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Maximizing the Value of Quadrennial Strategic Planning

Jordan Tama
American University

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Table of Contents

Foreword 4

Introduction 6

Department of Defense: The Quadrennial Defense Review (QDR) 9
- Introduction 9
- How the Reviews Were Conducted 10
- Outcomes of the Reviews 11
- Assessment 12

Department of Homeland Security: The Quadrennial Homeland Security Review (QHSR) . . 13
- Introduction 13
- How the Reviews Were Conducted 13
- Outcomes of the Reviews 14
- Assessment 16

Department of State: The Quadrennial Diplomacy and Development Review (QDDR) 17
- Introduction 17
- How the Reviews Were Conducted 17
- Outcomes of the Reviews 18
- Assessment 20

Department of Energy: The Quadrennial Energy Review (QER) 21
- Introduction 21
- How the Review Is Being Conducted 21
- Outcome of the Review to Date 22
- Assessment 24

Recommendations 25

About the Author 30

Key Contact Information 31

Foreword

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On behalf of the IBM Center for The Business of Government, we are pleased to present this report, *Maximizing the Value of Quadrennial Strategic Planning,* by Jordan Tama, American University.

For the first time, the next president will benefit from legislation that promotes multiyear planning to shape the direction of federal agencies at the onset of a new administration. A 2010 law requires all agencies to prepare new four-year strategic plans in the first year of each administration. First drafts of these plans are due to the Office of Management and Budget in June 2017.

Professor Tama examines in this report how four departments have adopted the use of quadrennial planning reviews to inform the development of their strategic plans. The first quadrennial review was required 20 years ago by Congress for the Defense Department. Since then, three other agencies—State, Homeland Security, and Energy—have adopted this approach, in part because policy makers found value in the results of the Defense Department's quadrennial reviews.

The quadrennial reviews are extremely structured and intensive processes that span 10 to 18 months in length. They are highly inclusive of departmental staff, and some departments include other agencies, states, localities, and private sector stakeholders.

Dr. Tama found that these reviews made important differences for the departments involved. At the Department of Defense, the 2010 review contributed to a shift in defense resources to the Asia-Pacific region. The Department of Homeland Security's 2010 review helped define mission areas and advanced cross-DHS integration. At the Department of State, the 2015 review led to institutional reforms that made the department more data-driven in its operations and strategy. And the Department of Energy review—which was led out of the White House, not the agency—provided a vehicle to orchestrate a common public-private sector approach to investments in energy infrastructure.

The report concludes with a series of recommendations to agencies that currently conduct quadrennial reviews. The author also makes recommendations for agencies that might find some of the lessons learned from quadrennial reviews to be of value as they conduct overall strategic planning efforts. Lastly, the report presents recommendations for the next administration and Congress on ways to better support investments in capacity to conduct longer-term cross-agency strategic foresight, which better informs the development of agency strategic plans.

This report builds on the IBM Center's long interest in the broader field of performance management and strategic planning, including:

- *The New Federal Performance System: Implementing the GPRA Modernization Act* by Donald Moynihan
- *Performance Management Recommendations for the New Administration* by Shelley Metzenbaum
- *Corporate Strategic Planning in Government: Lessons from the United States Air Force* by Colin Campbell

We hope that this report will assist executives in the federal government with better assessing the potential value of developing institutional capacity to conduct longer-term planning and with linking planning to positive outcomes for budget decision-making and strategic initiatives.

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Introduction

The new administration taking office in 2017 will want government agencies to execute the president's priorities.[1] A critical step in the execution of presidential priorities is the production of government strategic plans that provide a framework for governmental action. The Government Performance and Results Modernization Act of 2010 (GPRA Modernization Act) requires each major federal agency to produce a strategic plan by February of the second year of a presidential term—in the current cycle, by February 2018.[2] The law mandates that these strategic plans include, among other things, a mission statement, goals and objectives, a description of how goals and objectives are to be achieved, and an identification of external factors that could affect achievement of goals and objectives. Current Office of Management and Budget (OMB) guidance further calls for agencies to provide OMB with a first draft of their next strategic plan by June 2017.[3]

It is therefore a good time to consider the value of different ways of producing agency strategic plans. One such mechanism involves a quadrennial strategic review. The quadrennial review model has been used by the departments of Defense, Homeland Security, State, and Energy. While these quadrennial reviews have been performed in a variety of ways—as detailed in this report—they have typically featured a highly structured and intensive process involving many participants in the analysis of an agency's landscape and the consideration of strategic ideas. The primary outputs of these reviews have been public reports that set out a vision for the agency, with varying levels of specificity.

Importantly, the departments conducting these major quadrennial reviews have not used the reviews directly as their mechanisms for producing strategic plans. Instead, separate efforts have been required to translate the ideas in quadrennial review reports into more actionable operational guidance. In this sense, the quadrennial review model is best understood as a potential part of the process of generating an agency's strategic plan, rather than as the entirety of that process. However, the model could be modified—as recommended in this report—to incorporate the development of a strategic plan.

The quadrennial review model dates back to 1996, when Congress mandated that the Defense Department (DOD) conduct a Quadrennial Defense Review (QDR).[4] Since the establishment of the QDR, the model has spread principally to other agencies involved in national security policy. In 2007, Congress enacted a law mandating a Quadrennial Homeland Security Review (QHSR).[5] The leaders of other agencies have initiated quadrennial reviews in the absence of a legislative mandate. In 2009, Secretary of State Hillary Clinton launched a Quadrennial Diplomacy and

1. The author wishes to acknowledge Edward Lucas, Balazs Martonffy, and Kate Tennis for their very helpful research assistance regarding this project.

2. Public Law 111–352.

3. Office of Management and Budget Circular A-11, Part 6.

4. National Defense Authorization Act for Fiscal Year 1997, Public Law 104–201.

5. Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110–53.

Table 1: Major Quadrennial Reviews

Name	Date Originated	Mandated by Law	Number Completed	Years Completed
Department of Defense: Quadrennial Defense Review (QDR)	1996	Yes	5	1997, 2001, 2006, 2010, 2014
Department of Homeland Security: Quadrennial Homeland Security Review (QHSR)	2007	Yes	2	2010, 2014
Department of State: Quadrennial Diplomacy and Development Review (QDDR)	2009	No	2	2010, 2015
Department of Energy: Quadrennial Energy Review (QER)	2014	No	First review in process	—

Development Review (QDDR). In 2014, President Obama established a Quadrennial Energy Review (QER).[6] Thus far, the government has completed five QDRs, two QHSRs, and two QDDRs. The first QER remains in progress.

This research report describes how government agencies have conducted these quadrennial reviews, assesses the value of quadrennial reviews as a strategic planning tool, and offers recommendations for conducting quadrennial planning successfully. The analysis is based on government reports and documentation related to quadrennial reviews, interviews with more than 60 people who have been involved in quadrennial reviews or are otherwise very knowledgeable about government strategic planning,[7] and other published research.

In short, this report suggests that quadrennial reviews represent a valuable tool for the leaders and managers of government agencies, but these reviews are not a panacea for common problems in public sector management. In particular, a quadrennial review can help leaders and managers advance their institutional priorities, generate buy-in among agency personnel and external stakeholders, promote greater integration and coordination within and across agencies, and incorporate long-range and risk analyses into strategic decision making. At the same time, large-scale quadrennial reviews can have downsides, as they tend to be very time consuming and sometimes result in the expression of lowest common denominator ideas. These reviews also are rarely conducive to ranking priorities or reallocating resources among government programs.

In addition, like other strategic planning activities, the impact of quadrennial reviews tends to depend heavily on the extent to which senior leaders provide them with clear direction, become personally invested in them, and drive intensive implementation processes.[8] In this sense, many

6. In addition, the intelligence community conducted a Quadrennial Intelligence Community Review in 2001, 2005, and 2009. More recently, Congress enacted a law in 2014 mandating that the Director of National Intelligence produce a national intelligence strategy every four years (Intelligence Authorization Act for Fiscal Year 2015, Public Law 113–293). This report does not consider these intelligence strategic planning efforts because most of their content is classified.

