower incomes.
- People are working longer; they are delaying retirement for a variety of reasons (e.g., uncertainty of the economy, increasing health insurance and health care costs, living longer, etc.).
- More e-commerce.
- Continued globalization of business.

-
- Fewer manufacturing jobs and more service-related jobs, which tend to be lower paying jobs.
 - Increasing cost of college education and debt related to college expenses.

Technological Trends

11. Continuing wireless revolution and rapidly developing tele-communication and networking technologies – gadgets galore.
12. Inability or unwillingness to unplug, tune out, or turn off – always connected.
13. Increasing divide between “digital natives” (i.e., the youngest generation that has grown up with technology) and everyone else.
14. Greater demands and expectations to do business with organizations of all types from remote locations (e.g., electronic access to information and services 24 x 7).
15. Increase (threat of) cyber attacks and identity theft.

Policy/Political Trends

16. Ongoing debate over controversial issues such as same sex marriage, legalization of marijuana, immigration and health care reform, etc.
17. Continued scrutiny on how public tax dollars are spent.
18. Continued polarization and gridlock among the major political parties.
19. Growing pressure to consolidate and regionalize services.

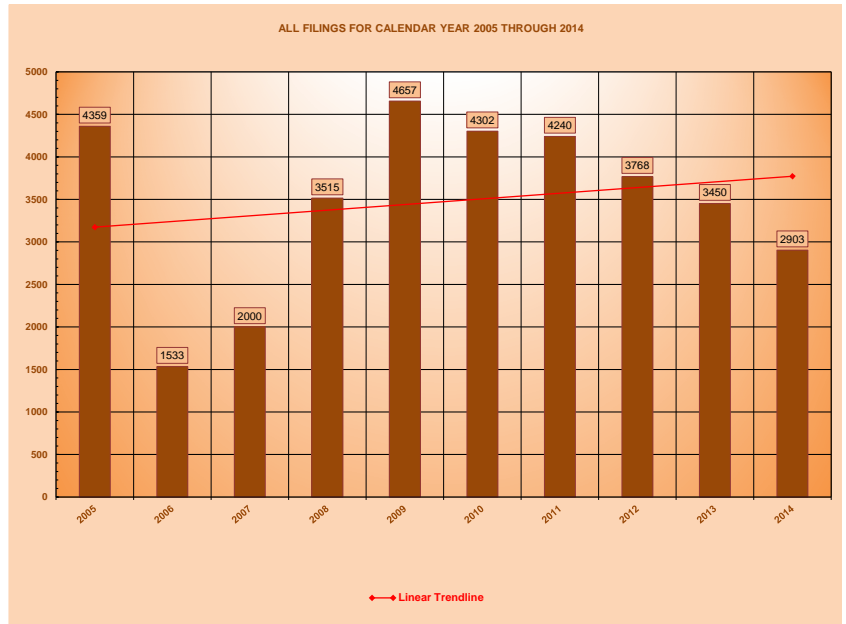
Justice System Trends

20. Increasing numbers, and changing composition, of court users (e.g., more non-English speaking, self-represented, older litigants).
21. Changing caseloads and workloads (e.g., an increase in some types of cases; increasing demand for greater customer service and assistance, more complex cases).
22. Declining budgets and resources.
23. Declining court infrastructure (e.g., facilities, IT, security).
24. Increase in the use of alternative dispute resolution (e.g. mediation, arbitration).
25. Increase need and demand for the use of technology to enhance access and allow for doing business remotely/electronically (e.g., e-filing, access to case information, electronic hearings).
26. Graying workforce, especially among administrators and managers.

