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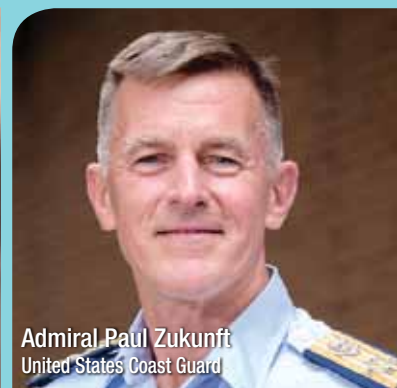
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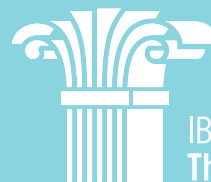
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The Business of Government

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Helping the New Administration Get Off to a Fast Start

We are in the midst of an unprecedented period in American history. For the first time since the founding of our nation, we are now about to experience the third consecutive transition to a new president after an eight-year term in office.

The transitions from President Bill Clinton to President George W. Bush, then from President Bush to President Barack Obama, both took place after elections in which it was certain that the leader of our government would change. Each of those transitions had the characteristics of a start-up, starting small and scaling quickly. The leaders of these transitions relied on experience of those who had been through similar experiences to help guide their choices.

Since the 2008 transition (on which I worked as a group leader for government technology, innovation, and reform), two important statutes have passed that provide resources for transition teams to begin the hard and complex work of helping a new administration to hit the ground running on January 20, 2017. These laws provide space, resources, and other support to teams from each major party following their respective conventions in July. The additional time and resources facilitates a higher degree planning, especially when compared to the prior official period from November to January. In addition, President Obama issued an executive order that highlights the importance of career officials in the transition and sets up a formal transition structure that will promote planning and readiness while allowing for better communication between career leaders in agencies to the two teams prior to the election.

The IBM Center for The Business of Government is joining a number of other major organizations and associations focused on government improvement in providing content, lessons learned, and recommendations based on transitions past. The forum in this issue of *The Business of Government* magazine discusses our work on a Management Roadmap that a new administration can adapt to plan for and execute its policy and goals effectively and efficiently. We are developing this Roadmap in collaboration with the Partnership for Public Service and its new Center for Presidential Transition's *Ready to Govern* initiative. The IBM Center is also revising *Getting It Done*, our widely read book that has served as a resource for training incoming political appointees about how to succeed in their new roles as leaders of departments, agencies, and bureaus across the government.

Our work on the Roadmap complements transition activities being led by numerous other partners, including:

- The National Academy of Public Administration's *Transition 2016*, in partnership with the American Society for Public Administration
- The Brookings Institution's *Transition 2016 Project*
- *The White House Transition Project*
- The Miller Center at the University of Virginia's *First Year 2017* initiative
- The Professional Services Council's *Tech 45 Working Group* initiative
- The American Council for Technology and Industry Advisory Council's *2016 Presidential Transition Project*
- The Center for the Study of the Presidency & Congress's *Project Solarium 2017*
- The Performance Institute-led coalition's *Transitions in Governance 2016*

As with the Management Roadmap, each of these initiatives is led by or draws from expertise across the political spectrum, to bring great insights and lessons learned that a new president can leverage to help get off to a fast start on behalf of the American people. The IBM Center for The Business of Government is pleased to join with this community of leaders in helping match the unique circumstances of a third consecutive eight-year term by making the 2016-17 presidential transition the most successful in our history. ■

By Michael J. Keegan



Michael J. Keegan is Editor, *The Business of Government* magazine and Host/Producer of *The Business of Government Hour*. His e-mail: michael.j.keegan@us.ibm.com.

Whether reforming the military health system, building the 21st century United States Coast Guard, leveraging science and technology to secure the homeland, or preparing for the next administration, the keys to success are strong leadership, good management, the right talent, solid decision-making, and a willingness to take risks (even if it means possibly failing).

This edition of the *Business of Government* magazine highlights strong leaders with the right talent who are charged with executing the business of government. These leaders are responsible for a vast array of government missions that comprise a significant chunk of the federal government budget.

It is my charge to tell their stories, outline their collective challenges, illustrate their respective successes, share the lessons they have learned – and ultimately, to impart how best we can help these leaders be effective. It is about fulfilling the IBM Center's own mission: connecting research to practice. We do this with every edition, offering timely, relevant, and thoughtful perspectives from leading practitioners and public managers. A common thread binds together most of the features in this edition – that is, strong leaders and good management can set an administration up for success in achieving policy and political priorities while reducing risks.

Forum on Developing a Management Roadmap for the Next Administration

Last year, the IBM Center for the Business of Government and the Partnership for Public Service launched a Management Roadmap initiative as part of the Partnership's Ready to Govern efforts. The Center and the Partnership sought to develop a set of management recommendations for the next administration – recommendations generated with an eye toward enhancing the capacity of government to deliver key outcomes for citizens. To develop these, the Center and the Partnership hosted a series of roundtable conversations that brought together senior public sector leaders and experts, top academics, and key stakeholders. The sessions explored current and past administration management initiatives that should be continued, new opportunities, and how to deliver real change in government through a comprehensive set of operational levers available to leaders. The recommendations gathered over the course of these meetings address approaches for enhancing a strong management system that better supports the incoming administration and more effectively delivers to the American people.

This forum highlights the reports, insights, and recommendations derived from the IBM Center and Partnership efforts and roundtables that have as their goal the development of a management roadmap for the next administration. Key topics include:

- Managing the Government's Executive Talent
- Building an Enterprise Government
- Enhancing the Government's Decision-Making



- Encouraging and Sustaining Innovation in Government
- Getting Off to a Strong and Fast Start
- Early and Effective Transition Planning

Conversations with Leaders

The four government executives featured in this issue exemplify a commitment to visionary thinking. Though they come from a host of disciplines and federal agencies, they share a single constant—they are all focusing on finding the methods, systems, and processes that work best.



- **Dr. Reginald Brothers**, Under Secretary for Science and Technology, U.S. Department of Homeland Security, leads DHS' Science & Technology Directorate. From border security to biological defense to cybersecurity to explosives detection, S&T is at the forefront of integrating R&D to meet homeland security mission needs. Dr. Brothers discusses his strategic priorities, the national conversation on homeland security technology, and the importance of making connections and harnessing innovation.
- **Anne Rung**, Administrator, Office of Federal Procurement Policy, Office of Management and Budget (OMB), shapes the policies and practices federal agencies use to acquire the goods and services they need to carry out their missions. Rung outlines the complexity of federal contracting, the benefits of category management, driving innovation in acquisition, and efforts to strengthen government industry relationships.
- **Admiral Paul Zukunft**, Commandant, U.S. Coast Guard, leads a service with unique and enduring value to the country. It serves on the front line for a nation whose economic prosperity and national security are inextricably linked to vast maritime interests. Admiral Zukunft detailed his strategic direction, key priorities, and how the USCG is modernizing to meet today's demands.
- **Jonathan Woodson, M.D.**, former Assistant Secretary of Defense for Health Affairs, U.S. Department of Defense, served as the principal advisor of health affairs to multiple secretaries of defense. As assistant secretary of defense for health affairs, he led DoD's military health system, overseeing the DoD's \$50 billion health budget and shepherding this mission-critical care system through major reform efforts. Just before leaving his post, Dr. Woodson reflected on his tenure: his efforts to reform the military health system, transform military medicine, and strengthen military medicine's global health engagement.

Insights

All year long, I speak regularly with leaders who are pushing limits, transforming the way the government works, and making a difference. The five government executives profiled offer their insights into how they strive to change the ways government does business. They joined me on *The Business of Government Hour* to discuss critical issues facing their agencies. They include:



- **Alfred Almanza**, Deputy Under Secretary for Food Safety, U.S. Department of Agriculture, advances the protection of America's food supply and offers insights into his agency's efforts transform the system, ensuring the nation's food is safe.
- **Paul Bartley**, Deputy Assistant Secretary for Program Support, U.S. Department of Health and Human Services, outlines his efforts to provide value-added services that support federal agencies' business operations so agencies can focus on their core missions. Bartley offers his insights on adopting alternative models and approaches to providing services.
- **Dr. David Bray**, Chief Information Officer, Federal Communications Commission, considers himself both a digital diplomat and a human flak jacket. Dr. Bray shares his insights on architecting FCC's IT transformation and migration to the cloud while cultivating a network of change agents within his agency.
- **LaVerne Council**, Assistant Secretary for Information Technology and Chief Information Officer, U.S. Department of Veterans Affairs, outlines her efforts to change the way VA does IT and conveys insights into how best to use technology to serve veterans more effectively.
- **Christina Ho**, Deputy Assistant Secretary, Accounting Policy and Financial Transparency, U.S. Department of the Treasury, gives her insights into how the DATA Act is being implemented, the challenges faced, and continuing efforts going forward.

Perspective on Strategic Intelligence

Today's government executives face serious and sometimes seemingly intractable issues that can cut to the core of effective governance and leadership. This calls for leaders to cultivate and possess conceptual tools that foster the practice of foresight, visioning, partnering, and motivating—what Dr. Michael Maccoby refers to as *strategic intelligence*.

What is strategic intelligence? What does it mean to be a strategic, operational, or network leader? What is the relationship between personality and leadership? Dr. Maccoby shares his perspective on these questions and to discuss his recent book *Strategic Intelligence: Conceptual Tools for Leading Change*.

Viewpoints

Finally, Dan Chenok explores new pathways to delivering on mission priorities and achieving key government outcomes. John Kamensky chronicles the creation of a cadre of enterprise-wide leaders within the federal government. And John Lainhart outlines how to enhance IT security intelligence.

I close this edition with overviews of recent IBM Center reports. If you have not read these reports, we encourage you to do so by visiting businessofgovernment.org.

I hope you enjoy this edition of *The Business of Government* magazine. Please let me know what you think by contacting me at michael.j.keegan@us.ibm.com. ■



Harnessing Science and Technology in Homeland Security: A Conversation with Dr. Reginald Brothers, Under Secretary for Science and Technology, U.S. Department of Homeland Security

By Michael J. Keegan

The pace of technological advancement is accelerating while the pace of the adoption of technology is increasing. This breakneck pace brings risks and opportunities. As we advance through the age of the “internet-of-things” and autonomous cyber-physical systems, the nation becomes more vulnerable to adversaries. Given the current and projected threat environments, technology and R&D are the bridge to the future of homeland security. Science and technology are essential to fulfilling the Department of Homeland Security’s (DHS) missions effectively, efficiently, and safely and addressing emerging challenges and opportunities. From border security to biological defense to cybersecurity to explosives detection, DHS’ Science and Technology Directorate (S&T) is at the forefront of integrating R&D across public and private sectors and the international community to meet homeland security mission needs.

Dr. Reginald Brothers, Under Secretary for Science and Technology, U.S. Department of Homeland Security, joined me on *The Business of Government Hour* to discuss topics including strategic priorities for DHS’ Science and Technology Directorate, the purpose of the national conversation on homeland security technology, and the importance of making connections and harnessing innovation. The following is an edited excerpt of our discussion, complemented with additional research.

On the Mission of the Science and Technology Directorate

Our mission is to use the tools of technology and those of science to help make our country, people, communities, and homeland secure.

As DHS’s primary research and development (R&D) arm, S&T manages science and technology research, from development through transition, for the department’s operational components and the nation’s first responders. S&T’s engineers, scientists, and researchers work closely with industry and academic partners to ensure R&D investments address the



high-priority needs of today and the growing demands of the future. Our mission pivots to reflect and be in sync with the way we do research in this country, and the way we innovate in this country has fundamentally changed over time.

From border security and biological defense to cybersecurity and explosives detection, S&T is at the forefront of integrating R&D across the public and private sectors and the international community. By working directly with responders and component partners across the nation, S&T strives to provide advanced capabilities and analytics to better prevent, respond to, and recover from all hazards and homeland security threats. We have an annual research and development budget of about \$450 million with a staff of about a thousand people. While many of our staff are located here in the D.C. area, we have laboratories and universities across the country.

On Managing the Science and Technology Directorate

I am the science advisor to the secretary and deputy secretary of Homeland Security. I am responsible for oversight and management of the department's research and development portfolio, which includes basic and applied research, development, demonstration, testing, and evaluation with the purpose of helping DHS's operational elements and the nation's first responders achieve their missions in the most effective, most efficient, and safest manner possible. We have 11 centers of excellence and 13 bilateral relationships with international partners. We oversee the Safety Act. We work in export controls. There is a tremendous variety of things that we do and we start thinking about the range, the diversity, the scope of the missions defined for the department.

On Challenges

It's challenging working with the different time constants and response times that are very threat dependent. For example, certain research efforts, such as developing different types of phenomenologies for detecting explosives, involve a longer time commitment. Suddenly, a gyrocopter lands on White House ground and we have to respond to what I call "pop-ups." If you have an investment portfolio, you have resources, you have people that are working on these longer term research and development projects and suddenly something happens. How do we develop that flex capacity? This is one of my biggest challenges.

My other challenge is properly prioritizing S&T research. It is figuring out with the information we have the relative impact of different types of threats and the probability of these threats occurring. How do you determine what we should invest in? Given the ever evolving threat environment we face, it is a constant challenge ensuring you have the capacity to pivot your response to meet pop-up threats while also allocating limited resources on R&D that will have the most efficacious application.

There are these so-called "black swan" events. These are unexpected events with significant impact that one should probably have realized would actually happen in hindsight. With the advance of drone technology and the advent of the Internet of Things, we are trying to track, and in some way anticipate, what potential black swan events could arise from these phenomena. The pace of technological advancement and adoption is a constant challenge for us.

On Leadership

Before coming to DHS, I was at the U.S. Department of Defense as Deputy Assistant Secretary of Defense for



Source: S&T Strategic Plan 2015-2019

Research. I had oversight over DoD's research portfolio as well as its laboratory enterprise. Before DoD, I was in industry. I worked at BAE Systems. I came to industry from Defense Advanced Research Projects Agency (DARPA). I have also worked at Draper Laboratory and at some start-ups. I have seen all parts of the S&T ecosystem. A leader needs vision and must chart a course to achieve that vision. One of the first things I did when I came to DHS was to start talking about visionary goals. When Dr. George Heilmeier, one of the great technology leaders of our time, was director of DARPA the organization and its stakeholders were invigorated by his articulation of visionary goals, what he called his "silver bullets." They helped orient the organization and inspired stakeholders. I was inspired by this and I thought, why not apply it to DHS S&T.

Once you have set goals, a leader needs to empower the workforce. It's essential. How do we make sure that the excellent people that we have feel empowered to do their jobs? Senior leadership doesn't have all of the answers. How do we best empower our great people to do their jobs and be enthused and innovate in the best ways they can?