7. These interviews were conducted between February 2011 and September 2016. Interview subjects included current and former Defense Department, Homeland Security Department, State Department, Energy Department, Office of Management and Budget, National Security Council, Government Accountability Office, and congressional officials, as well as management experts outside government. Because most of the interviews were conducted on a not-for-attribution basis, most of the interview subjects are not identified in this report.

8. Michael Barzelay and Colin Campbell, *Preparing for the Future: Strategic Planning in the U.S. Air Force* (Brookings Institution Press, 2003); Isaiah O. Ugboro, Kofi Obeng, and Ora Spann, "Strategic Planning As an Effective Tool of Strategic Management in Public Sector Organizations: Evidence from Public Transit Organizations," *Administration & Society* 43, 1 (2011): 87–123.

best practices for the conduct of quadrennial reviews are similar to best practices for government strategic planning more generally.

This analysis of quadrennial reviews is also informed by the findings of previous research on government strategic planning. Other studies have found that structured planning tends to improve government performance, and that it is especially valuable for public organizations that are large, have many stakeholders, or lack a common understanding of their goals.[9] At the same time, scholars have shown that highly structured processes can be less conducive to developing innovative ideas than informal processes that involve a relatively small number of participants.[10]

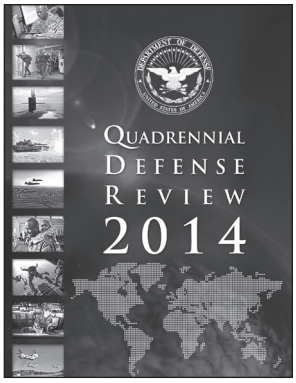
Based on the analysis, seven recommendations for improving quadrennial planning are presented at the end of this report. These recommendations are targeted to department leaders and managers in departments conducting quadrennial reviews, the White House, and Congress. These recommendations emphasize the importance of prioritizing strategic assessment and operational guidance in quadrennial planning, infusing planning with strong direction and broad participation, developing and integrating sophisticated analytical capacity, planning more systematically on crosscutting issues, and creating robust implementation mechanisms. Recommendations are also offered to leaders and strategic planners in departments that do not conduct quadrennial reviews.

9. Peter J. Brews and Michelle R. Hunt, "Learning to Plan and Planning to Learn: Resolving the Planning School/Learning School Debate," *Strategic Management Journal* 20, 10 (1999): 889–913; John M. Bryson, *Strategic Planning for Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 4th edition (Jossey-Bass, 2011); Rebecca Hendrick, "Strategic Planning Environment, Process, and Performance in Public Agencies: A Comparative Study of Departments in Milwaukee," *Journal of Public Administration Research and Theory* 13, 4 (2003): 491–519; Theodore H. Poister, David W. Pitts, and Lauren Hamilton Edwards, "Strategic Management Research in the Public Sector: A Review, Synthesis, and Future Directions," *American Review of Public Administration* 40, 5 (2010): 522–45.

10. Henry Mintzberg, Bruce Ahlstrand, and Joseph Lampel, *Strategy Safari: A Guided Tour through the Wilds of Strategic Management* (New York: The Free Press, 1998): 47–80; Ionut Popescu, "The Last QDR? What the Pentagon Should Learn from Corporations about Strategic Planning," *Armed Forces Journal* 147 (March 2010): 26–30.

Department of Defense: The Quadrennial Defense Review (QDR)

Introduction



The QDR represents the most well-established and well-honed quadrennial review. Congress mandated the review two decades ago in an effort to prod the DOD to prioritize procurement of weapons systems designed to address future security challenges over procurement of systems that might soon become outdated.[11]

Interestingly, the QDR is generally viewed more favorably by policymakers outside of DOD than by defense officials inside the department. Many policymakers outside DOD consider the QDR to represent an excellent model of strategic planning. Indeed, the QHSR, QDDR, and QER were created, in part, to try to replicate a process that policymakers in other agencies and Congress considered to be valuable both for improving government management and for building external political support for an agency.[12] A government official noted in an interview that the White House and DOE initiated the QER, in part, because the "QDR is well received and viewed as a good product." Along similar lines, Hillary Clinton said when establishing the QDDR as Secretary of State:

> I served for six years on the Armed Services Committee in the Senate. And it became very clear to me that the QDR process… was an important tool for the Defense Department not only to exercise the discipline necessary to make the hard decisions to support the priorities, but provided a framework that was a very convincing one to those in the Congress, that there was a plan, people knew where they were headed, and they have the priorities requested aligned with the budget…[13]

Yet views of the QDR among current and former DOD officials are much more mixed. On the more critical end of the spectrum, former DOD official Anthony Cordesman once wrote, "If God really hates you, you may end up working on a Quadrennial Defense Review."[14] In a similar, if less sarcastic, vein, Jim Thomas, a former DOD official who was involved in several QDRs, has commented:

> I can't think of a worse way of making good strategy than a Quadrennial Defense Review. Getting a couple of thousand people involved from across the bureau-

11. Jordan Tama, "The Politics of Strategy: Why Government Agencies Conduct Major Strategic Reviews," *Journal of Public Policy* (2015).
12. *Ibid*.
13. Remarks by Secretary of State Hillary Clinton, Briefing on Quadrennial Diplomacy and Development Review, U.S. Department of State (July 10, 2009).
14. Anthony H. Cordesman, "Reforming Defense Decisionmaking: Taking Responsibility and Making Meaningful Plans," Center for Strategic and International Studies (2009).

Excerpt from the 2014 QDR

"The Department's defense strategy emphasizes three pillars:

- *Protect the homeland,* to deter and defeat attacks on the United States and to support civil authorities in mitigating the effects of potential attacks and natural disasters.
- *Build security globally,* in order to preserve regional stability, deter adversaries, support allies and partners, and cooperate with others to address common security challenges.
- *Project power and win decisively,* to defeat aggression, disrupt and destroy terrorist networks, and provide humanitarian assistance and disaster relief."

Source: U.S. Department of Defense, *Quadrennial Defense Review 2014*, p. v

> cracy, having lots of working groups, the coordination process, writing an unclassified document with lots of glossy pictures that you're going to put out there and you're going to pass off to your allies, as well as your enemies, as well as folks in your military and industry, you've got too many audiences in play.[15]

How the Reviews Were Conducted

The original legislation mandating the QDR requires DOD to conduct a review that results in an unclassified report to Congress that includes elements such as a discussion of the United States defense strategy and the force structure needed to implement that strategy, and a description of the threats considered and scenarios developed during the review.[16] In 2014, Congress changed the review's name to the Defense Strategy Review (DSR) and modified the review's requirements.[17] One of these changes requires the review to place particular emphasis on an assessment of risks assumed by the defense strategy and plans for mitigating such risks. (In what follows, the review generally is called the QDR because DOD has not yet conducted a review under the new name.) Additional legislation currently under consideration in Congress would further change the QDR's legislative mandate by requiring the report resulting from the review to be classified and to be accompanied by an unclassified executive summary.[18]

Although senior defense officials have structured different QDRs in somewhat different ways, the reviews have generally involved a rather routinized process featuring extensive technical analysis and extensive participation by the major components of DOD. The review is typically led by the senior official in the Office of the Secretary of Defense (OSD) with principal responsibility for defense strategy and planning.[19] That official and other OSD officials oversee and coordinate a number of study groups or teams that typically include representation from the military (Army, Navy, Air Force, and Marine Corps), the joint military staff that is responsible for inter-service coordination, and other components of DOD with relevant assets or expertise.

The process usually begins with numerous technical studies, such as scenario analyses, wargames, and other modeling and simulation exercises. A major purpose of these studies is to identify plausible future security environments and to assess the potential effectiveness of

15. Center for Strategic and International Studies conference, "Preparing for the 2014 Quadrennial Defense Review" (January 25, 2014).
16. National Defense Authorization Act for Fiscal Year 1997, Public Law 104–201.
17. National Defense Authorization Act for Fiscal Year 2015, Public Law 113–291.
18. S. 2943, National Defense Authorization Act for Fiscal Year 2017.
19. This official currently is the assistant secretary of defense for strategy, plans, and capabilities.

different military configurations and systems in those hypothetical future environments. OSD typically commissions some of these studies from federally funded research and development centers (FFRDCs).