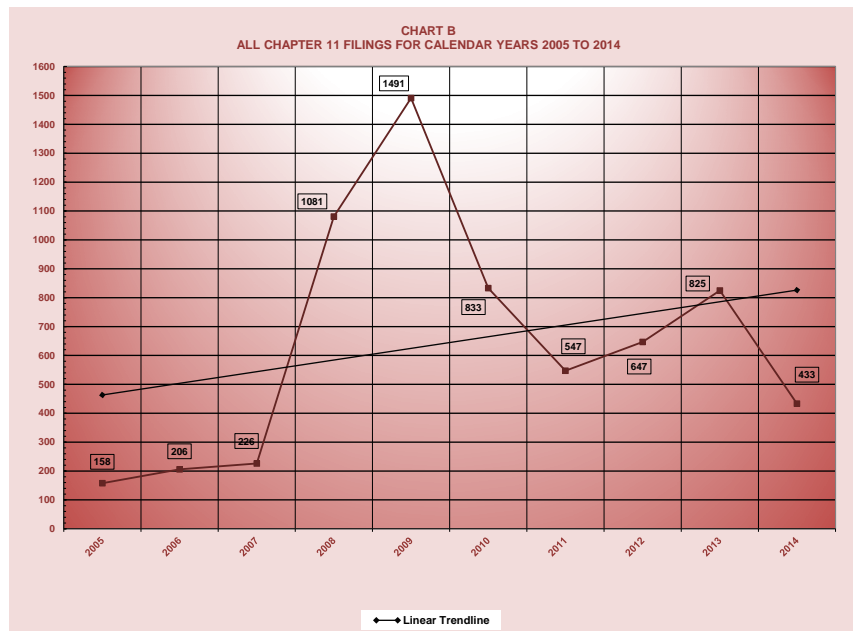
A summary of the Court's internal caseload and staffing trends is provided next.

Filings

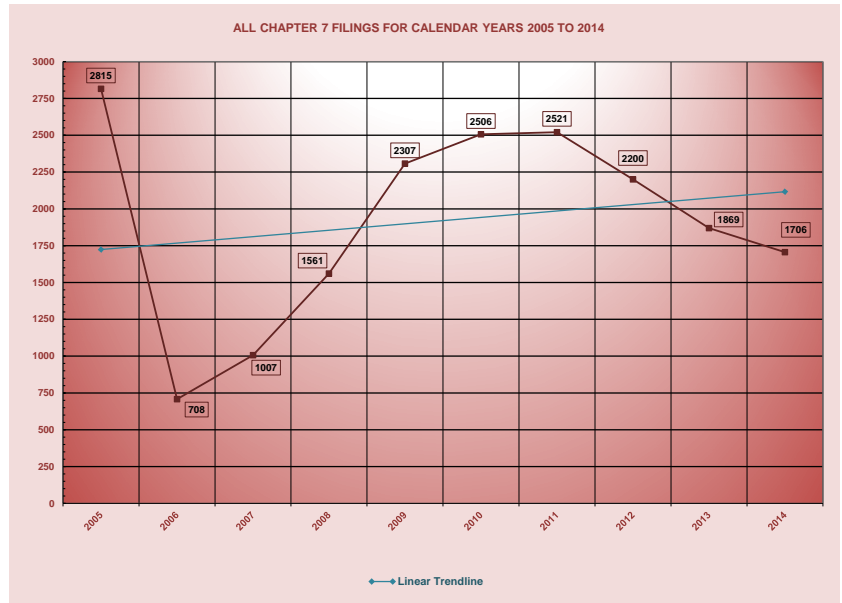
1. The Court's total filings are trending up since 2005 but the trend is influenced by large increases from 2006 to 2009. Since 2009 the Court's total filings have steadily declined.



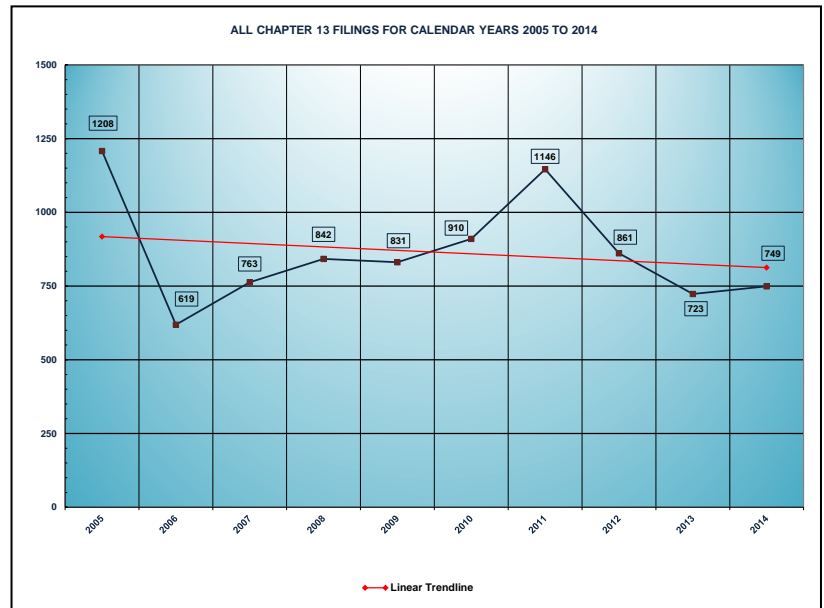
2. Chapter 11 filings are down sharply in 2014 from a peak high in 2009. They also are down sharply from 2013. Despite the wide swings from year to year, Chapter 11 filings are trending slightly upward since 2005.