Leaders also need to break down barriers to communication. Once you've set your goal, once you've tried to give your people empowerment, it's important to allow them to communicate. In any large organization, you have silos, stovepipes, or whatever you want to call them. A leader's job is to breakdown those barriers. Lastly, a leader needs to get out of the way. Once staff know your vision, are empowered, are held accountable, and are given the resources to succeed, a leader needs to let them do their jobs and get out of way.



Source: S&T Strategic Plan 2015–2019

On Developing Visionary Goals to Guide S&T

I wanted to develop visionary goals and an actionable strategy that would lead to these visionary goals. In the past, S&T had a very operational focus in helping to bridge capability gaps identified by component partners and stakeholders. In mid-2014, that organizational outlook shifted to include a strategic viewpoint as well. While S&T continues to work with component partners, first responders, and other stakeholders on current issues, the organization began creating comprehensive, far-reaching visionary goals that look 20 or more years into the future. These visionary goals will serve as our strategic direction and will ultimately improve DHS’s capabilities and make our nation more secure.

Developing these goals was a collaborative process that included S&T, DHS components, industry and academic partners, and other stakeholders, including the American public. The response drove new goals that will guide S&T in developing innovative solutions, while increasing efficiencies, and empowering stakeholders to capitalize on technological advancements. They will also lay the foundation for a new strategic plan, which looks five to 10 years out and further describes S&T’s desired future.

Based on today’s threats and technologies, what should the homeland security environment look like in 20 to 30 years? What challenges will DHS components, responders, and other end users face? How should the homeland security community change in order to best respond to these challenges? What should S&T plan for now to ensure the nation is more resilient and secure in the future? These are the questions S&T wants to answer. These are the questions we posed to the larger stakeholder community to develop visionary goals that will address the homeland security challenges ahead. I’ll provide a brief description of these goals:

- **Screening at Speed: Security that Matches the Pace of Life.** Noninvasive screening at speed will provide for comprehensive threat protection while adapting security to the pace of life rather than life to security. Unobtrusive

screening of people, baggage, or cargo will enable the seamless detection of threats while respecting privacy, with minimal impact to the pace of travel and speed of commerce.

- **Trusted Cyber Future: Protecting Privacy, Commerce, and Community.** In a future of increasing cyber connections, underlying digital infrastructure will be self-detecting, self-protecting, and self-healing. Users will trust that information is protected, illegal use is deterred, and privacy is not compromised. Security will operate seamlessly in the background.
- **Enable the Decision Maker: Actionable Information at the Speed of Thought.** Predictive analytics, risk analysis, and modeling and simulation systems will enable critical and proactive decisions to be made based on the most relevant information, transforming data into actionable information. Even in the face of uncertain environments involving chemical, biological, radiological, or nuclear incidents, accurate, credible, and context-based information will empower the aware decision maker to take instant actions to improve critical outcomes.
- **Responder of the Future: Protected, Connected, and Fully Aware.** The responder of the future is threat-adaptive and cross-functional. Armed with comprehensive physical protection, interoperable tools, and networked threat detection and mitigation capabilities, responders of the future will be better able to serve their communities.
- **Resilient Communities: Disaster-Proofing Society.** Critical infrastructure of the future will be designed, built, and maintained to withstand naturally occurring and man-made disasters. Decision makers will know when a disaster is coming, anticipate the effects, and use already-in-place or rapidly deployed countermeasures to shield communities from negative consequences. Resilient communities struck by disasters will not only bounce back, but bounce forward.

"I am the science advisor to the secretary and deputy secretary of Homeland Security. I am responsible for oversight and management of the department's research and development portfolio, which includes basic and applied research, development, demonstration, testing, and evaluation with the purpose of helping DHS's operational elements and the nation's first responders achieve their missions in the most effective, most efficient, and safest manner possible."

— Dr. Reginald Brothers



As threats and security challenges evolve, S&T is poised to address them with programs that not only bridge current capability gaps, but also implement concepts and visionary goals that look 20 to 30 years ahead. S&T is forging paths that will help transport the nation to a more secure, resilient future.

On the S&T National Conversation on Homeland Security Technology

The National Conversation is our way to crowdsource innovative ideas about how to improve a variety of challenges we face in today's world of increasing security and public safety concerns—everything from equipment for first responders to cybersecurity to making airport security easier to navigate. The inaugural year of the National Conversation tackled S&T's five visionary goals in addition to other emerging topics. The emerging topics include: bio/agro security innovation; mass transit security: protecting our railways and subways; and transforming airport borders: ensuring secure and efficient airport border operations.

From suggestions to concerns to complaints, we read them all. We got a lot of useful input that will positively impact our outlook for years to come. For example, the *Enable the Decision Maker* dialogue yielded the following recommendations for S&T, calling for efforts related to:

- Testing and evaluating predictive analytics capabilities as part of S&T pilots and exercises
- Continuing to foster industry partnerships best positioned to design, test, and offer basic analytics capabilities
- Investing in R&D efforts focused on technology that can scan information sent to decision makers for potential privacy concerns

The *Screening at Speed* dialogue recommended that S&T continue its efforts in:

- Partnering with other federal agencies to conduct R&D on joint screening at speed technologies
- Developing a common framework for coordinating airport, border, and maritime owners and operators to integrate and upgrade screening systems
- Expanding research efforts on reconfigurable technology

I'm inspired by the passion that came through the feedback, and I appreciate it. Through this input, we were able to establish dialogues that matter to our communities and the people who serve them. The best part is that these conversations were only just the beginning. On a broader level, the National Conversation illustrated the need for S&T to change the way we conduct R&D. In order to do that, we first have to change the way we talk about the issues, and it's amazing what can be accomplished once you talk it out. The government can sometimes lose the message while navigating through the process. This can complicate how we communicate today's challenges, translate today's needs, and design tomorrow's solutions. In a nutshell, we need to talk more—and be more specific—about what S&T needs to know, and more importantly, why we need to know it. This year, armed with your input, we're doing just that.

On S&T Centers of Excellence (COEs)

The DHS S&T Centers of Excellence develop multidisciplinary, customer-driven homeland security science and technology solutions and help train the next generation of homeland security experts. The COE network is an extended consortium of hundreds of universities conducting groundbreaking research to address homeland security challenges. Sponsored by the Office of University Programs, which has done a wonderful job, the COEs work closely with the homeland security community to develop customer-driven, innovative tools and technologies to solve real-world challenges. COE partners include academic institutions; industry; national laboratories; DHS operational components; S&T



“A leader needs vision and must chart a course to achieve that vision. One of the first things I did when I came to DHS was to start talking about visionary goals. When Dr. George Heilmeyer, one of the great technology leaders of our time, was director of the Defense Advanced Research Projects Agency, the organization and its stakeholders were invigorated by his articulation of visionary goals, what he called his ‘silver bullets.’ They helped orient the organization and inspired stakeholders. I was inspired by this and I thought, why not apply it to DHS S&T.”

divisions; other federal agencies; state, local, tribal, and territorial homeland security agencies; and first responders. These partners work in concert to develop critical technologies and analyses to secure the nation.

I invite folks to check out the virtual showcase: [showcase.hsuniversityprograms.org/technologies/](http://hsuniversityprograms.org/technologies/). This site provides a virtual exhibition of tools, technologies, and knowledge products developed by the Department of Homeland Security Centers of Excellence.

On Making Connections and Harnessing Innovation

We in government need to operate at the pace of innovation and become a stronger partner in the digital age. The only way we can operate at the pace of innovation is to be part of it and to be part of the community that is innovating. That is why I was talking so much about outreach to all of the sectors, all of the parts of the S&T ecosystem.

For the second year in a row, S&T participated in SXSU (South by Southwest) Interactive. I had discussions with innovators and community leaders. A consistent theme at SXSU circled back to how local governments are investing in smart technologies to draw the best talent, reduce costs, keep commerce running, and serve as innovation hubs for their region. Awareness is rising of how S&T is reaching out to creative entrepreneurs who see opportunities and solutions when they hear about complex security problems. This kind of support from innovative thinkers, creators, and makers is important if we are going to meet the highly technical security challenges facing our future. The recognition of how technology is changing the way we think about communications, do business, and provide security is itself changing how governments operate and prepare for a future of increased connectivity and mobility. As new capabilities become more integrated into our lives and services become more mobile and connected, S&T is using the knowledge of science and tools of technology to enhance the resiliency of services and systems such as transportation, water, utilities, and public safety. Over the next few months, many of us from S&T will be back on the road meeting with entrepreneurs and governmental leaders to share ideas and discuss the individual roles we can each play in ensuring our communities are smart, safe, and secure. Are you ready to think differently about the role science and technology plays in your community? S&T wants to work with you!

We have two other important initiatives, the opening of the DHS Silicon Valley Office (SVO), which is out in full force, and the release of the first call focused on securing the Internet of Things (IoT). The call was issued under the SVO's Innovation Other Transaction Solicitation (OTS). The goal of the Innovation OTS is to engage start-ups, incubators, and those who historically have been atypical partners for government to consider the department as a viable customer and transition partner. With this solicitation, we're not reinventing the wheel but are using existing procurement authorities to mirror the process and pace of Silicon Valley and other innovative investment communities. We are looking to connect with start-ups developing concepts for commercial applications and have the potential to tackle tough mission challenges. This first call seeks novel ideas and technologies to improve situational awareness and security for protecting IoT domains, including the 16 critical infrastructure sectors monitored by DHS.

Partnerships matter more than ever. We know the key to success is understanding the capability needs across the Homeland Security Enterprise and then working with industry to bring solutions to bear in the marketplace.

We have a broad range of security challenges. Threats today cross traditional fields, new threats emerge regularly, and it seems that with more and more of our activities becoming online, the need for cybersecurity grows daily. All of this calls for new thinking in how we do business and build new partnerships. That's why we constantly are on the lookout for new ways to reach out, communicate, and connect with innovators, startups, and industry. ■

To learn more about the DHS' Science and Technology Directorate, go to <https://www.dhs.gov/science-and-technology>.



To hear *The Business of Government Hour* interview with Dr. Reginald Brothers, go to the Center's website at www.businessofgovernment.org.



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Simplifying Federal Acquisition: A Conversation with Anne Rung, Administrator, Office of Federal Procurement Policy, Office of Management and Budget

By Michael J. Keegan

The federal government spends almost \$450 billion annually to buy basic goods and services. Today more than ever, the government must ensure that it spends money wisely and eliminates waste and abuse of taxpayer dollars.

With more than one out of every six dollars of federal government spending going to contractors, it is imperative that the federal government leverages its buying power, drives more consistent practices across federal agencies, shares information, and reduces duplication while providing better results for the American taxpayers.

The Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget plays a central role in shaping the policies and practices federal agencies use to acquire the goods and services they need to carry out their responsibilities. Anne Rung, Administrator, Office of Federal Procurement Policy, OMB, joined me on *The Business of Government Hour* to discuss federal acquisition: why it is so complex, category management and its promise, driving innovation in acquisition, and efforts to strengthen government-industry relationships. The following is an edited excerpt of our discussion, complemented with additional research.

On the Mission of the Office of Federal Procurement Policy

OFPP was created by Congress in 1974 to provide overall direction for government-wide procurement policies, regulations, and procedures and to promote economy, efficiency, and effectiveness in acquisition processes. OFPP is headed by an administrator who is appointed by the president and confirmed by the Senate. Just for fun, I decided to read the floor debate in the run up to its creation. Former Senator Lawton Childs talked about the need to curb duplicative agency spending practices that have kept the taxpayer from getting his dollars' worth. I think that mission is still relevant today; it ties back to actions that we're taking now in the office.



The overall goal of the office is to increase the economy, efficiency, and effectiveness of federal acquisitions. The statute outlines some specific areas where the administrator plays a leading role such as helping to promote and advance small business participation. The administrator oversees the federal procurement data. The administrator chairs several government-wide councils, including the Chief Acquisition Officer's Council and the Category Management Leadership Council, which is something I created that is not in statute but an important council that I run. The administrator chairs something called the Federal Acquisition Regulatory Council. Each time the president issues an executive order or a law is passed, there is normally a regulation that follows, so the council works toward implementing that consistently across government.

On Challenges

The serious challenge involves keeping up with the pace of technology. We need to work with both the private sector and government to identify the best ways to use technology to better serve the citizens. The next challenge for any administrator is simply being faced with the sheer size and scope of the federal acquisition space. We spend \$440 billion annually spread across 37,000 contracting offices around the globe—so just the sheer size and scope of it is pretty significant. My third challenge is dealing with the culture of federal acquisition. It is generally a rules based, very risk averse culture. It's very much a "check the box" mentality. Going back to my first challenge, taking advantage of the rapidly changing world of technology, a rules-based and risk averse culture makes it much harder to seize these opportunities, which can in turn be very challenging.

On Federal Acquisition and Its Complexity

The acquisition process starts with a federal agency identifying a need to buy something, a good or service, in order to deliver on its mission. This is the very earliest phase of an acquisition. It goes through various stages including identifying the need, defining the need, asking the market to provide you with that good or service, awarding the contract, and then managing that contract to the completion of the transaction. What I am speaking about doesn't include grants. It is just contracts for goods and services across the government.

I began this job by meeting with colleagues in the agencies, industry stakeholders, and others to get their thoughts on this marketplace. They all underscored the complexity of the federal acquisition space. The overwhelming feedback from industry and other stakeholders is that the complexity of the federal contracting space leads to higher costs, slower procurements, and less innovation. Stakeholders cited as problems, among other things, 100-page request for proposals with overly prescriptive, government-unique requirements; significant contract duplication across government; and very little sharing of pricing and other contract information between agencies and industry. Simplifying the federal contracting space is critical to driving greater innovation and creativity and improved performance.

With this firsthand information, we initiated a series of actions described in a memorandum to the agencies to simplify this acquisition process. It was built around three areas—category management, driving innovation, and building better vendor relationships—all with the goal of simplifying this space.



These efforts complement a number of important steps taken to strengthen federal acquisition practices to improve efficiency, reduce red tape, and provide greater benefit for taxpayer dollars. Executive departments and agencies have cut contracts that are no longer necessary or affordable, launched new efforts to pool the government's buying power through strategic sourcing, and implemented other smart buying strategies to deliver better value for the American people.

On Category Management

There is a critical need for a new paradigm for purchasing that moves from managing purchases and price individually across thousands of procurement units to managing entire categories of common spend and total cost through category management. Marie Kondo, organizational design consultant and *New York Times* best-selling author, talks about how to organize your house. She says rather than organizing by room, organize by category. For example, take clothes. Instead of organizing by your bedroom, go to every room of your house and start pulling out all the clothes. You have clothes in every room. You gather all the clothes and see what and how many pieces of clothing you have. It is at this time you ask whether you need it or not. For our purposes, category management is a similar process.

Since 2010, and with the support of the Strategic Sourcing Leadership Council (SSLC), agencies have reduced contract duplication by up to 40 percent in some areas, and they have saved over \$417 million when government-wide

strategic sourcing has been utilized. Despite this progress, a significant amount of contract duplication remains.