The technical studies feed into the various study groups, which develop and consider options for particular elements of defense strategy or planning. Because a major share of DOD's budget is devoted to weapons acquisition, a substantial portion of this analytical and study group activity tends to center on plans or potential plans involving weapons procurement. The work of the study groups contributes, in turn, to OSD producing the report for Congress on the outcome of the QDR, which is approved by the Secretary of Defense.

The full QDR process has usually taken about 18 to 20 months, but some QDRs have been conducted on a shorter timeline. The 2014 QDR was completed in less than 10 months.[20] The QDRs are completed by March 1 of the second year of a presidential term—a timeline stipulated by the legislation creating the review.

Outcomes of the Reviews

Research for this paper suggests that the QDR has both substantial value and important shortcomings.[21] On the positive side of the ledger, the QDR often helps DOD leaders advance their priorities. Barry Pavel, who was involved in several QDRs as a defense official, said in an interview, "QDRs are ugly exercises. Everyone is defending turf. But they are the best, and perhaps only, opportunity for the secretary to put a major imprint on the defense program." Defense expert Gordon Adams added in an interview, "[The QDR] is like having a charter and then every time you want to do something you can point to the charter. The secretary's minions can run around the building saying, 'The QDR says X, so we need to do X.'"

The QDR process also provides a way for DOD leadership to gain greater buy-in from the bureaucracy. A DOD official commented in an interview, "If leadership is serious about the review, they can use the quadrennial process for socialization of new ideas. If the process is open, people in the department may feel like they had their chance to weigh in, even if they don't like the changes." The reports resulting from the QDR promote further socialization in that they are read by many thousands of personnel throughout DOD, thereby giving those personnel a more common understanding of their mission.

The QDR has provided a mechanism for driving some significant policy decisions, too. For instance, the 2006 QDR resulted in decisions to increase the size of U.S. special operations forces and grow the number of U.S. submarines. The 2010 QDR drove decisions to create new military units designed to disable weapons of mass destruction (WMD) in hostile environments and assist U.S. governors with responses to WMD threats.[22] In the latter set of cases, mid-level DOD officials used the review process to gain the support of more senior DOD officials for the new initiatives, which had been resisted by powerful parts of the bureaucracy. In an interview, one DOD official cited these decisions as examples of how the QDR can "give smaller stakeholders in the department a chance to play in the big leagues," highlighting one of the benefits of a somewhat bottom-up process.

20. This summary of the QDR process draws on interviews of current and former DOD officials; John Gordon, IV, "The Quadrennial Defense Review: Analyzing the Major Defense Review Process," (PhD diss., George Mason University, 2005); U.S. Department of Defense, *Quadrennial Defense Review Report* (2010), 42–3; and U.S. Department of Defense, *Quadrennial Defense Review Report* (2014), 1.

21. The discussion of the outcomes of the QDR, QHSR, and QDDR draws on information in Jordan Tama, "Does Strategic Planning Matter? The Outcomes of U.S. National Security Reviews," *Political Science Quarterly* 130, 4 (2015–6): 735–765.

22. Interviews of former DOD officials.

In addition, the QDR has sometimes provided a mechanism for developing important strategic ideas. For example, OSD strategic planners developed the idea of building the capacity of U.S. partners to address important security challenges during the 2006 QDR, and they developed the concept of a shift in U.S. defense resources to the Asia-Pacific region during the 2010 QDR.[23] These ideas were subsequently operationalized through decisions to commit new U.S. resources to strengthen foreign security forces, station troops in Australia, and deploy more military ships to the Pacific.

At the same time, the QDR's results have often been underwhelming in some important respects. While the QDR has contributed to a variety of significant innovations and policy changes, it has never generated substantial change in overall defense strategy, the overall force structure of the military, or the allocation of resources among the military services. Moreover, on many issues the QDR report expresses positions that represent little more than the lowest common denominators among the various DOD stakeholders involved in those issues. These patterns stem, in part, from the highly participatory process of the QDR, in that it is very difficult to deviate sharply from the status quo when a decision-making process includes hundreds of officials from an agency's various components.

Indeed, important DOD components—particularly the military—often use their involvement in the QDR to prevent the review from resulting in decisions that take away some of their turf or resources. In an effort to ensure this outcome, the services even establish sizable offices of their own during the QDR, which conduct studies designed to advance the services' perspectives and interests in the QDR process. The result is that it is far more common for the QDR to generate new initiatives than to prioritize among programs or shift resources from one program to another. In these respects, the QDR's highly participatory process carries a downside in conjunction with the substantial benefit it provides in helping DOD leaders gain more buy-in for their priorities.

The QDR's effectiveness has also been constrained by inconsistent investment in the review by the Secretary of Defense and the unclassified character of its final report. While several defense secretaries have seen the review as a tool to advance their priorities, defense secretaries have not consistently provided the review with the type of direction and guidance that is needed to move the review away from the preexisting positions of various parts of the bureaucracy. At the same time, the report's unclassified character has made it far more difficult for defense officials to include in it concrete guidance for military contingency planning.[24]

Assessment

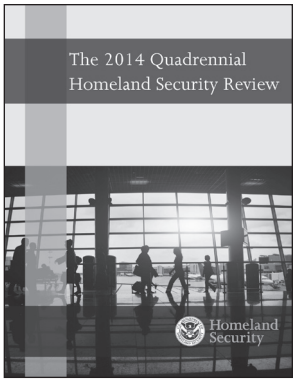
The QDR has provided a mechanism for incorporating long-range analysis into strategic decision making, advancing the priorities of department leaders, socializing ideas throughout the department, and developing new initiatives. However, the review has not generated major changes in defense strategy or in the allocation of resources among defense programs, and the unclassified character of the review's product has made it more difficult for DOD officials to use the review to develop concrete planning guidance.

These strengths and weaknesses reflect the review's highly inclusive structure, which has facilitated institutional buy-in but enabled departmental components to prevent the review from departing substantially from the status quo.

23. *Ibid*.
24. Shawn Brimley and Loren DeJonge Schulman, "Au Revoir QDR," *War on the Rocks* (June 14, 2016).

Department of Homeland Security: The Quadrennial Homeland Security Review (QHSR)

Introduction



Congress mandated the QHSR in 2007 in an effort to promote greater integration of the highly fragmented Department of Homeland Security (DHS) and aid congressional oversight of the department.[25] The law requires the review to result in an unclassified report to Congress that includes elements such as delineating a national homeland security strategy, outlining and prioritizing homeland security missions, and describing threats to homeland security that were considered by the review.[26]

How the Reviews Were Conducted

The QHSR has been modeled to a significant degree after the QDR, though it has taken two QHSR cycles for DHS to build up the capacity needed to perform some of DOD's more sophisticated types of technical analyses. The first two QHSRs were directed by DHS Assistant Secretary for Strategy, Planning, Analysis, and Risk Alan Cohn. Each review was structured, in part, around study groups on particular issues composed of representatives from various DHS components. Like the QDR, the QHSR has also included studies commissioned from an FFRDC. However, DHS largely lacked the capacity to incorporate risk analyses and other technical studies into the first QHSR in a very meaningful way. As a result, the first QHSR did not include a rigorous assessment of the strategic environment.

After the first QHSR, DHS dramatically increased its capacity to incorporate risk analysis and other kinds of modeling into the QHSR, partly by merging the DHS risk analysis office into the strategic planning office and partly by hiring a substantial number of new personnel with the expertise needed to perform risk analysis. This growth in capacity allowed DHS to begin the second QHSR with sophisticated modeling exercises designed to identify threats, hazards, trends, and uncertainties in the strategic environment. These exercises made the second QHSR more similar to the QDR than the first QHSR was.

In another respect, however, the QHSR has been markedly different from the QDR. While the QDR involves participation by all major components of DOD, it does not involve extensive participation by external stakeholders. By contrast, DHS has created a number of processes as part of the QHSR to consult with various stakeholders outside the department—particularly private firms and state and local government agencies that play important roles in certain areas of homeland security. These processes have included the solicitation of papers and recommendations from external stakeholders, online dialogues with stakeholders, in-person

25. Tama, "The Politics of Strategy."
26. Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110–53.

Excerpt from the 2014 QHSR

"Our ability to effectively network ourselves through robust partnerships and operational integration—within DHS, across homeland security partners and stakeholders, and with our international partners—increasingly means the difference between mission success and failure…. The homeland security community can be more flexible, adaptable, and efficient in addressing diverse challenges if it acts as an integrated, mutually supporting network."