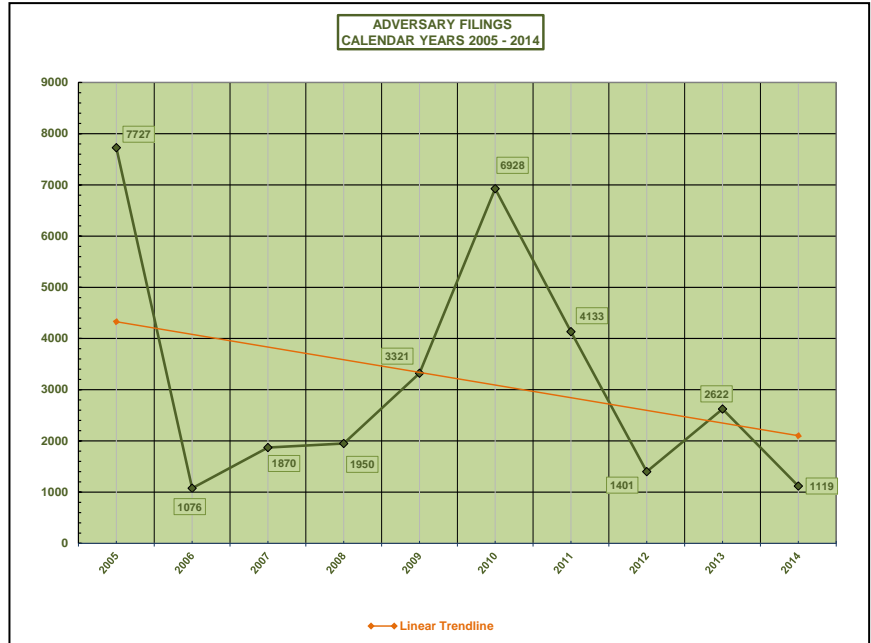
- Chapter 7 filings dipped sharply in 2006. From 2006 to 2011, filings increased significantly. From 2011 to 2014, Chapter 7 filings have declined each year. Like Chapter 11 filings, despite the wide swings, chapter 7 filings are trending slightly upward since 2005.



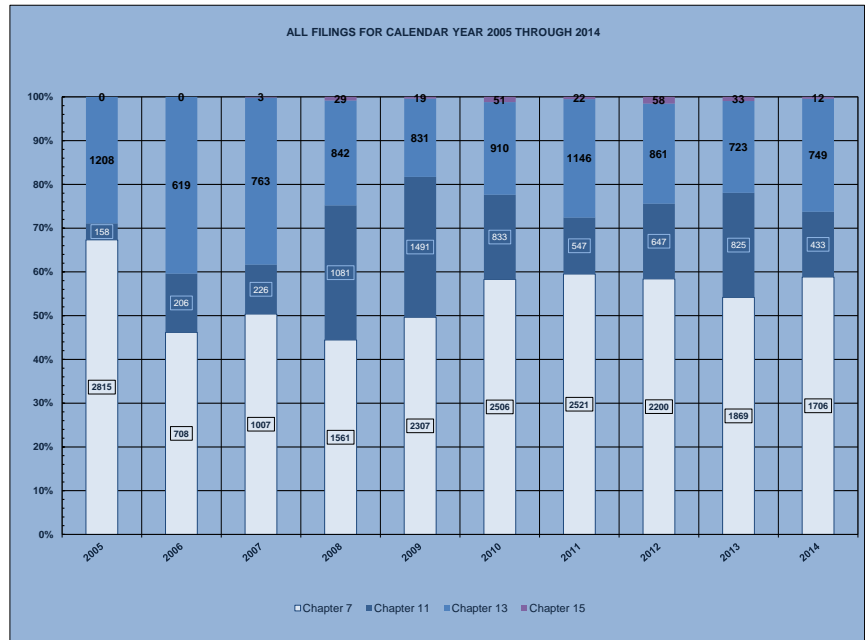
- Chapter 13 filings remained relatively flat from 2013 and 2014. While they went up significantly between 2006 and 2011, they declined sharply between 2011 and 2013. Overall they are trending down slightly from 2005.