Category management, used extensively in industry and by other countries, can best be accomplished by managing commonly purchased goods and services—approximately half of the federal government’s overall spend—through common categories like information technology (IT) hardware and IT software. This approach includes strategic sourcing, but also a broader set of strategies to drive performance, like developing common standards in practices and contracts, driving greater transparency in acquisition performance, improving data analysis, and more frequently using private sector (as well as government) best practices.



OFPP and the General Services Administration (GSA) have mapped the more than \$275 billion of common spend into 10 super categories—such as IT, transportation, and professional services—and they are doing our deepest dive in IT. Each category is led by a senior government executive who is a true expert in the category and charged with developing a government-wide strategy to drive improved performance.

We have a very clear set of outcomes around category management. As part of a more significant effort, we want to first drive savings, so we’ve set a goal to achieve \$5.8 billion in savings in the IT space by the end of this calendar year. Now that will encompass other IT reform efforts we’re taking across government, including data center consolidation. We want to reduce contracts, so we’ve set a goal to

reduce duplication. In the area of PCs for example, we know we don’t need 10,000 contracts, so we issued a directive to agencies use the existing three contracts.

Another outcome that we’re driving toward is just bringing more spend under management. It’s not that complicated of an idea. We want to make sure that all these categories have a CEO leading the category, that we have good data analytics and good metrics, and that we’re really managing these by categories. By bringing common spend under management (SUM) through the collection and analysis of prices paid and other key performance information, agencies are better positioned to get the same competitive prices and performance quality that their colleagues in other agencies are getting.

Since its inception, we’ve already realized nearly \$2 billion, to date, in annual savings as a result of category management—adopting smarter, more strategic buy practices across government. Here are some related achievements to date: GSA’s Acquisition Gateway hit 6,500 users toward our goal of 10,000 member users by the end of this year; a team of dedicated senior government executives was identified to oversee our 10 categories, which represent more than \$270 billion a year in spending; and we continue to drive greater efficiencies in the \$10 billion spent each year on PCs, software, and mobile devices.

The future state of category management requires stronger specialization of our workforce—a contracting workforce, a team dedicated to category management, and a team dedicated to business engagement. It requires a strong supplier relationship management program within each category.

On Driving Innovation

It always comes back to the people. I am pleased to say that we have a very technically competent acquisition workforce. I’m focusing my energy on making our folks more innovative, so we can be better at buying IT and capitalizing on technology. As I noted earlier, we have an acquisition culture that’s very rules-based and compliance oriented. I want to help that workforce become more agile, flexible, and less risk averse.

Working with OMB’s Office of E-Government and Information Technology, the U.S. Digital Service, and the Office of Science and Technology Policy, we have taken bold steps in the last year to drive innovation in the workforce. There is a need to strengthen the core capacity of the acquisition workforce to use innovation strategies that deliver real results. The acquisition workforce is trained for the most

“I want to help the federal acquisition workforce become more agile, flexible, and less risk averse.”

— Anne Rung



part to be generalists, but IT procurement requires a deeper expertise. Therefore, we launched the Digital IT Acquisition Program (DITAP). It is essentially the acquisition equivalent of the U.S. Digital Service except that we recruited career contracting officers from the agencies. This was done intentionally because we want this to last and we want the program to be embedded within the agencies. That’s just one example of how we’re trying to help the workforce think differently and try new approaches to acquiring goods and services.

We’ve also developed tools to help the acquisition workforce. We issued the *TechFAR Handbook* to help agencies leverage existing regulatory flexibilities to acquire development services using strategies in the *Digital Services Playbook*. The *Playbook* is quite simply a series of digital plays that one could play in the acquisition workspace to better procure digital IT services. The *TechFAR* is taking those plays and explaining how you could use existing authorities in the federal acquisition regulations to do those plays so you have the authority.

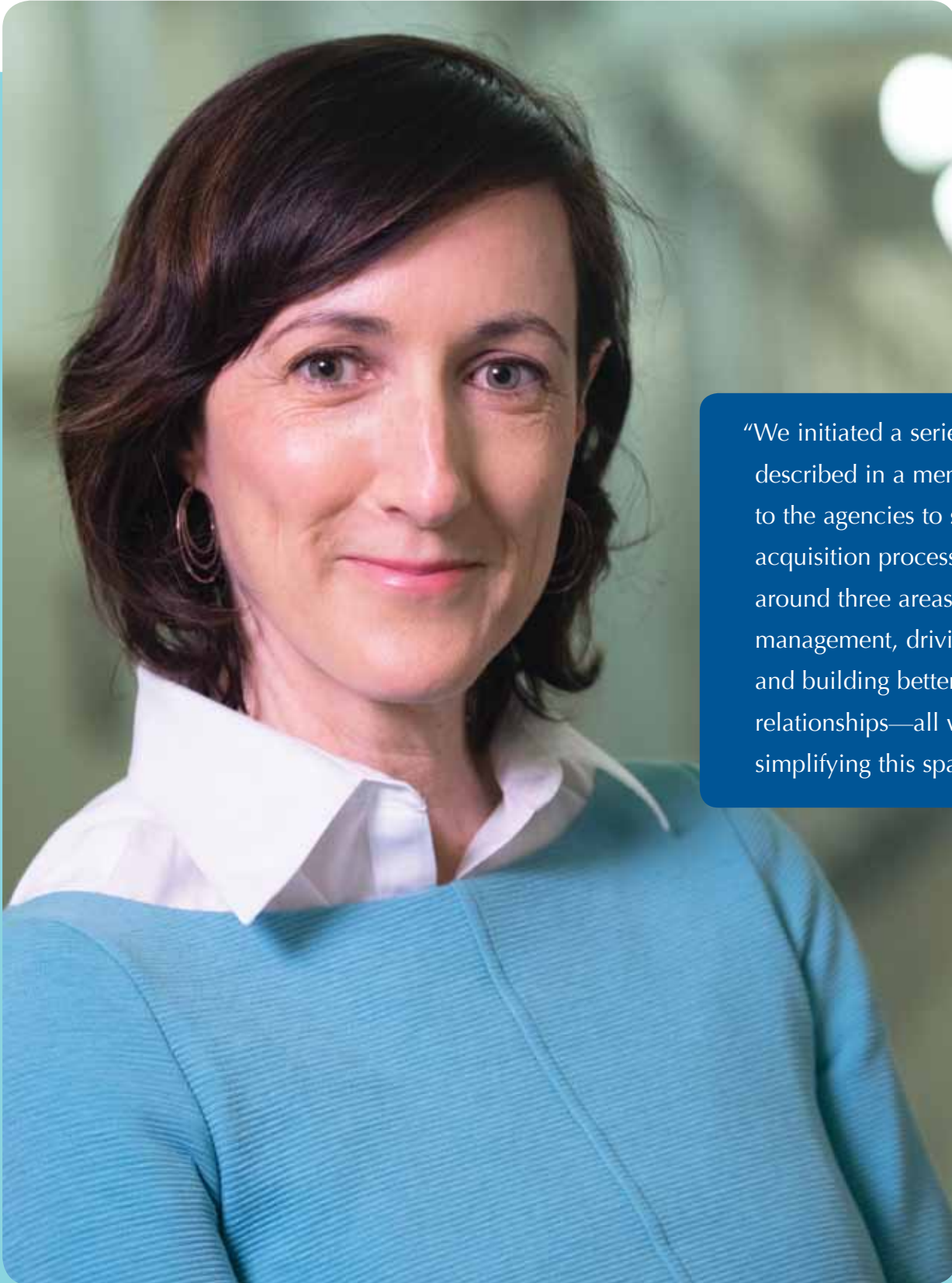
We also need to create a pathway for our innovators to experiment. We issued a policy calling for the 24 CFO Act agencies to create an acquisition innovation lab, or a similar mechanism, to encourage testing of innovative ideas and support the adoption of new ways of doing business. We don’t want to mandate innovation per se, because it seems a little bit counterintuitive. We didn’t want to be overly prescriptive to the agencies, so we set up principles. Agencies will appoint advocates, who will participate in a council where they will discuss their challenges, exchange best practices with government and industry experts, and be empowered to encourage testing of new ideas at their agencies. Agencies will be encouraged to participate in a pilot in which six to seven forward-thinking agencies will construct their labs with support from the U.S. Digital Service and GSA’s 18F. Funding was approved for 18F to provide coaching for integrated lab teams of program, technical, and legal experts. Experience from these priority acquisitions will be recorded in case studies. There are labs already underway, including the HHS Buyers Club and an innovation lab at DHS.

Standing up acquisition labs won’t, by itself, drive innovation; but the more signals our agency leaders give to the workforce that creativity matters, the more opportunities we offer them to become meaningfully engaged in process improvement. And the more we recognize and share their contributions, the better positioned we will be to produce even better results for taxpayers.

On Building Stronger Vendor Relationships

Early, frequent, and constructive engagement with industry leads to better outcomes. I think there’s a lot of fear in talking to industry, and the reality is you can have lots of communication, and you should. We’ve partnered with ACT-IAC on a series of events called “Lifting the Curtain” to shed light on how both industry and government view federal procurement. We’ve held a session on industry bid/no-bid decisions (which I attended), one on market research versus market intelligence, and one here at this conference on technical evaluation committees.





“We initiated a series of actions described in a memorandum to the agencies to simplify this acquisition process. It was built around three areas—category management, driving innovation, and building better vendor relationships—all with the goal of simplifying this space.”

In addition to lifting the curtain, we're also providing more formal channels for industry to provide us with more meaningful feedback on federal acquisition performance. Since last March, OFPP launched Acquisition 360, the government's first ever transaction-based survey tool that collects comprehensive data across government from vendor, program, and contracting offices on specific IT acquisitions. To date, OFPP has collected data from 1,100 contractors who competed for complex IT acquisitions, representing 5 percent of all agency IT acquisitions awarded this fiscal year. By the end of 2016, our goal is to gather data from all IT acquisitions over \$500,000, which represents 40 percent, or \$20 billion, of all IT acquisitions. Smarter use of IT is another key component to improving supplier relationships and federal acquisition; it can reduce the cost of doing business for contractors, make it easier for contractors to navigate the complex world of federal contracting, make it easier for agency managers to do their jobs and access the information they need, and improve transparency for taxpayers.

Based on this year's response rate, we anticipate 6,500 vendors will provide us with their insight. That insight will inform our policy making and actions moving forward. Our preliminary set of data highlights areas where the government needs to improve, including the quality of post-award debriefings. Companies want to know what they can do to improve.

On Leadership

Those of us in leadership positions constantly think about how we can be better leaders. I look to other leaders who exhibit specific characteristics that I would like to emulate. OMB Director Sean Donovan is an incredible leader. I look at how he handles tough situations with total grace. He's really focused on the people and making the organization better. Those to me are characteristics of a great leader.

As a leader you have to bring together diverse groups to drive change. A good leader possesses the power to convene and collaborate to drive change. It is also important to have clear metrics and outcomes, so people understand what it is they're working toward and the value of working toward those goals.

On the Future

How do we become nimble, fast enough, and flexible to keep pace with technology so we can better serve our citizens? The question that we must ask ourselves is: Have we simplified our own federal acquisition marketplace to keep pace with the incredible opportunities provided by technology? Because fixing technology means fixing, in large part, IT acquisitions. Are we fast enough and nimble enough to adjust? I would concede that the answer is that we are not yet there, but we're planting the seeds and seeing positive signs of growth. ■

To learn more about OMB's Office of Federal Procurement Policy (OFPP), go to www.whitehouse.gov/omb/procurement_default/.



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Building the 21st Century Coast Guard: A Conversation with Admiral Paul Zukunft, Commandant, United States Coast Guard

By Michael J. Keegan

The United States Coast Guard offers a unique and enduring value to the country. It serves on the front line for a nation whose economic prosperity and national security are inextricably linked to vast maritime interests. The 21st century Coast Guard operates in a complex and ever changing environment. Increasing demands across the maritime domain require near-term agility while strategically investing finite resources for tomorrow. As a unique force with both military and civil authorities, the Coast Guard and its missions touch nearly every facet of the nation's expansive maritime domain. The Coast Guard—its people and assets—are essential to national security and economic prosperity. For over 226 years, history has proven the U.S. Coast Guard responsive, capable, agile, and most of all faithful to its motto—Semper Paratus—Always Ready.

Admiral Paul Zukunft, the 25th Commandant of the U.S. Coast Guard, joined me on *The Business of Government Hour* to discuss the Coast Guard's strategic direction, its key priorities, and how it is modernizing to meet today's demands while preparing for tomorrow. The following is an edited excerpt of our discussion, complemented with additional research.

On the History and Mission of the U.S. Coast Guard

This year we'll celebrate our 226th year of service. Considered the father of the Coast Guard, Alexander Hamilton played an integral role in its formation and development. As the fledgling nation sought to combat smugglers wishing to avoid payment of import tariffs, Hamilton advised Congress to build a fleet of 10 cutters to help direct ships to specific ports of entry along the East Coast of the country. Hamilton's small fleet proved the basis for establishment of a revenue marine, later known as the Revenue Cutter Service. Congress adopted Hamilton's plan on August 4, 1790, which the Coast Guard celebrates as its birth date.

Fast forward 226 years, and we still have issues with customs, port security, and smuggling. The Coast Guard has grown and



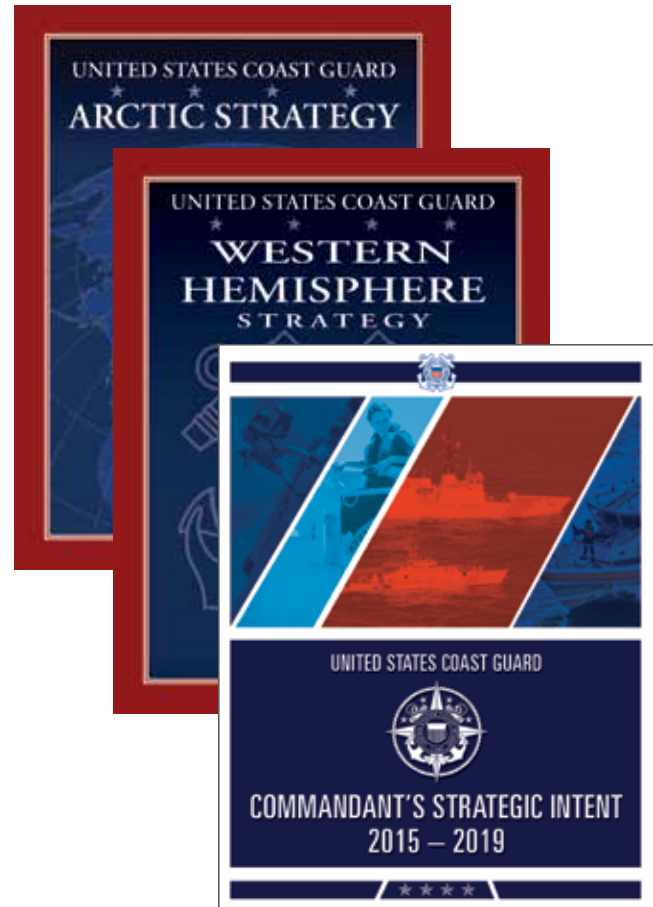
evolved to over 244 ships. We are a force of 88,000 strong, but that includes 32,000 all-volunteer Coast Guard auxiliary. First and foremost, we are a military service under Title 10. I sit with the chairman and the Joint Chiefs of Staff on all deliberations when it comes to warfighting and military personnel. We are also a law enforcement authority. We are a member of the national intelligence community. We are a humanitarian service when it comes to safety of life at sea. We are a regulator. We regulate maritime commerce and safeguard maritime commerce.