Source: U.S. Department of Homeland Security, *The 2014 Quadrennial Homeland Security Review*, p. 31

meetings with stakeholders, and consultation with a committee composed of stakeholder representatives.[27]

Each QHSR has resulted in a public report issued by the secretary of homeland security. The law requires the QHSR to be completed by the end of the first calendar year of a presidential term, but the first two QHSRs were not completed until the following February and June, respectively. Legislation being considered by Congress would change the deadline for the review to the first Monday in April of the second year of a presidential term.[28] The first QHSR was completed in about 12 months, whereas the second QHSR was completed in about 24 months.

Outcomes of the Reviews

The principal value of the QHSR to date has been to advance integration of a department that has been highly fragmented. DHS was created in 2002 by merging 22 preexisting agencies. Since then, DHS leaders have struggled to integrate its components and to inculcate a common sense of purpose throughout the department. This difficulty has partly reflected the different organizational cultures of the agencies folded into DHS and partly reflected the diversity of functions performed by these organizations. In a reflection of this weak integration, some scholars have called homeland security an "anemic" policy domain.[29]

In an effort to generate more coherence across the department, DHS leaders chose to focus the first QHSR on defining homeland security and identifying a set of departmental missions. The resulting 2010 QHSR report defined homeland security as "a concerted national effort to ensure a homeland that is safe, secure, and resilient against terrorism and other hazards where American interests, aspirations, and way of life can thrive."[30] The 2010 report also outlined five missions for DHS:

- Preventing terrorism and enhancing security
- Securing and managing borders
- Enforcing and administering immigration laws
- Safeguarding and securing cyberspace
- Ensuring resilience to disasters

27. This summary of the QHSR process draws on interviews of current and former DHS officials; U.S. Department of Homeland Security, *Quadrennial Homeland Security Review Report: A Strategic Framework for a Secure Homeland* (2010), B-1-B-6; and U.S. Department of Homeland Security, *The 2014 Quadrennial Homeland Security Review* (2014), 94–103.
28. H.R.5385, Quadrennial Homeland Security Review Technical Correction Act of 2016.
29. Peter J. May, Ashley E. Jochim, and Joshua Sapotichne, "Constructing Homeland Security: An Anemic Policy Regime," *Policy Studies Journal* 39, 2 (2011): 285–307.
30. U.S. Department of Homeland Security, *Quadrennial Homeland Security Review Report* (2010).

The report went on to outline a number of goals and objectives within each of the five missions.

The second QHSR slightly revised one of the five missions—from "ensuring resilience to disasters" to "strengthen national preparedness and resilience"—and updated the goals and objectives associated with the missions, but it mainly kept the first QHSR's strategic framework in place.[31]

DHS officials and homeland security experts generally see the QHSR's identification of five missions as the most important contribution of the review so far. Although DHS strategic planners could have developed a very similar list of five departmental missions without conducting a major review, the review process played a valuable role by bringing DHS component heads into a collective discussion about the department's purpose. One DHS official commented in an interview, "It required the QHSR to get the component heads to come to the table to discuss this. When they talked, it was amazing how different their ideas were about what homeland security should be. It was important that the QHSR forced the department to have difficult conversations about these issues." While the QHSR report did not eliminate differences in perspective among the components, it provided personnel throughout the department with a common frame of reference. A former DHS official commented, "People in DHS now refer all the time to the five missions. They're just assumed."

The review has also served as a valuable management tool for DHS leaders in other ways. Given the department's very large size and the great diversity of its activities, the review helped department leaders understand the department better.[32] In addition, the QHSR gave DHS leaders clear guideposts for providing direction to department personnel. Jane Holl Lute, who served as deputy secretary of homeland security from 2009–2013, frequently referred to the QHSR's missions, goals, and objectives when communicating with department officials about what they should be doing. One DHS official said in an interview—in perhaps a bit of an exaggeration—"I don't remember [Lute] holding a meeting without bringing up the QHSR."

The review's impact has perhaps been clearest with regard to the department's budgeting process. Before the QHSR, DHS's central budget office did not use standard or uniform categories to track spending across the components. This made it very difficult for headquarters officials to understand how much money different components were spending on related programs or to challenge components about spending choices. Based on the QHSR's mission/goal/objective framework, DHS headquarters reformed its accounting systems to align program spending with a particular mission, goal, and objective.

In addition, senior DHS budget meetings are now centered on the mission framework. Each year the secretary of homeland security holds five resource meetings as part of the budget preparation process, one of which concerns each of the five missions. This arrangement facilitates consideration of trade-offs among programs being carried out by different components within the same mission area—though it is not conducive to considering budgetary trade-offs across missions. The upshot is that DHS leaders now have a better handle on resources and greater control of the budget process. However, interviewees did not reveal that this new budgeting process has resulted in major changes in the department's allocation of resources, and there is not any evidence that the reform has shaped congressional appropriations for the department to a significant extent.[33]

The QHSR process has also featured some significant shortcomings. In a 2016 report, the Government Accountability Office (GAO) praised DHS for improving the QHSR process in some

31. U.S. Department of Homeland Security, *The 2014 Quadrennial Homeland Security Review* (2014).
32. Interviews of current and former DHS officials.
33. *Ibid*.

important respects between the first and second editions of the review—for instance, in conducting major risk assessments at the start of the second QHSR—and for developing performance measures that are aligned with the QHSR missions and goals.[34] But GAO highlighted several deficiencies in the second QHSR too, including inadequate documentation of how the department analyzed risks, a lack of risk prioritization, and insufficient collaboration with stakeholders outside the department.[35] On the last point, GAO recognized that DHS had engaged extensively with external stakeholders during the review, but it found that some major stakeholder consultations were used primarily to validate, rather than inform, the outcome of the review.

In addition, the QHSR's impact has been constrained by the report's lack of prioritization of the DHS missions, goals, and objectives, as well as by the absence of a robust process to translate the QHSR ideas into programmatic or operational changes. Regarding the lack of prioritization, the DHS Strategic Plans Office tried during the first QHSR to set priorities within each mission, but DHS units did not agree on prioritization and as a result, the effort was abandoned. With respect to implementation, DHS leaders have not charged a senior official with ensuring that the report is implemented, nor have they institutionalized a mechanism for tracking implementation progress.[36] As one indication of inconsistency in implementation, U.S. Immigration and Customs Enforcement changed its own strategic plan to align with the QHSR soon after the first QHSR, but the Federal Emergency Management Agency did not do so.[37] There are also few clear signs that the QHSR has influenced the behavior of state, local, and private sector stakeholders who are involved in homeland security issues.[38]

Assessment

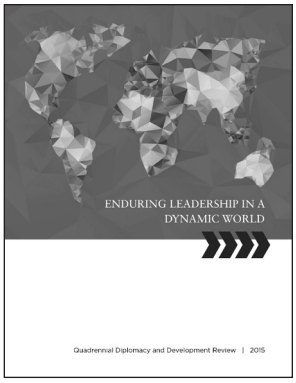
The QHSR's greatest value has been to advance the integration of DHS. The review has developed a set of missions for the department, promoted understanding of these missions among DHS personnel, and enhanced the ability of department leaders to make budget decisions strategically. The review has also incorporated risk analysis into strategy development at DHS.

Less positively, the review has not resulted in prioritization among missions, goals, or objectives, and it has not been thoroughly implemented or translated into operational changes. Results have also been mixed with respect to engagement with private sector and state and local government stakeholders. While the QHSR has served as a forum for extensive stakeholder consultation, DHS leaders have not consistently used these consultations to shape the products of the review.

34. U.S. General Accountability Office, *Quadrennial Homeland Security Review: Improved Risk Analysis and Stakeholder Consultations Could Enhance Future Reviews* (April 2016).
35. *Ibid*.
36. Interviews of current and former DHS officials.
37. Interview of David Maurer, Director of Homeland Security and Justice Issues, U.S. General Accountability Office.
38. Jerome Kahan, "Quadrennial Homeland Security Reviews: What Value for Whom?" *Journal of Homeland Security and Emergency Management* 12, 2 (2015): 228.