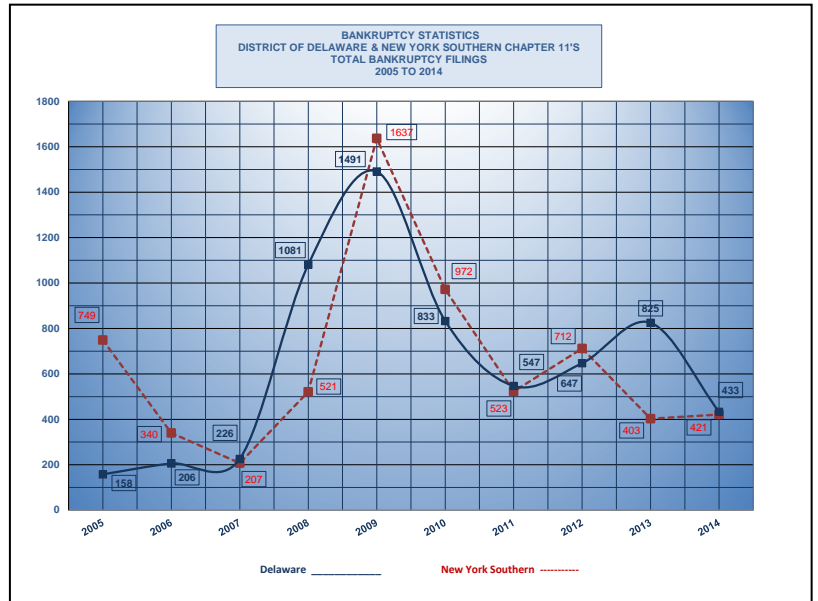
- Adversary filings also are trending downward between 2005 and 2014, despite wide fluctuations over the years. 2014 filings were the second lowest number of adversary filings since 2005.



- The chart to the right presents the composition of the Court's total caseload from 2005-2014. In 2014, Chapter 7 filings made up over 50% of the Court's total filings and Chapter 13 filings made up approximately 25% of the Court's total filings.

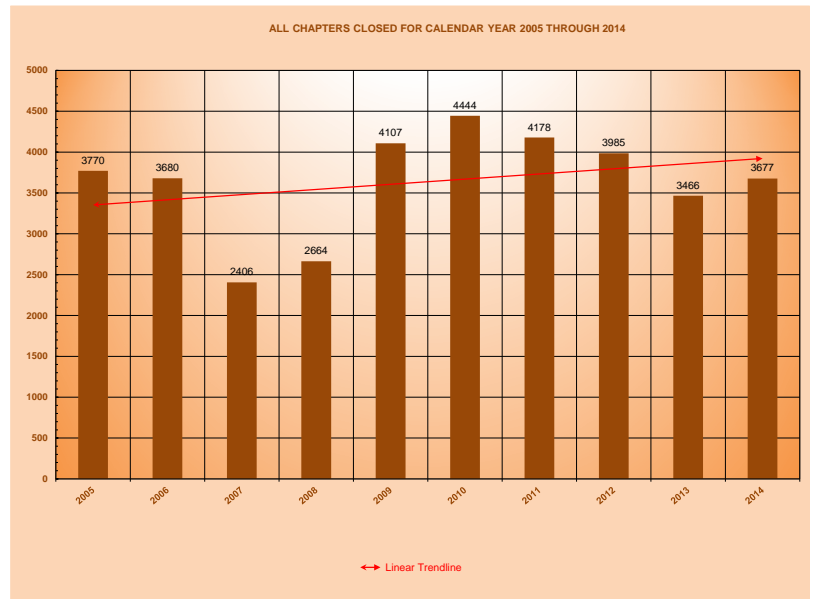


7. The chart to the right shows a comparison of all Chapter 11 filings for the District of Delaware and New York Southern from 2005 – 2014.