On the Commandant's Direction

There are three key tenets to my direction, but first let me provide some context. The Commandant's Direction guides the Coast Guard during the tenure of each commandant. This document is founded on our core values of honor, respect, and devotion to duty, and it is guided by the principles of service to nation, duty to people, and commitment

to excellence. Each principle reinforces the others and they collectively inform strategic, operational, and resource decision making throughout the Coast Guard.

- Service to nation:** We serve our nation before we serve ourselves whenever we are called to serve. I seek to align Coast Guard strategies with DHS (Department of Homeland Security) priorities to advance national interests. We will continue to invest in the 21st century Coast Guard. We will enhance partnerships with stakeholders in the maritime community. It is critically important to foster intelligence capabilities and promote cybersecurity in the maritime domain. To illustrate this aspect of my direction is our counter-drug mission. We have more planes and more ships doing this mission than ever before. Is that because we have more ships and planes? No, we are just focusing resources on a core set of priorities to better serve the nation.
- Duty to people:** We will honor our duty to protect those we serve and those who serve with us. It is about leadership. We are dedicated to the citizens we serve and those who serve beside us. The Coast Guard's strength resides in its people and the different perspectives and talents they bring to the service. We are aligning recruiting, career progression, and workforce structure to meet future requirements. We are really focused on cultivating the well-being and professional development of our people, and we are definitely committed to driving sexual assault out of our ranks. We are making great progress as the number of reported instances is down. We are moving in the right direction, but more needs to be done. We are also ensuring a workforce that reflects the same diverse thought, experience, and talent found in the richness of American society.
- Commitment to excellence:** We will commit ourselves to excellence by supporting and executing our operations in a proficient and professional manner. Excellence is our standard. To do this, we must strive to achieve the highest standards of readiness and proficiency. We must remain true to our service's motto: *Semper Paratus*, be always ready. But gone are the days where we can be a Swiss Army knife—a jack of all trades, master of some. The work we are doing in intelligence, cyber, and marine inspection programs is very technical in nature. We cannot just have journeymen doing this type of work. We have to grow specialties in order to excel in these areas. We will advance our commitment to a proficient workforce. I want to ensure efficiency across all Coast Guard activities through effective planning and



Source: U.S. Coast Guard

sound risk management. We are looking to modernize our financial management system and enhance our unity of effort through operational planning, logistical support, and execution. We need to demonstrate that we are good stewards of public dollars. A key part of that is ensuring that we can open our books and provide a clean financial audit opinion, which we have done for three consecutive years now. We are the only military service that can make that statement.

On the Coast Guard's Strategic Intent

We developed the five-year strategic intent making sure it aligns with national and departmental level strategies with a focus that reflects a risk-informed approach to our strategic landscape. Let's face it: Tranquility is not exactly breaking out across the world. The purpose of the strategic intent is to understand the external environment, what it will take to answer all of these calls, and if you don't get all of the funding, then how do you manage risk across the competing challenges that we see in the 21st century.

The Coast Guard must confront significant challenges in the Western Hemisphere, such as the rise and convergence

of transnational organized crime (TOC) networks. TOC networks are fueled by immense profits from drug and human trafficking. We've been successful at interdiction and disrupting these activities. However, long-term success demands a government-wide effort to sever financial supply lines and TOC networks at the source. We are also working to enhance our southern maritime border security. We will continue to promote information sharing and building unity of effort in the maritime domain in support of the Department of Homeland Security Southern Border and Approaches Campaign Plan, continue to deter illegal migration activity via maritime means, and provide necessary situational awareness and warnings for the U.S. concerning maritime mass migration.

The prosperity of our nation is inextricably linked to a safe and efficient Maritime Transportation System (MTS). Increased domestic energy extraction and transport, deeper U.S. ports, and the expansion of the Panama and Suez Canals create MTS congestion and demand robust safety and security regimes. To address increasing maritime commerce, the Coast Guard will continue to enforce compliance with the laws and regulations that promote a safe, efficient, and resilient MTS; continue prevention and response initiatives that enhance marine safety competency; keep pace with industry changes and minimize the adverse effects of maritime incidents; and improve regulatory frameworks to keep pace or stay ahead of industrial advancements.

Cyber technology has fueled unprecedented growth and efficiency in our increasingly globalized economy, but it has also spawned increasing challenges and risks to both public and private sector cyber networks. The Coast Guard's strategic focus is on efforts to strengthen internal Coast Guard networks and promote strong cybersecurity practices for critical systems that operate in our nation's ports and on our waterways. To address emerging cyber risks, the Coast Guard will implement its recently promulgated cyber strategy and coordinate cyber regulatory and technical assistance activities across federal, state, and local maritime industry stakeholders.

We are also focusing on the polar regions given our vital national interests. To support this effort, we will accelerate the current acquisition of a heavy icebreaker and plan for additional icebreakers, continue to build unity of effort with the Department of State and other federal and international partners in support of the U.S. Chairmanship of the Arctic Council, advance the Arctic Coast Guard Forum, and support the United Nations Convention on the Law of the Sea (UNCLOS) ratification.



The upward angle of Polar Star's bow is designed so that the hull rides up onto the ice surface during icebreaking operations. (Photo from United States Coast Guard)

On Investing in the 21st Century Coast Guard

Coast Guard mission demands continue to grow and evolve. The complexities and challenges facing the nation require well-trained Coast Guard men and women with capable platforms providing the persistent presence necessary to conduct operations. Given the age and condition of the Coast Guard's legacy assets, future mission success relies on continued recapitalization of Coast Guard boats, cutters, aircraft, systems, and infrastructure. Our FY16 appropriation awarded a ninth national security cutter. We went from eight to nine. We are building very capable patrol boats. We call these "fast response cutters" commanded by a lieutenant.

Our offshore patrol cutters will really define the Coast Guard going forward. We are looking to build 25. We have three contractors vying for that final bid. We will select one probably in the August timeframe of this year, which will launch the largest acquisition in Coast Guard history.

Finally, the really big piece in all of this is the recapitalization of our icebreaker fleet. Our 2017 budget does have \$150 million set aside to at least get into the design work. We have already reached out to industry that is keenly interested in building heavy icebreakers here in the United States, which we have not done in over 40 years.

The FY 2017 budget request accelerates acquisition of a new polar icebreaker to meet growing demands in the polar regions. It provides funds for the acquisition of four fast response cutters, continues to invest in an affordable offshore patrol cutter, and funds vessel sustainment projects

“If we aren’t vigilant, we will find ourselves with a hole in the organization.
You can’t surge experience and you certainly can’t surge leadership.”

— Admiral Paul Zukunft



for two 140-foot WTGB icebreaking tugs and a 225-foot seagoing buoy tender. The budget also continues sustainment and conversion work on in-service fixed and rotary wing aircraft, missionization of the C-27J aircraft received from the Air Force, and investment in Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems.

On Leadership

As a leader, it is important to know your purpose. To lead, you must know who you are. What gives you purpose, energy, and passion? My purpose is service to nation. Purpose is the force that aligns your personal honor and integrity to the vision and core values of your organization. Take time every day to refocus your energy. Consider how you are contributing to something greater than yourself.

Become the kind of authentic leader who inspires others to find their calling—to become great leaders in their own right.

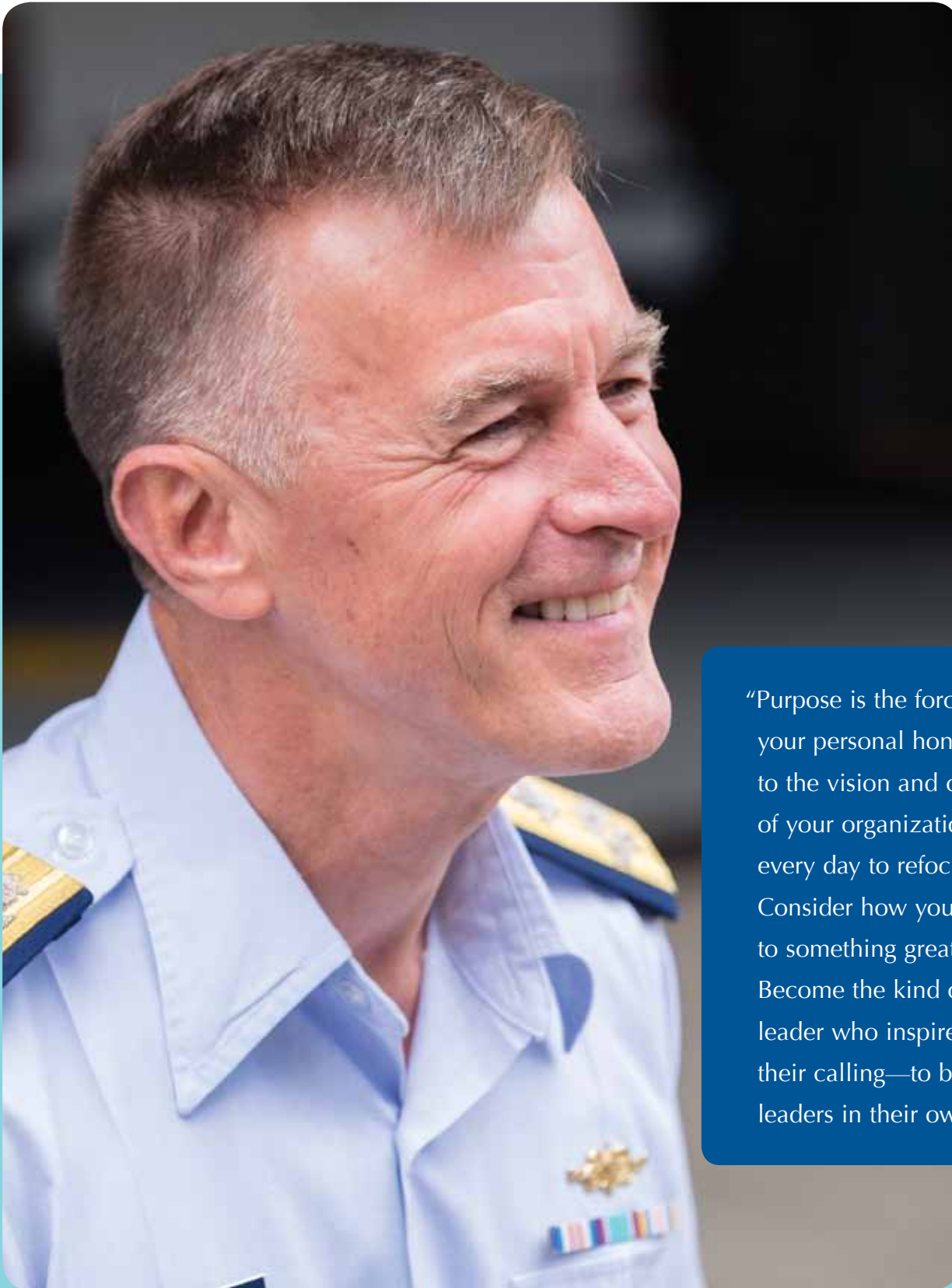
As a leader, my greatest concern is being surrounded by a team of “yes” people who lack the courage to act. Most mistakes are recoverable and leaders have a responsibility to use teachable moments to develop their people. However, departures from core values cannot be tolerated; this is an important distinction leaders at all levels must understand. The interwoven and enduring strands of honor, respect, and devotion to duty remain paramount for service in the Coast Guard; that is my “bright line” that shall not be crossed. Your decisions and behavior create the culture in which those you lead will live and work.

Trust and empower your people. You may find yourself in a situation where you don’t have all the answers or the right information. As a leader, you can’t place all decisions squarely on your shoulders; this weight will drag you to your knees. Good ideas, the right solution, and the way forward come from all levels of the organization. Actively seek out these ideas and empower people to come forward.

Take decisive action. A bias for action is one of the foundational attributes I learned at the most junior level of command. In taking action, embrace the three knows: Know your mission, know your people, and know when to say “no.” As a leader your decision making will be tested. Be bold and take appropriate risks. There is room for honest mistakes. You may have a great plan, but it’s okay if your plan doesn’t survive the day. Learn, adapt, and execute your mission.

My leadership approach goes back to my earliest days as a commissioned officer. I want to be a humble and approachable leader. I realize that the smartest person in the Coast Guard does not sit behind my desk. The leader I have always looked up to is former Coast Guard Commandant, Admiral Jim Loy. He was a commandant who really led from the deck plates. People always came first. His example inspires my





“Purpose is the force that aligns your personal honor and integrity to the vision and core values of your organization. Take time every day to refocus your energy. Consider how you are contributing to something greater than yourself. Become the kind of authentic leader who inspires others to find their calling—to become great leaders in their own right.”

efforts to modernize our fleet. It is not being done because I want shiny new ships. We are modernizing the fleet because we put our most valuable asset, our people, on board to carry out our mission, often in very unforgiving conditions. They deserve the best.

On Building a Leadership Pipeline

Our retention rates are the highest among any of the armed services. Part of that is we place a premium on our mid-level to senior enlisted paygrades. I don't need a brigade of privates. I need more experienced petty officers in the Coast Guard. This comes at a point in time where we have the best educated enlisted workforce in Coast Guard history. My challenge is to retain them with the purpose of building that leadership pipeline with a smart and experienced cadre. No doubt there is, and will be, competition for the skills our people possess. I can't pay them what an IT firm may be able to pay. I look to attract and retain them in other ways. It's important that right now we have people that are directly connected to the mission regardless of what they do in the organization. I want them to say and acknowledge: "I am

going to save a life. I am going to improve our economy. I am going to get drugs off the street." We need to make sure that there is always that connective tissue between what we do and who does it. If we aren't vigilant, we will find ourselves with a hole in the organization. You can't surge experience and you certainly can't surge leadership. ■

To learn more about the U.S. Coast Guard, go to <http://www.uscg.mil>.