Department of State: The Quadrennial Diplomacy and Development Review (QDDR)

Introduction



The State Department established the QDDR in 2009 in an effort to bolster its standing in Congress and interagency councils and to strengthen the department's capacity in certain areas where it was under-performing.[39] Although the QDDR lacks a legislative mandate, State chose to conduct a second QDDR in the second term of the Obama Administration.

How the Reviews Were Conducted

State conducted the first two QDDRs in rather different ways. Like the QDR and QHSR, the first QDDR was highly structured, with numerous working groups and task forces examining particular issues. The first QDDR was directed by State Department Director of Policy Planning Anne-Marie Slaughter. The second QDDR featured a looser structure, as it was coordinated by an executive committee but did not involve any formal study groups.[40]

State had created a more permanent institutional capacity to carry out the QDDR by the time of the second review, in the form of a permanent QDDR office with a staff of about eight people. The purpose of this office is not just to conduct the review, but also to advance its implementation. The second QDDR was led by the director of the new QDDR office, Special Representative for the QDDR Tom Perriello.

State has placed much less emphasis than DOD or DHS on technical analysis in its quadrennial review. While the QDDR has included staff studies of various issues, these studies have not featured simulations or other kinds of modeling of the future international environment. This difference between the reviews reflects the different cultures and functions of the departments. On the whole, State's culture has long been grounded heavily in the culture of the U.S. Foreign Service, which tends to prioritize relatively near-term diplomatic challenges over longer-term challenges and tends to value skills such as negotiation and reporting more highly than sophisticated analytical tools.[41]

State's core mission of conducting diplomacy also prompts its leaders typically to prioritize investments in personnel over investments in expensive systems. Indeed, State spends a much

39. Tama, "The Politics of Strategy."
40. U.S. Department of State, *Quadrennial Diplomacy and Development Review: Enduring Leadership in a Dynamic World* (2015), 88; interviews of State Department officials.
41. Gordon Adams and Shoon Murray, editors, *Mission Creep: The Militarization of US Foreign Policy*? (Georgetown University Press, 2014); Marc Grossman, "The State Department: Culture as Interagency Destiny," in *The National Security Labyrinth: Navigating the Enterprise*, edited by Roger Z. George and Harvey Rishikof (Georgetown University Press, 2011), 79–96.

Excerpt from the 2015 QDDR

"In a world of information saturation, effective diplomacy and development require smart investments in the technology, knowledge management, and diagnostics that allow us to leverage data. The steps outlined in this report focus on everything from better application of data for crisis prevention and inclusive growth to greater accountability for strategic planning and programs."

Source: U.S. Department of State, *Quadrennial Diplomacy and Development Review: Enduring Leadership in a Dynamic World* (2015), p. 10

smaller portion of its budget on acquisition than DOD and DHS.[42] The upshot is that the importance of analytical exercises designed to forecast the future environment and assess the likely utility of different systems for addressing future challenges is less self-evident to many State officials than it is to many DOD and DHS officials.

Each QDDR has resulted in a public report issued by the secretary of state about the outcome of the review. The first QDDR was completed in about 18 months, whereas the second QDDR was completed in about 12 months.

Outcomes of the Reviews

The QDDR's most important outcomes have been to help State Department leaders institutionalize some of their priorities and to give strategic planning a stronger foothold in a department that has long been somewhat allergic to it. The first QDDR helped Secretary of State Hillary Clinton advance a number of institutional reforms designed to strengthen the department's capacity in areas where she and other State leaders considered the department to be underperforming. For instance, the 2010 QDDR developed ideas to create new bureaus and offices as a means of enabling the department to act more coherently or effectively on specific issues, particularly in an interagency context.[43] These reorganizations—which were subsequently implemented—included the creation of a new Conflict and Stabilization Operations Bureau, Energy Resources Bureau, and Chief Economist Office. Notably, each of these new units deals with a set of issues on which other agencies—such as DOD, DOE, Commerce Department, and Treasury Department—play major roles.

These organizational reforms and associated policy changes have strengthened State's capacity and standing on these issues. For instance, the new Conflict and Stabilization Operations Bureau enabled State to take on a lead role in the interagency effort to direct U.S. nonlethal aid to rebels in Syria. In addition, the new Energy Bureau has—in the words of one State official—given State's energy experts "more oxygen in the [State Department] building."[44] Plus, the QDDR's focus on the economic dimension of U.S. foreign policy was reflected in a dramatic increase in the amount of U.S. diplomats' promotion of U.S. business interests overseas

42. In their proposed budgets for fiscal year 2017, State devotes less than one percent of its proposed budget to budget categories related to procurement or research and development, DOD devotes more than 30 percent of its proposed budget to such categories, and DHS devotes five percent of its proposed budget to such categories. See U.S. Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs* (2016); Office of the Under Secretary of Defense (Comptroller), *Defense Budget Overview: United States Department of Defense Fiscal Year 2017 Budget Request*, (2016); and U.S. Department of Homeland Security, *Budget-in-Brief Fiscal Year 2017* (2016).
43. U.S. Department of State, *Leading Through Civilian Power: The First Quadrennial Diplomacy and Development Review* (2010).
44. Interviews of current and former State officials, as well as other U.S. government officials.

between 2011 and 2013.[45] More generally, a State official noted in an interview that the reorganizations reflected "not just moving boxes, but a refocusing of effort."

The first QDDR also resulted in some reforms designed to improve personnel practices, including placing a greater emphasis on interagency experience and skills when hiring for senior positions, providing more training designed to prepare officials for operating in an interagency context, evaluating candidates for certain positions partly based on their ability to innovate, and placing more weight in performance evaluations on skills that are important in economic affairs.[46]

The quadrennial review mechanism was important in facilitating these changes because parts of the bureaucracy—particularly the U.S. Foreign Service—resisted some of them. The highly inclusive review process gave State leaders more legitimacy to advance such controversial ideas than they would have possessed if they sought to advance them through a more top-down approach. As one State official commented in an interview, you need a process like the QDDR "to make this something that is not cooked up in a room, but something that the building can feel ownership of… The more people have input and are involved, the easier it is to implement." Another State official said along similar lines in an interview, "The QDDR allows good ideas to be realized; otherwise, they might die bureaucratic crib death."

While the first QDDR covered a wide range of issues without clearly prioritizing them, the second QDDR was centered more narrowly on four "strategic priorities":

- Preventing and mitigating conflict and violent extremism
- Promoting open, resilient, and democratic societies
- Advancing inclusive economic growth
- Mitigating and adapting to climate change

The second QDDR also developed a set of institutional reforms designed to make the department more data-driven—for instance, by creating a department hub for analytics, data science, strategy, and knowledge management.

At the same time, the second QDDR built on the first QDDR's emphasis on personnel policies by developing a set of additional reforms designed to improve the agility of the department's workforce and provide personnel with greater support regarding work-life balance challenges.[47] Suggestions from rank-and-file department personnel who participated in the review's consultation mechanisms helped to generate the reform proposals on some of these issues, highlighting the value of broad consultation in a strategy process.[48]

The second QDDR was also important in providing an impetus for Secretary of State John Kerry, who was widely considered to focus far more on the conduct of international diplomacy than on management of the department, to devote more attention to the latter challenge. More generally, a State official commented in an interview, "The QDDR gives a structure that forces the secretary to think about reform. Without that structure, reform is more up to the whim of senior management."

45. U.S. Department of State, *Quadrennial Diplomacy and Development Review: Enduring Leadership in a Dynamic World* (2015), 82–5
46. *Ibid*; interviews of current and former State officials.
47. U.S. Department of State, *Quadrennial Diplomacy and Development Review: Enduring Leadership in a Dynamic World* (2015).
48. Chris Degnan, "Five Things You Should Know about the QDDR," *Foreign Service Journal* (July/August 2015).

Similarly, the QDDR's most lasting value to date may be that it has given strategic planning more prominence in a department whose culture has historically underemphasized the importance of management and administration.[49] As a State official observed in an interview, "The most important thing about the second QDDR was that it was done a second time. It's now in the bloodstream."