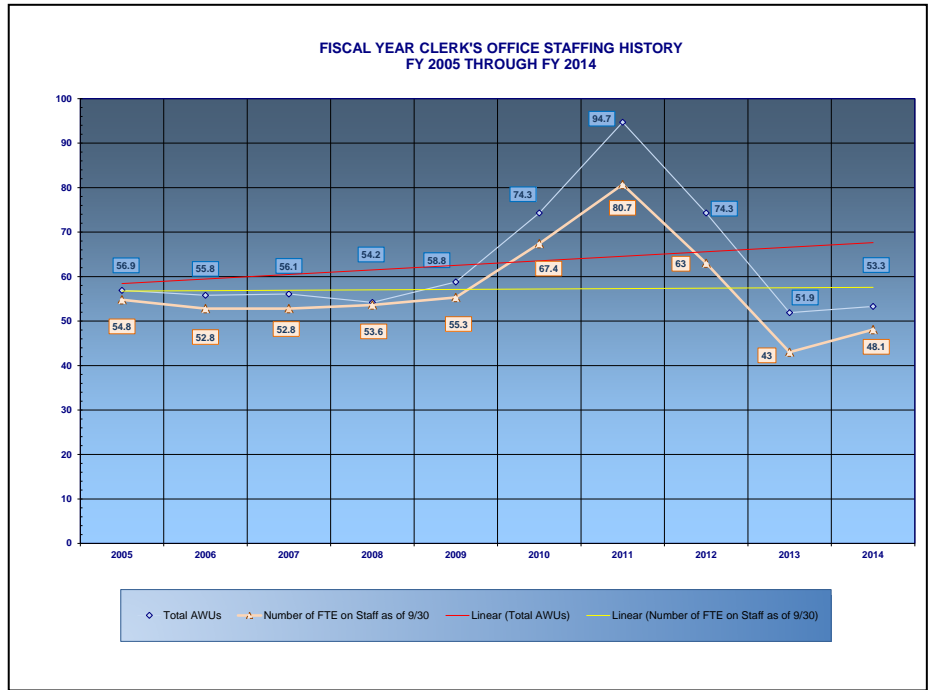
Closed Cases

8. The number of closed cases is trending upward from 2005-2014. The number declined between 2010 and 2013, but increased in 2014.

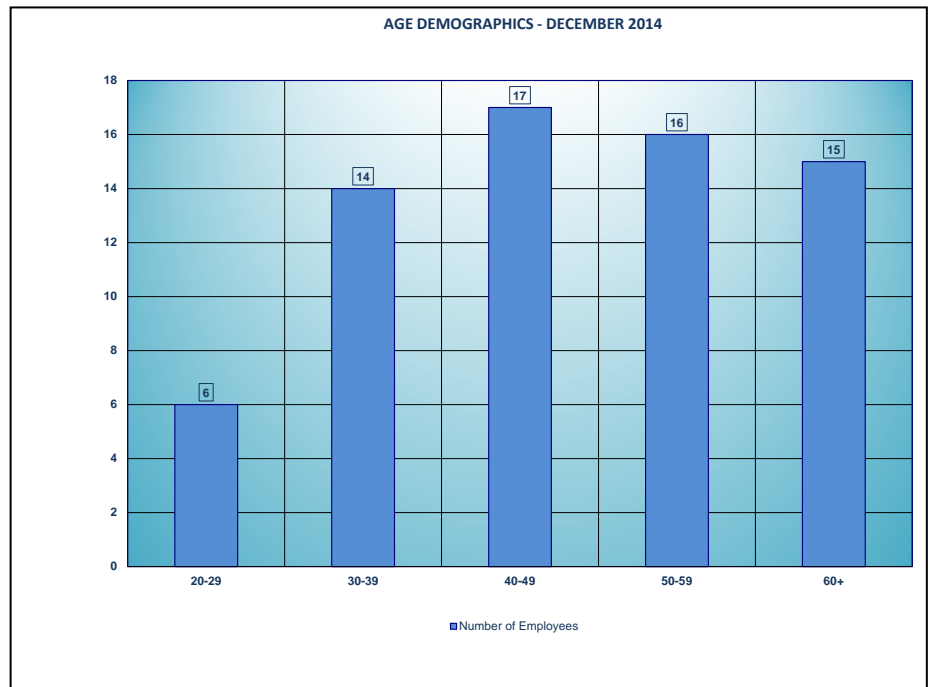


Staff Trends

9. The chart to the right shows the number of authorized positions for the Court vs. the number of full time equivalents (FTEs) from 2005 – 2014.



10. Of 68 employees (includes judges and staff) at the end of 2014, 46 percent are 50 years of age or older.



11. The chart to the right shows the years of service of judges and staff at the end of December 2014. Coupled with the chart above and the data from this chart, it is estimated that 40-50 percent of the workforce may be eligible to retire over the next 10 years. However, a third of the workforce at the end of 2014 has 0-4 years of service, which could represent the next generation of court leaders with court experience.