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Reflections on Reforming the Military Health Systems: A Conversation with Jonathan Woodson, M.D., Former Assistant Secretary of Defense for Health Affairs, U.S. Department of Defense

By Michael J. Keegan

Since December 2010, Dr. Jonathan Woodson has acted as the principal advisor of health affairs to multiple secretaries of defense. As assistant secretary of defense for health affairs, he led DoD's military health system, overseeing the Defense Department's \$50 billion health budget and shepherding this mission critical care system through major reform efforts.

I had the pleasure of interviewing Dr. Woodson shortly after he took the reins of MHS. Some five years later, just before he would leave his post, he joined me once again on *The Business of Government Hour* to reflect on his tenure: his efforts to reform the military health system, transform military medicine, and strengthen military medicine's global health engagement. I wanted to share his thoughts and insights from our conversation, which I invite you to listen to on *The Business of Government Hour*.

On the Mission and Scope of the Military Health System

MHS has several broad missions. If I had to encapsulate it in a single statement it would be: to support the defense of this nation and the military services by the provision of excellent care in the operational and garrison environments.

MHS helps ensure those in uniform are medically ready to deploy anywhere around the globe on a moment's notice. These medical professionals are also ready to go with them. There isn't another military medical force like it in the world with the expertise, assets, and global reach of our health system.

The MHS, however, is more than combat medicine. It's a complex system that weaves together:

- Healthcare delivery
- Medical education
- Public health



- Private sector partnerships
- Cutting edge medical research and development

We are an indispensable element of U.S. national security. Over these years, we have a proven our ability to adapt to changing circumstances—that's one of the medical legacies that emerged from our conflicts. We have gotten better over time, even as severity of injuries increased. American medicine is changing fast as well, and while our mission is constant, we need to adapt to ensure the highest states of readiness for our people.

The enacted FY 2016 budget provided \$51.2 billion, covering operations and maintenance, procurement, research and development, personnel, construction, and the Medicare Eligible Retiree Health Care Fund. As of FY 2016, nearly

150,000 personnel comprised the rolls of the MHS, including 84,000 uniformed military and 65,000 civilians.

The MHS is currently comprised of 918 facilities, including 55 military treatment facilities; 360 medical clinics; 249 dental clinics; and 254 veterinary clinics. We serve more than 9.4 million beneficiaries and our footprint is global. We have resources, facilities, labs, hospitals, and the ability to deploy and provide assistance anywhere in the world.

On Key Strategic Priorities

Over the last couple of years, I have focused on six key strategic focus areas, which I would like to highlight:

- **Modernize the Management of the MHS with an Enterprise Approach.** What does that mean from a practical perspective? A good example of this approach in practice was the establishment of the Defense Health Agency (DHA). Eighty-five percent (or more) of what we do across the services is the same. With DHA, we now have the management structure to better standardize those things that need to be standardized and acknowledge those activities that are truly service unique.
- **Pursue 21st Century Capabilities.** We have made a major strategic investment in developing a new Electronic Health Record: MHS Genesis. We are planning deployment in the Pacific Northwest in December 2016. I was also working to align our medical infrastructure with our population and the skills we need.
- **Balance Forces.** Today we have many more sub-specialists. We have many more critical specialties and so you need to develop a human capital program that allows you to assess, retain, recruit, and maintain a broad array of specialties. This focus is about getting a better understanding of what we need in an active force and what can be best provided from the reserve components. We made progress, but more work is needed.
- **Establish Strategic Partnerships.** MHS always had engagement with civilian peers, but in the past two years we have cemented some of these partnerships. We have a partnership with the American College of Surgeons to provide trauma training and share best practices. The Institute for Healthcare Improvement helps us on our journey to increase reliability. We have also tapped into experts who have helped other organizations with quality and safety initiatives.



- **Modernize TRICARE.** TRICARE is a very robust program that needed to be modernized in its administrative process to make it better for the beneficiaries. Much has happened this past year and Congress has helped, but more needs to be done. The issues we've had to deal with involve long-term stability of the program, modernizing for access, secure messaging, telemedicine, and quality and safety.
- **Sustain Global Health Engagement (GHE).** The MHS is an instrument of national security. We are a supporting organization to other federal partners. MHS brings unique knowledge, skills, and assets to the challenges. Responses to Ebola and Zika are just the most recent examples of how we can contribute.

On Challenges and Surprises

First of all, this job is probably the best job I have ever had, but it had its challenges. If you recall, I entered the job at the height of the country's involvement in Iraq and Afghanistan. While we needed to focus on these conflicts and the injuries born from them, I also had to pivot toward the future, making sure that we created a Military Health System that would be responsive to the department's future needs.

I would say my most serious challenge was striking a balance—tackling the signature injuries of these wars and providing the best, most coordinated care to our wounded warriors who gave so much while ensuring that the Military Health System remained on a sustainable footing.

At the time, prior to the Budget Control Act, MHS was 10 percent of the base budget of the DoD. If our cost continued to accelerate, then we would burn through the capability to train, man, equip, and modernize the rest of the force—all because of our costs. As a result, I had to develop a strategy to ensure that we were using every dollar efficiently and that we could reduce our costs over time. This gets into what was my first strategic line of effort, which was to bring in enterprise management. As a result, we established the Defense Health Agency to assume responsibility for all of the common business activities and to set common standards for the Military Health System.

The Defense Health Agency in its first two years has saved over \$700 million dollars. It's going to be the platform on which MHS remains good stewards of the taxpayers' dollars.

Though I was aware of the bureaucracy, once in the trenches I was surprised by its depth. I'm a guy who likes to make progress very rapidly and for that to happen it's important to get buy-in and to collaborate. You usually want to work from a basis of broad consensus, but sometimes when you have to move the ball you may need to ruffle a few feathers. It's a complex environment in which you have to be able to take bold action. You may need to challenge the conventional

wisdom and some of the conventional ways of doing business in order to get results.

On Leadership

One of the core leadership lessons I have learned is to be a servant leader. Frankly, if it ever becomes about you, you're going to fail. Your job is to equip the people you need to serve with the support systems and resources to do their jobs. I always say that leaders in a complex organization need to give the organization and their subordinates three things:

1. The leader needs to provide guidance. That includes the organizational vision and an expectation of the desired end state—what optimal looks like. You need to ensure that they understand the priorities. You need to ensure that they understand the ethical and moral framework in which you want to conduct business and how you expect business to be conducted; that's very important.
2. The leader must help staff design and create the organization to get the needed results. In other words, it's the Deming principle. He said every organization is perfectly designed to get the results it gets, so if you get bad results you have to look at the organizational structure. Your job as a leader is to help design the organization to get the results that you really want, to create the agility, flexibility, and discipline in a system to better position your staff to achieve the vision and goals of the organization.
3. The leader must marshal the proper resources so staff are well-equipped to do the job. Once you've done that you turn them loose because you have a talented pool. Your job is not to suppress or micromanage that talent, but rather to turn it loose so it can drive the organization to new heights.

On Embracing an Enterprise Management Approach

As they say, you never let a good crisis go by without leveraging some element of it to your benefit. When I first encountered Secretary Gates he was very concerned about the escalating cost of MHS. You may remember there was a famous quote that it was eating our lunch — potentially eating up resources to train, man, equip, and modernize the rest of the force, so it was a real challenge. Costs are one thing, but we also need to look at outcomes. We need to organize to ensure that we remain the best health system in the world, bar none, and that our outcomes save lives. Borrowing on experience from the civilian sector, I knew that we needed to reorganize so that we could decrease variability and gain efficiencies.



A Blackhawk and its crew from Company C 3rd Battalion, 126th Aviation, performs a medical evacuation of a Soldier from Bravo Company 182nd Infantry, during the Exportable Combat Training Capability exercises held here on Camp Edwards Massachusetts, June 16 2010. (U.S. Air Force Photo by Senior Airman Eric J. Kolesnikovas, Joint Force Headquarters Public Affairs/ flickr CC-BY)

“One of the core leadership lessons I have learned is to be a servant leader. Frankly, if it ever becomes about you, you’re going to fail. Your job is to equip the people you need to serve with the support systems and resources to do their jobs.”

— Dr. Jonathan Woodson



To do that, I pursued and implemented an enterprise management approach, and the two-year-old Defense Health Agency represents this approach in action. An enterprise management approach is about looking at the challenges we face and opportunities we have through a DoD-wide approach. I’m a surgeon; there is not an Army way to perform heart surgery and a Navy way and an Air Force way to do surgery. There is the best way and we should all be following that path...together. Just expand that beyond surgery—to health IT, logistics, and building and maintaining our infrastructure—and the same concept holds.

We have started on that path, for example, with knee replacements. By narrowing down how many different types of artificial knees we purchase, we help standardize the product; that’s good for medicine and good for cost control. The interesting thing that we have done in the MHS is to introduce the concept of enterprise management without creating some sort of loss of autonomy for the services. We work closely together to drive these decisions. We have

open exchange of information and perspectives, and then we make the decisions and execute as an enterprise.

This is where you get into the Defense Health Agency, which is a joint agency that establishes those standards, acquires the business tools, and allows us to create performance improvement dashboards that senior leaders can monitor—to drill down to the individual military treatment facility so that we have a common sight picture. We know where to put resources. We know where there are problems and we can correct those problems. This is enterprise management.

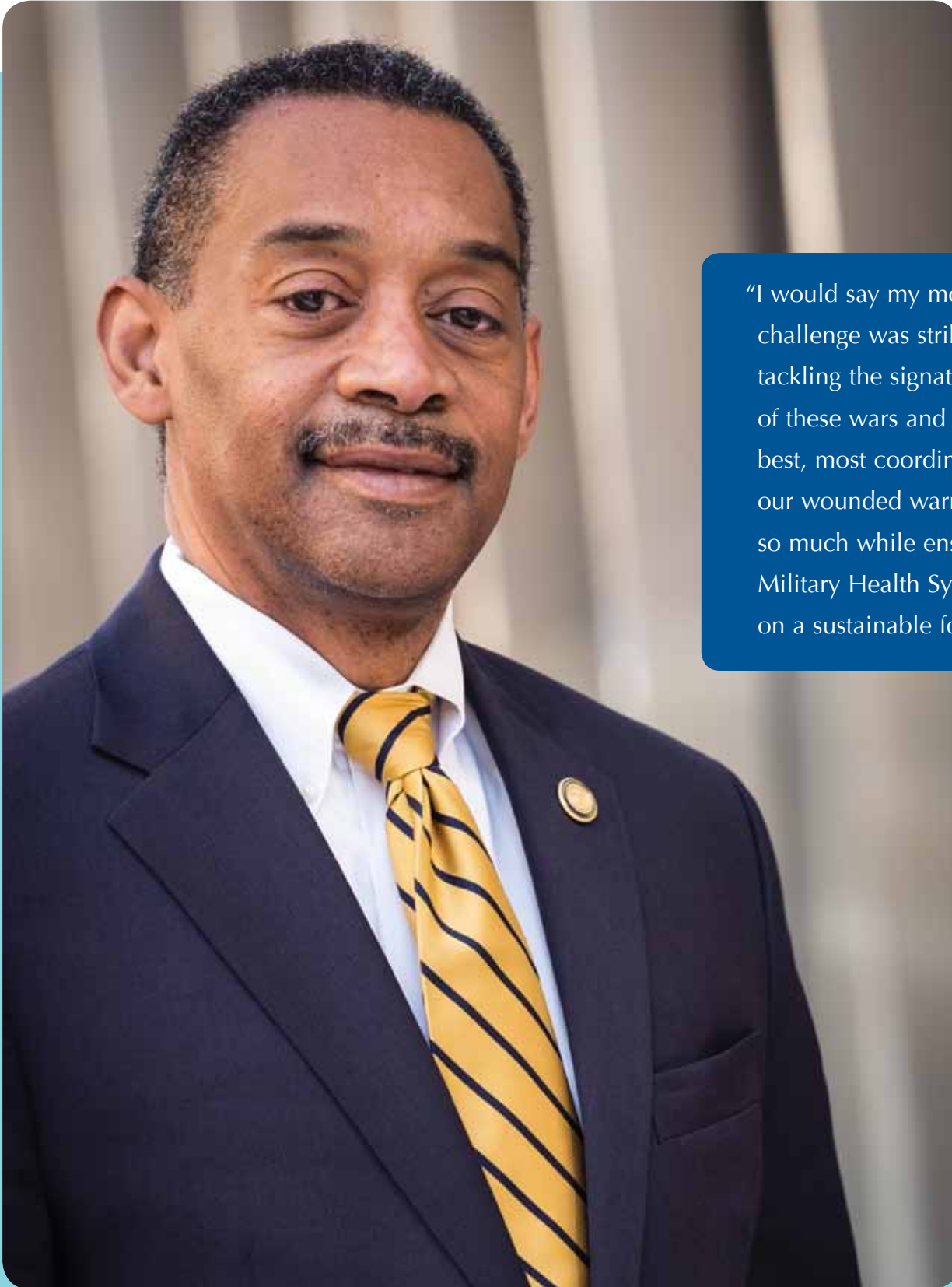
On Establishing the Defense Health Agency

The dual imperatives of ensuring superb medical support for current and future military operations and instituting enduring healthcare cost containment measures required MHS to continue to transform itself. The existing fiscal environment, combined with broad congressional support, sparked a need for change. It was in this environment that on June 14, 2011, Deputy Secretary of Defense William J. Lynn established an internal task force consisting of representatives from the military departments, the Joint Staff, and the Office of the Secretary of Defense. This task force was directed to evaluate options for the long-term governance of the MHS as well as the multi-service healthcare markets. In its work, the task force developed, assessed, and refined numerous variations of five potential organizational models. These included the idea of a unified medical command, a Defense Health Agency, management by one or more military departments, a hybrid model incorporating elements of the others, or an “as is” option.

The Defense Health Agency was not created in a vacuum, nor was it created to replace or remove service responsibility for the healthcare needs of the force. Rather, it is an organization that was built *for the services, by the services*—under the auspices of the Army, Navy, and Air Force medical departments. Our overriding mission is to have a medically ready force and ready medical force at all times; one that fully supports our vision of a Military Health System that is



World Health Care Congress (Photo from MilitaryHealth/flickr CC-BY)



“I would say my most serious challenge was striking a balance—tackling the signature injuries of these wars and providing the best, most coordinated care to our wounded warriors who gave so much while ensuring that the Military Health System remained on a sustainable footing.”

better, stronger, and more relevant—and beyond that, more viable. The central concept of the DHA is to create an environment for improved efficiencies and cost savings while maintaining the high standards of care our service members and beneficiaries expect.