Assessment

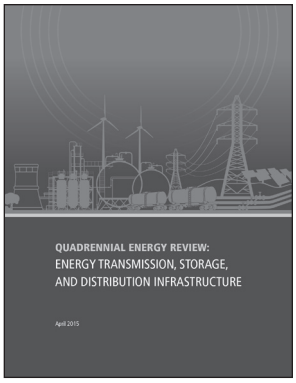
The impact of the QDDR has been constrained by some of the same factors that have constrained the impact of other government quadrennial reviews. While the review has developed many valuable initiatives and organizational reforms, it has not included a systematic effort to translate its broad ideas into operational or budget plans. For instance, linking the review to the development of the department's annual budget proposals has been inconsistent. In addition, implementation of the review's proposed initiatives has been uneven—although implementation was given a boost by Clinton's creation of a permanent QDDR office, which was charged both with conducting each QDDR and with institutionalizing the review's proposals.[50] The review also has not incorporated long-range analysis into strategy development to a significant degree, as the review has not featured intensive strategic foresight activities.

The QDDR has given strategic planning more prominence at the State Department and has served as a vehicle for organizational reform within the department. In particular, the review has provided an umbrella for the development of reform initiatives and helped department leaders build support for those initiatives within the bureaucracy. The review's impact has been enhanced by the establishment of a permanent QDDR office that works to institutionalize the review's ideas. Nevertheless, the review has not greatly influenced State's budget process or operational activities, and State officials have not based the review's ideas on sophisticated analyses of long-range trends or risks.

49. Gordon Adams, "The Institutional Imbalance of American Statecraft," in *Mission Creep: The Militarization of US Foreign Policy?*, edited by Gordon Adams and Shoon Murray (Georgetown University Press, 2014), 31–37.
50. Interviews of current and former State officials.

Department of Energy: The Quadrennial Energy Review (QER)

Introduction



While the QDR and QHSR were mandated by Congress and the QDDR was initiated by a cabinet secretary, the QER was ordered by the president based on a 2010 recommendation from the President's Council of Advisors on Science and Technology, which called for creating an energy review to create a more "coordinated government-wide federal energy policy."[51] In January 2014, President Obama established the QER.[52] He ordered the review to provide an integrated view of energy policy, recommend executive and legislative actions with respect to energy policy, and recommend priorities for research and development programs to support energy innovation goals, among other elements.[53]

How the Review Is Being Conducted

The QER process has differed from that of the other quadrennial reviews in some important ways. Rather than delegating the review entirely to the Department of Energy (DOE), Obama established an interagency task force to direct the review. This task force is composed of officials from more than 20 agencies and is directed by the heads of the White House Domestic Policy Council and Office of Science and Technology Policy. Obama charged DOE with providing support to the task force, including support for coordination activities, policy analysis, modeling, and stakeholder engagement. DOE's Office of Energy Policy and Systems Analysis, led by Melanie Kenderdine, has directed this support work.

The QER has also differed from the other quadrennial reviews in that thus far it has been ongoing and has involved distinct installments, each of which has been focused on a particular aspect of energy policy. The review's first installment focused on America's infrastructure for energy transmission, storage, and distribution. It culminated in an April 2015 report outlining initiatives designed to strengthen these aspects of U.S. energy infrastructure.[54] The administration then began a second installment of the QER focused on the nation's electricity system. This installment is ongoing as of this writing.

The administration initially planned to conduct three installments during the review's first three years, after which point the review would transition to a four-year cycle more similar to

51. President's Council of Advisors on Science and Technology, *Report to the President on Accelerating the Pace of Change in Energy Technologies Through an Integrated Federal Energy Policy* (2010).
52. Barack Obama, "Presidential Memorandum—Establishing a Quadrennial Energy Review" (January 9, 2014).
53. *Ibid.*
54. U.S. Department of Energy, *Quadrennial Energy Review First Installment: Transforming US Energy Infrastructures in a Time of Rapid Change* (2015)

Excerpt from the 2015 QER

"Ensuring the resilience, reliability, safety, and security of TS&D [transmission, storage, and distribution] infrastructure is a national priority and vital to American competitiveness, jobs, energy security, and a clean energy future. The imperative for TS&D infrastructure in the United States, going forward, is to maintain the high performance of existing systems; to continue to accommodate significant growth in domestic energy supplies; and to manage and adapt to new technologies, threats, and vulnerabilities in cost-effective ways."

Source: U.S. Department of Energy, *Quadrennial Energy Review First Installment: Transforming U.S. Energy Infrastructures in a Time of Rapid Change* (2015), p. S-10

the other major quadrennial reviews. But with just a few months left in the Obama administration, it is uncertain whether the QER will continue beyond this installment.

Despite these differences from other quadrennial reviews, the QER's analytical processes and stakeholder engagement have been similar in character to some of the processes and engagement employed in the QDR and QHSR. As part of the QER, the DOE Office of Energy Policy and Systems Analysis has conducted and commissioned dozens of technical analyses, including modeling various scenarios and features of the energy environment. These studies have generally been designed to assess potential energy-related needs over the next 15 years.[55] DOE has also created a variety of processes to consult with stakeholders in and out of government, including informal meetings, workshops, roundtables, and more than a dozen public events across the country.[56]

Outcome of the Review to Date

Because the QER was launched only in 2014 and the first QER cycle has not yet been completed, it is premature to form any definitive judgments about its outcome. It is already clear, however, that the QER has had significant value in providing a mechanism for promoting collaboration with key stakeholders and producing technical studies that provide an analytical foundation for proposals to make new investments in energy infrastructure.

As noted above, the Obama administration has designed the first QER so it involves multiple installments, each of them focused on a particular component of energy policy. One of these installments—a review of America's infrastructure for energy transmission, storage, and distribution—has been completed so far. This installment is important because, as the Congressional Research Service has noted, recent increases in U.S. energy supplies have "raised questions about the adequacy of U.S. energy infrastructure to move the new sources of energy, especially oil and natural gas, to market."[57] The QER report resulting from this installment highlights the major changes taking place in the country's energy landscape and argues that large new investments—including more than $15 billion in new government spending or tax credits—are needed to enable the United States to keep pace with and take advantage of these changes.[58]

55. U.S. Department of Energy, *Quadrennial Energy Review First Installment: Transforming US Energy Infrastructures in a Time of Rapid Change* (2015)
56. *Ibid*.
57. Michael Ratner, "The Quadrennial Energy Review," *CRS Insights* (March 20, 2015).
58. U.S. Department of Energy, *Quadrennial Energy Review First Installment.*

With its focus on analysis and recommendations related to new investments in energy infrastructure, the QER has been more important as a tool for long-range forecasting than as a tool for organizational management. The first installment of the QER included numerous studies by DOE, the national laboratories, FFRDCs, and private contractors that assessed ongoing and potential future changes concerning important elements of energy infrastructure, as well as the potential future effects of shocks or disruptions on this infrastructure.[59] One energy policy expert commented in an interview, "These studies were important because there hadn't been comprehensive analysis of the energy space." Former Deputy Secretary of Energy T.J. Glauthier added in an interview that sophisticated modeling and scenario analysis are particularly valuable on energy issues because it tends to be very difficult to predict long-range energy trends. Such modeling and scenario analysis is all the more important concerning energy policy because the energy sector is very capital intensive.[60]

Yet the technical studies were also important in providing the administration with more credibility to make the case that certain investments were needed. One QER participant noted in an interview, "If the analysis had been more superficial, it would've been harder to push on this." Nevertheless, there are few signs that the QER has increased the prospects that the next Congress will appropriate the funds required for these investments at a time when there is still a partisan divide on increases in federal spending.

The QER has also provided a mechanism to facilitate interagency, intergovernmental, and public-private dialogue and collaboration on energy issues. This has been important because energy policy involves numerous governmental actors and relies very heavily on private sector activity. Given this context, the White House's direct involvement in the QER has made the review more effective. As one administration official involved in it commented, "The imprimatur of the White House and the ability to convene high-level engagement from the other agencies is essential to success in this process."

The review's extensive consultative processes and commissioned studies have also helped to get the government and the private sector on the same page. Although industries that are heavily involved in energy production, transmission, storage, and distribution already tended to support the administration's goal of promoting more investment in energy infrastructure, the QER has provided governmental and private sector actors with shared reference points for both planning and political advocacy.

The QER has benefited from Secretary of Energy Ernest Moniz's strong investment in the review. In one indication of this investment, Moniz attended many of the meetings with private sector and state and local government stakeholders that took place throughout the country as part of the QER.[61] This personal investment reflects Moniz's long-standing personal view that it was important for the government to conduct a QER. Indeed, Moniz was a key figure on the presidential advisory body that proposed in 2010 that the president create a QER. When Moniz became energy secretary in 2013, he proposed the idea again to White House officials.[62] In this respect, the QER has been similar to the first QDDR, which was created by Secretary of State Clinton and featured a high degree of commitment from Clinton.

The QER also has had some important limitations. Most notably, its design to date makes it difficult to use the review as a comprehensive basis for operational management. There were

59. See the QER Document Library, available at http://energy.gov/epsa/qer-document-library.
60. Testimony of Ernest J. Moniz before the U.S. Senate Committee on Energy and Natural Resources (November 15, 2011).
61. See, for instance, U.S. Department of Energy press release, "Secretary Moniz Announces Travel to Chicago, North Dakota, New Mexico for Quadrennial Energy Review" (August 5, 2014).
62. Interviews of current and former DOE officials.

sound reasons to divide up the first QER into installments focused on particular components of energy policy. As one energy expert commented, "This was a good approach because the topics are so vast that you needed an intensive process to establish benchmarks in each area." But the more than two years spent on energy transition, energy storage, energy distribution, and the nation's electricity system have meant that the review has not yet tackled other important parts of energy policy. Moreover, by examining so far only certain elements of energy policy, senior leaders cannot readily translate the review into a comprehensive strategic plan for DOE.

In addition, the very intensive nature of the first two installments—each of which has involved numerous studies and public meetings, among other activities—has contributed to these phases of the QER taking longer than expected. With a new president taking office at the beginning of next year, it remains unclear whether the new administration will integrate the installments and other dimensions of the energy enterprise into a more comprehensive review and report.

Assessment

The QER has provided a mechanism for intensive studies of trends associated with the U.S. energy landscape. These studies have provided a scientific basis for administration proposals to invest more heavily in energy infrastructure. The review has also facilitated coordination and collaboration among energy stakeholders across the U.S. government, in the private sector, and at other levels of government. The QER's interagency design represents a particularly useful model for policy domains in which numerous government departments are involved. On the other hand, the review's division into installments focused on discrete energy issues has made it difficult for the review to cover the full range of energy policy in a four-year cycle. It also has limited the review's value as a tool for developing overarching strategic guidance for DOE.

Recommendations

This section outlines recommendations, based on the preceding research, to departments that conduct quadrennial reviews, departments that do not conduct quadrennial reviews, and the government as a whole.

Recommendations to Departments That Conduct Quadrennial Reviews

Recommendation One: Top departmental leadership should provide strong direction to reviews
One of the key benefits of a structured review process is that it can facilitate the participation of various stakeholders within and outside a department in the development of strategic guidance. This inclusiveness is beneficial both because these stakeholders may contribute valuable ideas and because their involvement will tend to make them more invested in the enterprise's implementation and success.

But inclusiveness needs to be accompanied by strong direction from senior leaders to ensure that highly participatory processes do not result in reports that present a laundry list of ideas or largely restate the status quo. Strong direction tends to be particularly important for a review to result in major innovations, the setting of priorities, or the reallocation of resources, because consensus-based decision making alone is not well-suited to such outcomes.

Accordingly, departmental leaders should issue clear terms of reference at the outset of a quadrennial planning process and lead key strategic discussions during the process. Terms of reference are valuable both in sending a signal of senior leader commitment to the process and in ensuring that the process remains focused on fundamental strategic issues, rather than becoming sidetracked by debates about many issues of secondary importance. By calling for a review to focus on only a relatively small number of critical strategic questions, terms of reference can also make the amount of personnel hours spent on a review more manageable, thereby preserving more time and energy for other strategic planning activities. By the same token, the direct involvement of senior leaders in key meetings during a strategic review process can facilitate the making of difficult decisions on issues marked by serious disagreement, particularly decisions involving strategic shifts, prioritization, or resource allocation.

Recommendation Two: Managers of quadrennial reviews should use stakeholder consultations to inform review products
While the managers of quadrennial reviews typically consult with external stakeholders during the review process, these consultations sometimes have the feeling of going-through-the-motions activities that are performed to give the review legitimacy, rather than to inform its products. This is shortsighted because stakeholders, such as private firms and state and local government agencies, often have knowledge and perspectives that can help to improve the products of

quadrennial reviews. Meaningful dialogue with stakeholders can both strengthen the guidance that results from reviews and make stakeholders more invested in that guidance. Conversely, if stakeholders feel that the products of a review process have been developed by an agency strategy or planning office without their perspectives being taken seriously, they will be less likely to adjust their own behavior in accordance with any guidance resulting from the review.

Managers of quadrennial reviews should engage in extensive and meaningful dialogue with stakeholders throughout a quadrennial review process, rather than just sharing with stakeholders the products of their own decision making. Managers of quadrennial reviews should treat these consultative mechanisms as valuable opportunities to generate new insights about issues that bear on the agency's ability to carry out its missions effectively, and they should incorporate such insights into the preparation of review reports.

Recommendation Three: Top departmental leadership and managers of quadrennial reviews should clearly connect reviews to operational planning

The quadrennial reviews analyzed in this report have generally served more as mechanisms for evaluating long-term trends, considering future scenarios, understanding capabilities, and developing broad vision statements than as mechanisms for generating actionable plans. That would be fine if agency officials subsequently devoted sufficient attention to the translation of quadrennial review ideas into strategic plans and more specific programmatic guidance. But strategic planning fatigue often sets in after the completion of a quadrennial review and the effort to operationalize the review's ideas is often rushed and far less robust than the review process.

Top departmental leadership and managers of quadrennial reviews should create a calendar for the reviews that allocates substantial time to both strategic assessment and operational planning. For instance, they could allocate nine months to strategic assessment and nine months to translation of the assessment results into an agency strategic plan and more specific programmatic and operational guidance for particular agency components.

Recommendation Four: Top departmental leadership and managers of quadrennial reviews should create robust mechanisms for implementing review recommendations

Even the best quadrennial review can have disappointing results in the absence of a vigorous and sustained implementation of review recommendations. The first step in implementation is using a quadrennial planning process to generate concrete plans that call for specific actions by agency components. But beyond the production of actionable plans, top agency leadership and managers of quadrennial reviews must make it a priority to ensure that agency components put those plans into effect.

Top departmental leadership should establish a high-level position or office charged with driving and monitoring this implementation effort, and they should make it clear to agency personnel that this position or office has their strong support. The State Department's Quadrennial Diplomacy and Development Review Office represents a useful model in this respect. QDDR implementation has been more sustained than implementation of some other quadrennial reviews because this office has spent the intervening years between QDDRs tracking implementation progress and working with other State officials to institutionalize QDDR ideas.

Top departmental leadership and managers of quadrennial reviews should also promote implementation by linking quadrennial planning more closely to their agencies' annual program and budgeting processes. DHS's successful overhaul of its accounting system to align budget categories with the missions, goals, and objectives outlined in the QHSR provides a useful model in this respect.

Three Lessons Learned for Departments That Do Not Conduct Quadrennial Reviews

Top departmental leadership and strategic planners should ensure attention to strategic assessment

Some departments that do not conduct quadrennial reviews perform extensive operational planning, but they do not invest a great deal of time or resources in assessments of the agency's strategic environment or long-range challenges. It is not necessary to conduct an exercise called a quadrennial review to perform this type of assessment, but departmental leaders and strategic planners can learn from the ways in which DOD, DHS, and DOE have performed extensive analyses of environmental trends and risks as part of their quadrennial reviews.

Top leadership and strategic planners in departments that do not conduct quadrennial reviews should begin the process of developing a strategic plan by carrying out or commissioning studies designed to assess trends and risks—including long-range trends and risks—associated with the agency's ability to execute its missions successfully.

Top departmental leadership and strategic planners should develop and integrate analytical capacity

The Defense Department has had a distinct advantage with regard to quadrennial planning in that DOD has long had strong capacity to conduct sophisticated forms of technical analysis, such as studies involving scenarios, modeling, and quantitative analytics. Many other departments have relatively little such capacity or are in the process of developing it. Investments in the development of such capacity are critical to enable agencies to plan more intelligently. Yet integrating analytical capacity can be just as important as investing in it. As noted above, DHS improved its ability to incorporate risk analysis into the Quadrennial Homeland Security Review by merging its risk analysis and strategic planning offices.