On Enhancing the Global Health Engagement

The GHE consists of foreign engagement activities conducted by DoD with the armed forces, civilian authorities, or other agencies of a partner nation (PN). These GHE activities aim to establish, reconstitute, maintain, or improve capabilities or capacities of the PN's military, civilian health sector, and/or DoD in order to achieve the U.S. government national security objectives and DoD strategic objectives. It's worth noting that DoD has been engaged in international health issues for well over a century (Walter Reed, infectious disease work in Panama, etc). There's a wide spectrum to our engagement activities:

- **Force health protection.** We're consistently engaged in monitoring, preparing for, and responding to global public health threats
- **Infectious disease research/vaccines.** (HIV, Ebola, MERS-CoV)
- **Medical countermeasures.** Overseas labs in partner nations which conduct critical biosurveillance and R&D on emerging infectious disease threats
- **Building our partner nations' health system capacity and ensuring interoperability with them.** A healthy partner is one that is better prepared both to respond to threats within its own borders and to support international public health efforts
- **Humanitarian assistance and disaster response.** Natural disasters can stress health systems to their limits, so we have a vested interest in helping our partner nations prepare to face these threats, as well as ensuring our own capability to provide life-saving assistance to international relief efforts on short notice

We are most proud of the response to the Ebola epidemic. It bears repeating that the men and women who took part in United Assistance did an amazing job of supporting our partner nations and mitigating one of the most serious infectious disease threats in recent history. There's a critical lesson that we need to carry on from our global experience with Ebola: We can't afford to ignore these threats because they



An operating team at Naval Medical Center San Diego performs a thoracotomy to remove a cancerous portion of a lung using the World Health Organization Surgical Check List. The check list was created by the Institute for Health Care Improvement at the request of the WHO to improve communication and provide a more comprehensive way for surgeons to treat their patients. (Photo from MilitaryHealth/flickr CC-BY)

do not respect borders and they are, in many cases, too challenging for any one country to confront on their own.

We're continuing to support efforts to combat future outbreaks of Ebola and that preemptive approach is key. This is the tack that we'll need to take with future health threats, and that we're taking with the Zika virus today—proactively coordinating with our interagency USG partners to ensure that we're as prepared as possible to support a national and international response to limit the virus' impact. We need to be certain that our capabilities for conducting GHE are evolving to meet the needs of a world that is prone to change and the emergence of new and unfamiliar health threats.

On the Future Needs of MHS

There are a lot of forces at work when we try to determine future needs and capabilities:

- **Insight 1:** We have to try to anticipate where the world is moving and not just prepare to fight the last war.

- **Insight 2:** American medicine is changing, and that also influences the military health system, such as with increases in outpatient surgery and much less demand for large hospitals with lots of beds. There's greater sub-specialization—when a specific skill is needed, we see many physicians who are expert in one type of surgery—and less general surgery. And they tend to migrate around “centers of excellence.” For DoD, this means that we need to re-think where our physicians can best sustain their skills.

In large communities—National Capital Region, San Antonio, San Diego, etc.—we have large military populations and we should be able to keep our clinicians proficient. In smaller military communities we might not be able to generate enough workload to keep certain skills up. We may need to either (a) partner with civilian institutions even more than we do today, or (b) invest in greater “medical simulation” technology to give our medical staffs a way to sustain and continue to hone their skills.

On the Key Lessons Learned from Battlefield Medicine

I'd like to highlight three significant lessons for the future:

1. We can never be complacent! Yes, there are historic outcomes of which we are proud. But our own analysis shows we know why some people died in combat—blood loss being among the top reasons. Some of our trauma surgeons have intentionally set an audacious goal that there should be NO lives lost when we reach an injured service member who is still alive
2. Readiness is not just about trauma care and surgery! Preventive medicine and protective measures matter just as much. One of our historic successes was the lowest disease rate ever seen in a deployed environment. Disease and non-battle injuries historically dwarf combat injuries in every war—and this was no exception for us. Medical readiness means having a full complement of capabilities, and this is an important one. It is part of the reason we need to maintain a comprehensive health system in peacetime. Military readiness is not a pick-up game; it needs a full team with specific skills who are ready to go at a moment's notice.

3. We need to integrate with civilians even more. Both military and civilian providers can learn from each other. We need to break down obstacles to greater sharing and joint operations.

On Accomplishments and the Future

My proudest accomplishment was, again, being a servant leader in support of the 150,000 men and women of the Military Health System, giving them a new set of strategies and organizational environment to succeed in the future.

It's about the team and what we have achieved together. For over five years, I had the honor to represent 150,000 medical professionals in DoD. They each embody values of service above self, personal courage, and commitment to excellence in everything they do. I am proud of a number of things we have done. It is our commitment to the value of joint operations—both in the battlefield and back home; there's no turning back from the progress made and the lives saved—and the ability to provide hope and recovery to even the most grievously wounded: amputees back on active duty, quadruple amputees with limb transplants, and advances in prosthetics. MHS is pursuing a fresh approach to behavioral health. DoD is a leader in breaking down stigma, encouraging treatment, increasing access, and enabling supportive communities. Our work is not done, but we are on the right path and can be proud of what we done. ■

To learn more about the Military Health System, go to <http://www.health.mil/>



To hear *The Business of Government Hour* interview with Dr. Jonathan Woodson, go to the Center's website at www.businessofgovernment.org.



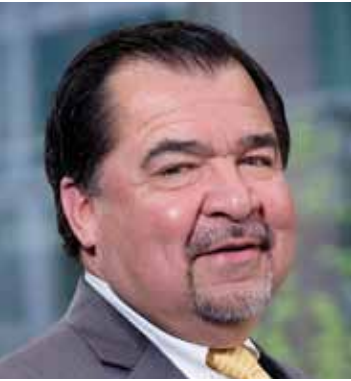
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Protecting America's Food Supply: Insights from Alfred Almanza, Deputy Under Secretary for Food Safety, U.S. Department of Agriculture

By Michael J. Keegan



The food supply in the United States is constantly evolving. U.S. consumers want convenience, choice, and diversity in the foods they eat. The U.S. is importing more food than ever before to meet these demands.

Food production has become more globalized and the route it takes from farm to table is more complex. Much of our food now takes a longer and more complicated path from the farm to our table. And yet, most Americans purchase food for their family's dinner table with a high level of assurance that the food is safe. Much of the effort for securing the U.S. food supply rests on the work of the Food Safety and Inspection Service (FSIS) within the U.S. Department of Agriculture (USDA). FSIS is the public health regulatory agency responsible for the safety of the U.S. meat, poultry, and processed egg products supply. For over a century, the agency has worked to ensure that America's food is safe from contamination. The vital services of FSIS have touched the lives of almost every citizen, every day in America. FSIS is accountable for protecting food for over 300 million American people and millions more around the world.

What are the strategic priorities of the USDA's Food and Inspection Service? How is FSIS ensuring this country's food is safe and uncontaminated? Alfred Almanza, Deputy Under Secretary for Food Safety, U.S. Department of Agriculture joined me on *The Business of Government Hour* to share his insights on these topics and more. The following is an edited excerpt of our discussion complemented with additional research.

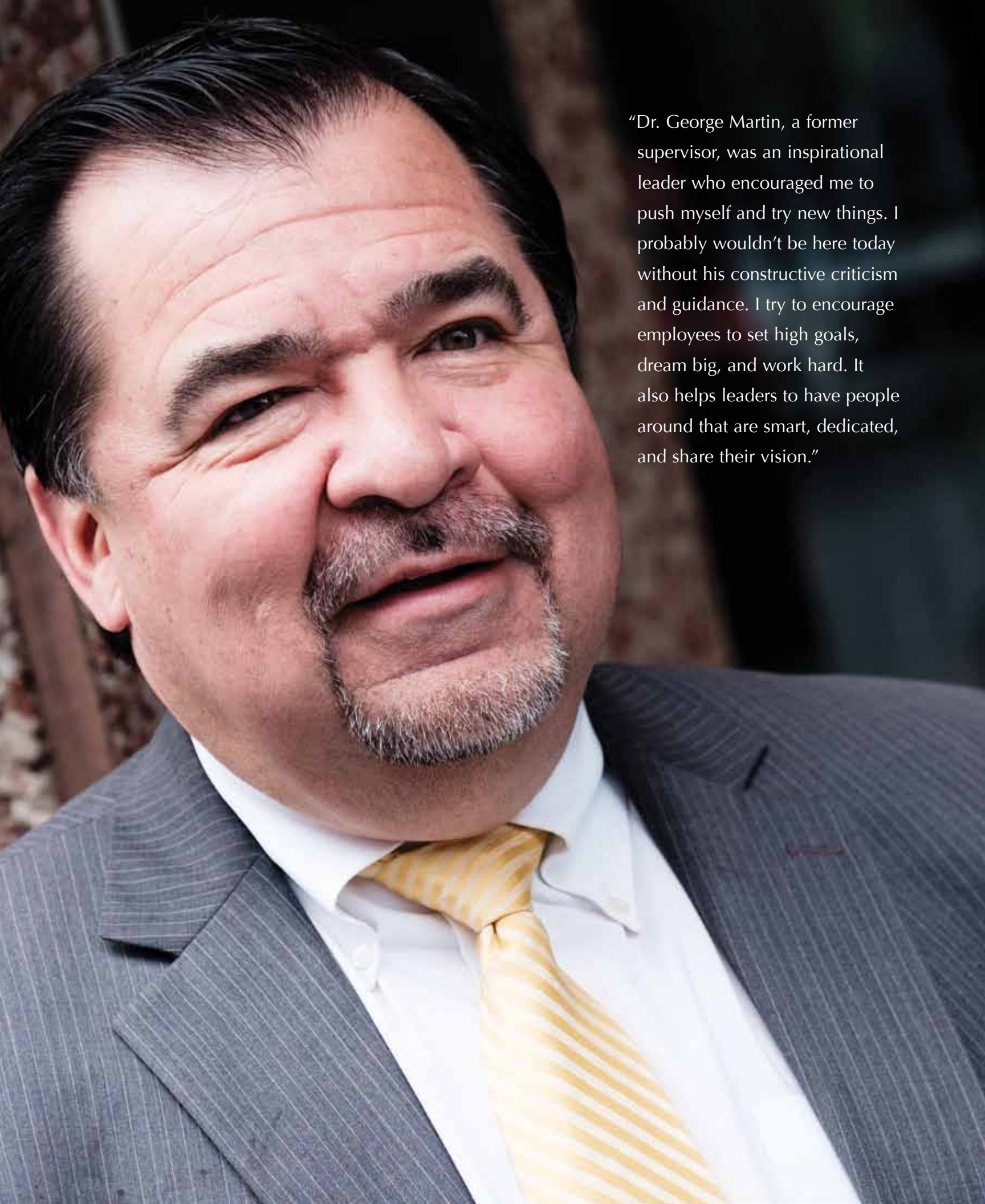
Would you tell us more about the USDA's Food Safety and Inspection Service (FSIS)?



Alfred Almanza: FSIS is the public health agency in the U.S. Department of Agriculture responsible for ensuring that the nation's commercial supply of meat, poultry, and processed egg products—whether domestic or imported—is safe, wholesome, and correctly labeled and packaged. FSIS applies the mark of inspection to meat and poultry products before they are allowed to enter commerce.

FSIS enforces the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, which require federal inspection and regulation of meat, poultry, and processed egg products. FSIS also enforces the Humane Methods of Slaughter Act for livestock, which requires that livestock be handled and slaughtered in a humane way. The USDA mark of inspection gives American consumers confidence in the safety of our food supply.

FSIS employs approximately 9,000 permanent full-time employees (including 622 in the Washington, DC area and 8,429 in the field). We have ten district offices (Alameda, CA; Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; Des Moines, IA; Jackson, MS; Philadelphia, PA; Raleigh, NC; and Springdale, AR). These employees work in approximately 6,389 federally regulated establishments, three FSIS laboratories, 127 ports-of-entry, and 150,000 in-commerce facilities nationwide. The agency ensures that the public health requirements are met for over 145.2 million head of livestock and 9.17 billion poultry carcasses. The Fiscal Year (FY) 2017 budget request for FSIS is \$1.030 billion. This includes an \$8.5 million increase to modernize scientific approaches to food safety.



“Dr. George Martin, a former supervisor, was an inspirational leader who encouraged me to push myself and try new things. I probably wouldn’t be here today without his constructive criticism and guidance. I try to encourage employees to set high goals, dream big, and work hard. It also helps leaders to have people around that are smart, dedicated, and share their vision.”

I'd like to understand your responsibilities as the leader of USDA's food safety effort and the unique challenges you face in this role. Would you elaborate?



Alfred Almanza: As deputy under secretary and acting administrator, I am responsible for making sure the agency functions effectively and that it implements the best new food safety inspection approaches. In the deputy under secretary role, I am responsible for ensuring that USDA is effectively carrying out its food safety mission. That means testifying in front of Congress each year for our agency's annual budget request and traveling around the world to meet with government leaders responsible for food safety.

Modernization is one key challenge that I'm dealing with today. This effort entails making the inspection more automated and science-based. When I arrived, the inspection process was completely paper-based. I want to have inspection tools that capitalize on the latest technology and can capture the date, store it, and share it. Today, we have approximately 3,000 employees that work in slaughter plants doing slaughter inspection every day that don't have this ability and can't communicate with us from the field.

Along with modernization, I also started i-Impact, a new FSIS employee initiative to help our employees reconnect to the mission of our agency and demonstrate how every single employee has an impact on food safety and public health. i-Impact will assist each employee with drawing a line of sight from their daily work activities to the mission of FSIS. i-Impact will also help staff become familiar with the agency's statutes, strategic plan, and annual performance plan.

The third challenge is improving our efficiency. One key investment that we have been able to make thanks to congressional support is in the Public Health Information System (PHIS). PHIS captures data in automated and useful formats. The availability of this data provides for more timely and efficient analysis of food safety inspection related trends that drive our ability to take actions that enhance our ability to protect the public health.

What brought you to your current leadership role? Perhaps you could tell me who has inspired your leadership approach?



Alfred Almanza: My dad was a food inspector. He suggested I take the civil service test to be a food inspector, and this was right after my junior year in college. You would get a card in the mail letting you know if you passed or failed, with locations to which you were being offered a

position. I get this card in the mail. My dad says don't worry about it. I'll fill it out for you. Three days later I get this frantic call from this woman. I will never forget her name. She worked in the FSIS Dallas Regional Office back then. She asked: "Do you really want to go to Dalhart, Texas?" I said I suppose, why? She says because we can't get anybody to go there. I asked my dad why he signed me up for Dalhart, Texas? He said: "Well if you can survive there for a year you can survive anywhere."

Dr. George Martin, a former supervisor, was an inspirational leader who encouraged me to push myself and try new things. I probably wouldn't be here today without his constructive criticism and guidance. I try to encourage employees to set high goals, dream big, and work hard. It also helps leaders to have people around that are smart, dedicated, and share their vision.

I'd like to set some context on a system most seem to take for granted. Most Americans purchase food for their family's dinner table with a high level of assurance that the food is safe. To that end, would you describe for us the current landscape of food safety? How does the farm-to-table continuum factor into the current state of the food safety lifecycle?