Departments that do not conduct quadrennial reviews can develop and integrate analytical capacity too. The Department of Veterans Affairs (VA) provides a useful model in this respect. The VA has established a robust quadrennial strategic planning process that includes a systematic effort to conduct long-term forecasting.[63] In developing its FY 2014–20 strategic plan, VA leaders created a Strategic Studies Group that considers different scenarios for the agency's strategic environment 10 to 20 years into the future. Initially, the VA used consultants to perform this analysis, but it subsequently hired the consultants to teach VA officials how to do it and created a strategic foresight course for VA personnel.[64] VA leaders also integrated the department's analytical capacity by placing the Strategic Studies Group and offices responsible for policy analysis, enterprise risk management, and data governance and analysis under the same assistant secretary for policy and planning.

Departments can also strengthen their analytical capacity by tapping into interagency networks, such as the Federal Foresight Community of Interest. More than 200 officials responsible for strategic planning in different agencies meet quarterly through this network to share ideas and discuss practices designed to strengthen long-range thinking. Agencies would benefit, too, from creating an office within their policy or strategic planning unit that is tasked specifically with interagency consultation and collaboration. Here again, the VA offers a useful model, as its assistant secretary for policy and planning oversees the Office of Interagency Collaboration and Integration in addition to the other offices noted above.

Top departmental leadership and strategic planners should consult extensively with stakeholders

One of the key values of a quadrennial review is that it can provide a mechanism for extensive stakeholder consultation. In the absence of the structure provided by a quadrennial review, it is still important for the development of a strategic plan to be informed by the perspectives of stakeholders within and outside government whose responsibilities give them distinct insights concerning the department's ability to execute its missions.

Top departmental leadership and strategic planners should incorporate into the development of strategic plans systematic efforts to engage in dialogue with program or operational personnel throughout the agency, officials in other agencies whose work is connected to the agency's missions, and officials in private firms and state and local government agencies on whom the agency relies.

63. For a summary of the VA quadrennial strategic planning process, see http://www.ea.oit.va.gov/EAOIT/VA_EA/EAStrategy.asp.
64. Interview of James-Christian Blockwood, Managing Director for Strategic Planning and External Liaison, GAO.

Yet the bigger test is whether subsequent programming and budgeting decisions are based on the principles generated from a strategic review. In this respect, the impact of the QHSR and other quadrennial reviews has been uneven, though not negligible. Of the quadrennial reviews analyzed in this report, the QDR has generally been used most consistently to shape program and budgetary decisions. This difference between the QDR and some other quadrennial reviews partly reflects the intensive involvement of program and budget officials in the QDR and partly reflects DOD's strong overall culture of strategic management.

To maximize the impact of quadrennial planning, departmental leaders should give senior budget and program officials central roles in implementation efforts and charge these officials with ensuring that budget and program decisions reflect the ideas generated by the review process.

Recommendations to the White House and Congress

Recommendation Five: The White House and Congress should harmonize quadrennial review and strategic plan requirements

The requirements for existing quadrennial reviews are not directly linked to the GPRA Modernization Act requirements for agency strategic plans. As a result, agencies conducting quadrennial reviews treat these efforts as separate exercises. Moreover, as noted above, the development of agency strategic plans tends to get short shrift in these agencies because strategic planning fatigue sets in by the time the quadrennial review is completed and the strategic plans are treated as something of an afterthought.

In cases where quadrennial reviews are authorized by law, the administration should ask Congress to revise the legislative requirements for the reviews so those requirements include the development of the agency strategic plans mandated by the GPRA Modernization Act.

In cases where quadrennial reviews are not authorized by law, the Office of Management and Budget should issue guidance stating that the review processes should include the development of the agency strategic plans mandated by the GPRA Modernization Act.

Recommendation Six: The White House and Congress should mandate more planning on crosscutting issues

The Obama administration introduced an important innovation when creating the Quadrennial Energy Review by transforming the agency-centered quadrennial review model into an interagency exercise. Although DOE performs most of the QER's staff work, the review is directed by a White House-led interagency task force, in recognition of the involvement of many agencies in energy issues.

While there also exist other examples of interagency quadrennial planning—for instance, the White House's quadrennial production of a national security strategy—these efforts are generally not closely linked to the development of strategic plans. More generally, government strategic planning remains too stovepiped for an era of crosscutting policy challenges. Consider the policy area of cybersecurity. While there have been many efforts in the U.S. government to develop cybersecurity strategies—including major interagency efforts—the complexity of cyber challenges calls for a more systematic and regularized interagency

mechanism for forecasting trends, evaluating strategic options, and developing plans for dealing with cybersecurity challenges.[65]

The White House and Congress should supplement agency quadrennial planning with the establishment of more robust interagency planning processes in specific issue areas that span numerous agencies. These processes could be mandated by law or established by the White House. Either way, the processes should be linked directly to the development of strategic plans by the various agencies involved in that issue area.

Recommendation Seven: The White House and Congress should support the development of more long-range analysis capacity across the government

Many government agencies have made considerable strides in developing the capacity to conduct risk analyses and collect and analyze data. But the capacities of agencies to perform long-range and other sophisticated forms of analysis vary widely, and these capacities remain insufficient across much of the government.

To address this problem, the White House and Congress should propose and fund new offices and positions throughout the government dedicated to conducting long-range analysis. The White House should also cultivate greater use and integration of long-term analysis by creating a position or unit based in the White House with responsibility for promoting the development and coordination of government-wide foresight activities.[66]

65. Recent U.S. cybersecurity strategy initiatives include the White House's "Cybersecurity National Action Plan" (https://www.whitehouse.gov/the-press-office/2016/02/09/fact-sheet-cybersecurity-national-action-plan), the White House's "Cybersecurity Strategy and Implementation Plan (CSIP) for the Federal Civilian Government" (https://www.whitehouse.gov/blog/2015/10/30/modernizing-federal-cybersecurity), and the Department of Defense's "Cyber Strategy" (http://www.defense.gov/News/Special-Reports/0415_Cyber-Strategy).
66. This idea is drawn from the National Academy of Public Administration Panel on Strategic Foresight's report, "Bringing Strategic Foresight to Bear in Policy Planning and Management" (2016). For additional insights and ideas concerning strategic foresight, see also the panel's blog at http://napat16.org/blog/category/3-strategic-foresight.html.

About the Author

Jordan Tama is an Assistant Professor of International Relations at American University's School of International Service, a Research Fellow at the Center for Congressional and Presidential Studies, and a Co-Director of the Bridging the Gap Project. A political scientist by training, his research examines the politics, processes, and institutions of U.S. foreign and national security policy making. He has published work on national security strategic planning, presidential-congressional relations, and independent commissions.

Dr. Tama's research on strategic planning has appeared in *Political Science Quarterly* and the *Journal of Public Policy.* He is also the author of *Terrorism and National Security Reform: How Commissions Can Drive Change During Crises*, and the co-author of *A Creative Tension: The Foreign Policy Roles of the President and Congress*. He has published other work in *Political Research Quarterly, Presidential Studies Quarterly*, *Congress and the Presidency*, *Armed Forces and Society*, *Foreign Affairs*, *Foreign Policy*, *The Atlantic*, *The New York Times*, and *The Washington Post*.

Dr. Tama is currently working on a book manuscript—tentatively titled *Bipartisanship in a Polarized Age: When Democrats and Republicans Cooperate on U.S. Foreign Policy*—as well as papers on the conduct of government strategic reviews, the politics associated with international sanctions, and the views of foreign policy elites. He is also co-editing the sixth edition of *Rivals for Power: Presidential-Congressional Relations*.

Dr. Tama has been awarded fellowships by the Woodrow Wilson International Center for Scholars, American Political Science Association, Lynde and Harry Bradley Foundation, and Carnegie Endowment for International Peace. Outside academia, he has served as a senior congressional foreign policy aide, a foreign policy speechwriter, and a national security adviser to Barack Obama's 2008 presidential campaign.

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