Alfred Almanza: Effective food safety strategy must address the entire farm-to-table continuum, not just what goes on within inspected plants. We must address pathogens at every level of the farm-to-table continuum, beginning from animal production. This is a challenge because we don't have jurisdiction over animal production, but we rely on partnerships and relationships with a common goal of food safety to work on this. We have worked closely with other food safety agencies to encourage adoption of HACCP (Hazard Analysis and Critical Control Point) systems all along the farm-to-table continuum. We place emphasis on time and temperature control, along with sanitation, as a means of preventing and reducing threads posed by pathogens.

Currently, the landscape of food safety in the United States is working well. We continue to modernize our inspection methods and to ensure that we are collecting data and using the most advanced science and technology available.

Would you outline for us your strategic vision for USDA's food safety agency and your key priorities?



Alfred Almanza: We are actually just about to release our new Strategic Plan for Fiscal Year 2017-2021.




“Effective food safety strategy must address the entire farm-to-table continuum, not just what goes on within inspected plants. We must address pathogens at every level of the farm-to-table continuum...”

The goals for our next five-year plan will include: (1) preventing foodborne illness and protecting public health; (2) modernizing inspection systems, policies, and the use of scientific approaches; and (3) achieving operational excellence.

Strategic planning has contributed significantly to FSIS’s increased efficiency and productivity. These outcomes have been a result of the hard work of our employees and adherence to the FSIS mission and goals. We have increased access to technology in the field, and over the next five years, we aim to build employee engagement and empowerment across the agency.


The first defense against a food contamination event is prevention. One of the most widely used tools for avoiding food contamination during production and processing is the systematic risk assessment system known as Hazard Analysis and Critical Control Points (HACCP). Would you tell us more about this system?

 **Alfred Almanza:** Inspection changed from a sight, smell, and touch approach to a more science-based method when FSIS implemented its Hazard Analysis and Critical Control Points (HACCP) regulations between January 1997 and January 2000.

Our inspection activities include sampling ready-to-eat meat and poultry products for *Listeria monocytogenes* testing, sampling raw product for *Salmonella* and *Campylobacter* testing, and sampling raw beef products for testing certain strains of pathogenic *E. coli* (including *E. coli* O157:H7). In FY 2015, FSIS laid the groundwork for fully enforcing all HACCP validation requirements—those related to necessary in-plant data as well as those related to scientific support. The agency informed plants that they would need to analyze their validation methods to ensure that the scientific support matches their in-plant processes, and that they needed to have at least 90 days’ worth of data to show that their plants met the critical operational parameters in their processes. The new validation verification procedures, which have been implemented

in large plants as well as in very small plants, will help to ensure that establishments’ HACCP plans work as intended to address food safety hazards. To assist with this process, FSIS has provided plants with training, webinars, and the FSIS Compliance Guideline: HACCP Systems Validation, a document designed to help small and very small meat and poultry plants meet the validation requirements.

How is FSIS using advanced analytics to improve its ability to analyze current and future data and help analysts in turning it into useful information?

 **Alfred Almanza:** To bolster its modernization efforts, the agency is focusing on a theme of investment so that we can build on our ability to utilize the results of our analyses, enhance the value of our data, and improve our sampling methods. Today, FSIS relies on scientific analysis when making decisions. All decisions and policy changes need to be supported by sound science. Using scientific risk assessment, our agency policies are focused on mitigating foodborne risks for consumers.

Our key area is testing gaps for product classes and pathogens that need to be addressed. Using an interactive approach, FSIS will begin testing to fill in these gaps, and the agency will learn more about contamination and pathogen prevalence for these products and pathogens. This knowledge will potentially allow FSIS to establish new standards and rules and to help better direct future efforts at determining better ways to improve food safety.

Scientific advances in whole genome sequencing and lab analysis will further increase the quality and quantity of data that we can use to reduce foodborne illnesses. FSIS’s Advanced Analytics initiative is improving FSIS’s ability to analyze current and future data and helping our analysts in turning it into useful information.

When combined, whole genome sequencing and Advanced Analytics should help us to greatly decrease illnesses by informing our enforcement activities.

Would you tell us more about FSIS's efforts to enhance the inspection of exports and imports?



Alfred Almanza: Before FSIS-regulated products can enter this country, the agency determines whether the food safety regulatory system of any country that wishes to export to the United States is equivalent to that of the United States. Once FSIS finds a foreign country's food safety system for meat, poultry, or processed egg products to be equivalent, FSIS inspects eligible products from that country at U.S. points-of-entry. With respect to international stakeholders, the FSIS Office of International Coordination (OIC) within the Office of the Administrator serves as the agency's point of contact to coordinate and address international issues. OIC represents FSIS in contacts with foreign governments on all FSIS regulatory matters, working in concert with other USDA and federal agencies with international responsibilities to ensure the safe import and export of FSIS-regulated products.

In recent years, FSIS has also improved and streamlined our Self-Reporting Tool (SRT), an equivalence questionnaire used by foreign countries to obtain or to maintain eligibility to export FSIS-inspected products to the United States. The SRT is the means by which foreign countries collect key information on their food safety systems for consideration by FSIS. In FY 2015, a total of 32 countries uploaded their responses to the core questions into PHIS. Based on its review of the SRT information, the agency decides whether there is a prima facie basis to conclude that the country has an equivalent system. If FSIS finds that there is, it will schedule an on-site audit of the country's food safety system.

To keep the public safe, FSIS also conducts outreach and educational awareness. Would you elaborate on your key consumer and stakeholder outreach efforts?



Alfred Almanza: To keep the public safe, we conduct outreach and educational awareness efforts to small and very small plants and to the millions of Americans who consume our products every single day. With more than 90 percent of the 6,389 FSIS inspected plants considered small or very small operations, FSIS has a Small Plant Help Desk that serves to assist plant owners and operators with questions. During FY 2015, the Small Plant Help Desk received and

responded to 2,031 inquiries in person, over the phone, and via e-mail. In addition, FSIS publishes compliance guides and hosts webinars that help small plants comply with new or modified FSIS regulations.

For 30 years, the USDA's Meat and Poultry Hotline has enabled consumers to ask questions or report incidents of foodborne illness. The hotline receives more than 80,000 calls each year and helps prevent foodborne illness by answering questions about the safe storage, handling, and preparation of meat, poultry, and processed egg products. The hotline also answers calls in English and Spanish, through an online chat, and a virtual Q&A system.

In conjunction to updating its standards and implementing measures, FSIS has been using multiple avenues to promote food safety awareness. The Food Safe Families campaign began in 2010 as a unique collaboration between FSIS, FDA (Food and Drug Administration), and CDC (Centers for Disease Control and Prevention) to educate consumers about the dangers of foodborne illnesses and how to make safer choices at home. A key element of this multimedia campaign is public service advertising developed in coordination with the Ad Council. The FoodKeeper app, launched in April 2015, offers mobile users valuable storage advice about more than 400 food and beverage items, including various types of baby food, dairy products, eggs, meat, poultry, produce, seafood, and more. To date, the app has been downloaded more than 100,000 times. ■

To learn more about the USDA's Food Safety and Inspection Service, go to <http://www.fsis.usda.gov/wps/portal/fsis/home>



To hear *The Business of Government Hour* interview with Alfred Almanza, go to the Center's website at www.businessofgovernment.org.



To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.



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Managing the Business of Government: Insights from Paul Bartley, Deputy Assistant Secretary for Program Support, U.S. Department of Health and Human Services

By Michael J. Keegan



As government agencies continue to be under increased scrutiny to improve efficiency and be ever more vigilant with their use of public funding, they are increasingly adopting alternative models

and approaches to providing services. Government agencies need help. With tightening budgets, agency leaders must make difficult resource decisions that go to the heart of mission effectiveness. For over 20 years, the U.S. Department of Health and Human Services' (HHS) Program Support Center (PSC) has sought to provide value-added services that support federal agencies' business operations so these agencies can focus on their core missions. Initially, PSC was established to reduce HHS's annual spending and to increase the quality of its administrative services, but today PSC offers over 40 services to HHS and other federal agencies—providing the essential functions needed to keep government agencies operating.

How does PSC manage the business of government? What are the benefits of a shared services model? What can government executives do to move to shared services? Paul Bartley, Deputy Assistant Secretary for Program Support, U.S. Department of Health and Human Services, joined me on *The Business of Government Hour* to share his insights on these topics and more. The following is an edited excerpt of our discussion, complemented with additional research.

What is the mission of the U.S. Department of Health and Human Services' Program Support Center (PSC)? How has it evolved to date?



Paul Bartley: PSC is a non-appropriated agency created in 1995 by then HHS Secretary Donna Shalala as part of Vice

President Al Gore's Reinventing Government Initiative, with a goal of reducing duplication in administrative services. We know government. We help federal agencies fulfill their missions and support federal employees serving America. "Managing the Business of Government" is our tagline. In doing so, we aim to create a differentiating experience by providing the best services to meet our customers' individual needs while at the same time making it easy and beneficial to do business with us and gain the efficiencies of a shared services model. PSC is hosted by the U.S. Department of Health and Human Services. PSC serves HHS and all three branches of government.

Our mission is to help other agencies fulfill their missions. The administrative burdens of our customers are the things that we concentrate on for them. We want our federal agency customers to concentrate on curing cancer, keeping food safe, or helping the environment. Whatever the mission of the agency, our job is to take away distractions. We do those things that can be done centrally and we do these activities more efficiently.

PSC is the largest multi-function shared services provider to the federal government. PSC offers over 40 services to HHS and other federal agencies. We do everything from managing federal employee health clinics to delivering mail; from digital archiving to negotiating contracts; and from financial reporting to storing and distributing medical supplies.

We are an \$800 million operation with a staff of 3,000 (700 federal employees, 2,300 contractors). The HHS Service and Supply Fund Board of Directors oversees the Supply Service Fund (SSF), comprised of stakeholders across HHS, including PSC. The board's purpose is to ensure the fund's operational and financial integrity and stability; ensure the delivery of

“Our business direction is clear and our job is to continue to focus intently on what we can control: providing our customers with the best service and seeking out new customers to leverage our services while they focus their resources on their core missions.”



efficient, timely, cost-effective and high-quality services to internal and external customers; and approve appropriate lines of business. The HHS Service and Supply Fund provides a working capital fund for financing and accounting for business-type operations involving the provision of common services.

PSC has four lines of business or portfolios: financial management and procurement, federal occupational health, real estate and logistics, and administrative operation. These portfolios are divided into 13 “service areas” that provide PSC’s 40-plus services.

What are your duties and responsibilities?



Paul Bartley: As the director of PSC, I’m essentially the Chief Executive Officer. I have four SES-level executives who run PSC’s lines of business, or portfolios as we call them. My job is to create a vision and make sure that everybody in the organization is focused on achieving that vision. I oversee the management and delivery of our products and services to PSC’s customers worldwide. I am a champion for PSC services with the leadership community (both internally within HHS and externally in other federal agencies). I meet with our customers (both locally and out in the regions) to listen to them in order to continuously improve our service delivery and to promote PSC’s services in order to encourage more customers to leverage our services while they focus their resources on their core missions.

What are the top challenges that you face in your position and how are you addressing them?



Paul Bartley: Government agencies do not fully understand shared services and often think they can handle the back office functions less expensively and more efficiently. The opposite is true—shared services is more efficient and is a huge cost savings to customers. One of my challenges is that as a shared services provider, we are constantly trying to convince people who aren’t using us to come to us and use our services. We believe that in most cases we offer a better product than agencies can provide to themselves on their own.

My other challenge is providing great service and at a good and competitive price. I’m also looking to achieve a 10 percent annual increase in market share. While the federal government is leaning more toward the shared services concept, fundamental challenges of moving to this model exist beyond the lack of a legislative mandate. One of those challenges is sales. Selling PSC services is not a typical capability or skill required of the current workforce and therefore

the creation of a sales and marketing culture within PSC presents a challenge. To address the challenge of sales, we formulated our budget to include 10 percent growth targets; framed the current market to see where there are opportunities for PSC to assume more of the market share; and established account managers to examine the market and identify target areas for growth.

My third challenge centers on keeping PSC employees excited about the work they are doing. With budget cuts and freezes on pay and performance awards, overall employee morale is down in recent years. Motivating employees to keep providing excellent customer service can be a challenge when they are not being rewarded for the excellent work they are doing.

I’d like to better understand your leadership style and the key principles that continue to inform your efforts. Would you outline your key leadership principles?



Paul Bartley: I’m from Texas. I love putting hot sauce on just about everything, so I’m calling my leadership principles the “*Secret Sauce to Leadership*.”

Ingredient #1—Articulate a vision

You have to have a plan and work to that plan. You’re not going to be effective if you don’t know where you’re going. There’s this quote in *Alice’s Adventures in Wonderland*: “If you don’t know where you’re going, any path will take you there.” And it really is true. You can end up, at the end of a three-year stint, looking back and saying, “Yes, I kept the place together, but what did I really accomplish? What envelopes did I push?” And if you don’t identify those envelopes early on and know that you’re going to push them, you’re not going to push any.

Ingredient #2—Inspire staff

You have a vision, now you have to share it and get others on board, otherwise it will never be accomplished. This is done through inspiring and motivating the entire organization to stretch toward the realization of that vision. It is through getting your employees excited about the work they are doing that the vision can be achieved.

Ingredient #3—Develop your people

Ensure that you have the talent to meet current and future challenges. Train and educate. Mentor and coach.

Ingredient #4—Think strategically

Don’t just live in the moment, look to the future. Forecast probable successes and avoid potential failures.




“I define shared services as a high-value, low-cost delivery model for the effective and efficient delivery of back-office support services.”

Ingredient #5—Communicate, communicate, communicate!


Typically, people think that good communicators talk more often, send more messages, and let people know more information. In other words, they believe that the solution to better communication is to do more telling. The most effective communicators are also very good at asking the right questions and listening. Ask pointed questions to ensure that others understand and then listen carefully—that will help you understand what’s going on in your organization.

What are your key priorities?

 **Paul Bartley:** Our priorities are to exceed customer expectations and grow PSC revenue. These are my key priorities. To grow our operations by 10 percent in market share each year, we have to create value that most organizations cannot attain independently by delivering a high level of expertise, performance, and efficiency. We know that growth will follow if we provide excellent customer service through products and services that our customers value.


It’s an ambitious goal. We truly believe that moving a dollar’s worth of activity from a poorly performing environment at an individual agency to PSC will increase the quality and ultimately lower the cost to government as a whole. In FY 2015, PSC grew 11 percent. Over the next three years, we will continuously evaluate the range of administrative services to see which ones have the most potential for growth, and we will focus our energy on trying to grow those services.

Would you define for us the concept of shared services and explain the purpose of adopting a shared services model?

 **Paul Bartley:** Shared services is a high-value, low-cost delivery model for the effective and efficient delivery of “back office” support services to customers. The purpose of shared services providers is to take over the back office functions (finance, IT, HR, acquisitions, etc.) to allow organizations to focus on their core missions (protecting the U.S. border, helping veterans, etc.). PSC and the other shared services providers are not offering to take over critical mission functions such as finding a way to cure cancer—we are offering to take on the corporate support functions (things


such as payroll, travel, contracts, etc.) so that the customer can focus on curing cancer.

How has shared services evolved in the federal government over the past two decades?

 **Paul Bartley:** The U.S. government is pursuing shared services because it is the best model for the government to use. Centralization of functions (such as financial management or acquisitions) would be extremely tough to do with the current set up of the U.S. government. Buy-in from the “C-suite” is critical for pushing shared services in the federal government. I remember when I joined the government back in 2007, that no one knew how to spell shared services. The fact that it is now on the forefront of people’s minds in the U.S. government has been through the efforts of many groups.

The best example of success to date has been payroll processing, yet that took over 25 years to consolidate from hundreds of agency-specific platforms to the four government-wide platforms we see today. This initiative has produced over \$1.63 billion in cost savings and cost avoidance through FY15 (an average of about \$116 million for each of the 14 years), with the federal government expecting to realize over \$184 million in cost savings per year from these migrations after FY15.

What advice would you offer government executives looking for a shared services partner and thinking about moving their mission support services to a shared services arrangement?

 **Paul Bartley:** I think the biggest challenge agencies face in the U.S. government, as they transition to a shared services provider (SSP), is giving up control. Most agencies have the mentality that they can do things better, cheaper, and faster themselves and giving up the control of their administrative functions to an SSP can cause some heartburn.

What is going to happen to my people? How does this impact my operations? How does this impact my budget? These are all questions that race through customers’ heads as they are in the process of transitioning to an SSP, and it is

our responsibility as the SSP to ease the customer's concerns and show them that we are here to help them and to serve as a partner. I think the key to PSC's success is that we have developed a reputation and a brand that customers recognize. Many of our services are growing just by word of mouth, which is a true testament to our excellent staff and our reputation for excellent products at a competitive price. I would encourage government executives who are not currently using a shared services provider to contact me to find out more about the value that using a shared services provider can truly provide. A shared services partner offers comprehensive solutions and scalability to handle your back office functions efficiently while freeing your resources to focus on mission. They should be easy to use, continuously looking for opportunities to help you, be transparent, and keep costs manageable.

How has PSC evolved over the past two decades? What lessons have been learned that you would like to highlight?



Paul Bartley: Aside from the tremendous growth we have experienced, I'd say that over the years we have continued to build on providing a full range of shared services to HHS and other U.S. federal agencies, enabling them to better focus on their core missions. We're fulfilling our tagline of "Managing the Business of Government" better than we did even five years ago, let alone 20. When I started nine years

ago, most people in government didn't know anything about shared services. We are the leader and have done our part to grow and make federal shared services what it is today. But we are just starting.

Our business direction is clear and our job is to continue to focus intently on what we can control: providing our customers with the best service and seeking out new customers to leverage our services while they focus their resources on their core missions. ■

To learn more about the Program Support Center (PSC), go to <http://www.psc.gov>.



To hear *The Business of Government Hour* interview with Paul Bartley, go to the Center's website at www.businessofgovernment.org.



To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.



To read the full transcript of *The Business of Government Hour* interview with Paul Bartley, visit the Center's website at www.businessofgovernment.org.

Creating a Dynamic and Agile IT Enterprise: Insights from Dr. David Bray, Chief Information Officer, Federal Communications Commission

By Michael J. Keegan




In 2013 the Federal Communications Commission (FCC) embarked on an ambitious effort to modernize its information technology infrastructure, transforming from an agency with 207 different IT systems to one with a

cloud-based common data platform that would play a significant role in creating a more dynamic and agile enterprise.

Dr. David Bray, FCC's Chief Information Officer, orchestrated this transformation. He understood that making this IT vision into a reality would require introducing a myriad of challenges to how the FCC managed its IT systems and services. It would also involve affecting broader cultural change across the agency's 18 different bureaus and offices. Most importantly, Bray recognized that the resources IT spent on maintaining existing systems were unsustainable and unacceptable for an organization that was supposed to be at the forefront of 21st century communications technology. The FCC's IT division was lagging behind.

What has the FCC done to transform its IT infrastructure? How has the FCC Chief Information Officer cultivated a network of change agents? What is the FCC doing to cultivate a culture of risk-taking and experimentation? Dr. Bray, FCC Chief Information Officer, joined me on *The Business of Government Hour* to share his insights on these topics and more. The following is an edited excerpt of our discussion complemented with additional research.


How would you describe your role at the FCC?

 **Dr. David Bray:** I am a digital diplomat and human flak jacket. The FCC had nine CIOs in eight years before I arrived in late 2013. When I arrived there were 207 different IT


systems on premise. The average age was more than 10 years old. We had server rooms that were running Sun Fire E25K servers, which gives you a sense of the size and age of our infrastructure.

I wanted the agency to operate IT as an enterprise across its 18 different bureaus and offices. This was no small feat given that the 1,750 FCC staff had been used to operating from a bureau or office perspective, not necessarily from an enterprise view. The other serious issue was that the FCC made significant IT investments in the late 1990s with little updating since. As a result, our legacy IT infrastructure required more than incremental change; it needed to be transformed. Therefore, I needed to be a digital diplomat getting folks on board with this major change, but I also needed to provide cover to the network of change agents working the edges and making this transformation a reality.

Would you highlight a few of the key challenges you've faced?

 **Dr. David Bray:** This transformation was to be game-changing. While pushing this game-changing vision, I needed to manage the resulting friction. Any time you're going to try and initiate change, you will face resistance. People are used to what they know. It was a real challenge getting folks to see the value of my vision and recognize that the old way was unsustainable. I needed to demonstrate many small, yet successive, wins that could lead to a larger, more significant win.

The revamp of our consumer help desk represents that more significant win. FCC had a 15-year-old consumer help desk with literally 18 different forms. It was incumbent upon the user to figure out the proper form, then mail it or fax it

A man with short brown hair and glasses, wearing a dark blue suit jacket, a light blue shirt, and a red patterned tie. He is smiling and gesturing with his right hand, palm facing up. The background is a blurred outdoor setting with greenery and a tree trunk.

“I always ask people that work for me to give me three reasons why we should do something, give me three reasons we shouldn’t, and mitigation plans if things don’t work out. If something is not working, pivot quickly and make sure you have good communication both laterally and up the chain, so if we need to make an adjustment we can do it really quickly.”

to the FCC, and we somehow ingested it. Clearly, there is a better, more customer-friendly and agency-effective way to provide this service. This would involve a process redesign and a technology upgrade. Interestingly, the technology piece of doing this was only 20 percent of the issue. There are many examples for how to do this more effectively. You shouldn't have to guess which form to use. All we need to do is create an environment, similar to TurboTax, where you start answering questions posed by the system, such as who are you or what is your issue? Before you know it you've completed a form without even knowing it.

Since we were changing processes, staff was initially resistant. Fast forward three months. The same people acknowledged the added value of the new system. A vendor priced the project at \$3.2 million and it would take 18 months. We did it internally in less than six months for \$450,000 total, including contractor time.

My next challenge was getting the FCC IT workforce reengaged while working constructively with our stakeholders. When I came on board, the FCC IT workforce was feeling disempowered and demoralized. This sentiment also extended to the FCC bureau and offices as well as our broader public stakeholders. An example for why this was the case involved the 2010-2011 FCC.gov website, which was unfortunately designed without much stakeholder input. Given this track record, I was very cognizant of frequently engaging internal and external stakeholders. I also needed to help the FCC IT workforce recognize that what they do has real impact and enables the agency to achieve its mission.

The next challenge is communicating that we need to do things at exponentially increasing speed. In 2013, there were 7 billion network devices on the face of the planet. There were 7 billion human beings. Just two years later in 2015, we're up to 14 billion network devices, only about 7.3 billion human beings. By 2020, we're looking at anywhere between 50 and 200 billion network devices. As we modernize IT at the FCC, we also have to think about how we do the business of the FCC in an exponential era as well.

David, you've compared your IT modernization effort to performing open heart surgery on the FCC's IT infrastructure. With that as the backdrop, would you give us a sense of the vision to modernize the IT infrastructure?



Dr. David Bray: When I became CIO, the FCC had 207 different IT systems on premises that averaged 10 years in age. The maintenance of these systems consumed more than

85 percent of the FCC IT budget. The cost to maintain grew each year because as they aged, they became more expensive to maintain. Before I did anything, I spent three months listening and learning as much as I could from the different bureaus and offices. It was obvious to me that we needed to take a transformational leap.

In two years or less, we wanted to have no IT infrastructure on premise. Getting to this state involved a three-phased approach and illustrates my heart surgery metaphor. We're going to do the equivalent of a heart transplant on our servers. Obviously, there's some risk involved with this, but at the same time, in order for the patient to get better, we have no choice. The first phase of our approach was stabilization. Stabilization entailed doing good IT hygiene: getting a good sense of what we have and instilling good IT discipline. Once we stabilized, the next phase was rationalization. Prior to this phase, we rolled out a web-based e-mail system hosted off site. We did it in less than two months, which was a rather accelerated clip, but that was important because if we were going to get ready for rationalization—moving servers off site—then we needed to at least have the e-mail system in place before pulling the plug. We really were doing “open heart surgery” because we literally powered everything off at the FCC that could not be moved to the cloud right away. We put that infrastructure containing 400 terabytes of data on seven different trucks destined for an off-site facility. The rationalization phase and the server lift provided us with a complete inventory of IT materials accumulated over the last 20 years.

After the lift, we focused on the third stage: having everything off site. We now have nothing at the FCC. We've managed to reduce our maintenance spend from 85 percent to less than 50 percent. This is real savings. I also recognized the other benefits of going to a public cloud model: It's faster and more expedient. It's also more resilient because they are going to have hundreds more people focusing on the security and on the care and feeding of those systems that I possibly would have had as a small agency.

You mentioned Operation Server Lift. Would you tell us more about that effort? What were some of the successes, lessons learned, and maybe even nail-biting moments?



Dr. David Bray: It took the success of a single agency to show that such an effort is in fact possible. Now I receive frequent inquiries from other agencies about how we did Operation Server Lift. I underscore the requisite need of building a strong coalition and team. You can get all the technology right, but you are bound to face surprises and




“At the FCC and in my previous roles, I give my change agents three things: autonomy, measurable progress, and a compelling mission. If they can embody these three things, then I invest in them and encourage them to do what they can to pursue change and be successful.”

setbacks. How you survive, thrive, and navigate when faced with these hiccups rests with the strength of the team you have built.

The next lesson I learned from Operation Server Lift is plan, plan, plan, and then even though you’ve planned to the nth degree, expect something will still go wrong. With the server lift, we did have a surprise. Those seven trucks filled with our servers arrived at the off-site facility, but the cabling didn’t match the typology that we had at the FCC. This situation could have easily devolved into finger-pointing and blame, but that didn’t happen. What happened was both our private sector partners and our government workforce rallied. This team worked for 48 hours straight with no sleep to get it right. I love this story because the key is I didn’t have to ask this team to get it right. They did that on their own. That’s when you really are humbled as a leader. It was only a two-day delay because we built a strong team.

I also underscore the critical importance of communication when you are doing something on such a massive scale like Operation Server Lift. You need to be open and communicative leading up to it and open and communicative afterwards too. It’s better to keep folks in the loop so if an issue does arise everyone knows about it, understands the remedy, and has their expectation set.


How are you fostering a culture of risk-taking and experimentation?

 **Dr. David Bray:** We definitely want people to take risks. We also want these risks to pan out. It is important and sensible for particularly risky actions that you make sure you have back-up plans just in case things don’t pan out. I always ask people that work for me to give me three reasons why we should do something, give me three reasons we shouldn’t, and mitigation plans if things don’t work out.

If something is not working, pivot quickly and make sure you have good communication both laterally and up the chain, so if we need to make an adjustment we can do it really quickly. The other thing that we’ve done that has been really


successful at the FCC is we do what is called the boardwalk meetings. I put a chart outside my office and ask my staff to tell me from their perspectives our strengths, weaknesses, opportunities, and threats; the SWOT analysis. We’ve developed these rituals as a viable way to talk about things such as risks and to problem solve together as a team absent fear of retribution.

What are you doing to bring together a network of change agents across the government?

 **Dr. David Bray:** There are many people in public service that are hungry for change. They may lack the autonomy to do so. We have a system of checks and balances. In Federalist Papers #51, James Madison wanted ambition to counter ambition. The challenge is when people complain that government is too slow. Yes, there is a trade-off; either you have checks and balances or dictatorship. That said, I am a huge proponent of fostering a network of change agents. I want to seek a new approach that takes seriously checks and balances, but also looks to empower the edge. Given we are living in an exponential era (i.e., bringing more disruption through technological advancement and innovation), public service must adapt, finding new ways to organize and perform the business of government.

At the FCC and in my previous roles, I give my change agents three things: autonomy, measurable progress, and a compelling mission. If they can embody these three things, then I invest in them and encourage them to do what they can to pursue change and be successful.

What are the characteristics of an effective leader?

 **Dr. David Bray:** For my dissertation, I sought data that would help identify the best leadership styles, particularly in ambiguous or turbulent environments. The data show there are three things you need to embody as a leader. You need to cultivate a diversity of perspectives. In a rapidly changing environment, if you have a monoculture in which everyone is thinking the same thing, you’re going to miss things. When I assemble teams, I actually look for skeptics. I like dissenters.

It's okay to professionally disagree. Perhaps Frank Lloyd Wright, a wonderful architect, could have used an engineering perspective when architecting his works. I'm a big celebrator of change agents, who are allowed to disagree, present differing views, and offer alternative solutions. I'm going to have blind spots and I welcome disagreement. I only ask that those who disagree or offer alternative solutions bring data and evidence rather than simply opinion.

A leader needs to empower the edge. In a rapidly changing environment, a traditional top-down leadership approach is not going to cut it. In today's world, waiting for the top of an organization to figure out what's going on may take too long. As a leader, you need to empower your edge as much as possible. You have to give your staff autonomy to adapt and respond to events as they unfold.

Who has influenced your leadership approach?



Dr. David Bray: I would say my parents. My father is a Methodist minister. My mom is a school teacher. The older I get the more I realize I've taken on some of their best qualities and skills. My father was good at capital planning for churches as well as healing fragmented congregations. My mother is the extrovert of the family and the hostess. There was a time early in my dad's career when the bishop was visiting. It was the 1970s, so fake nails were in style. My mom's thumb caught on fire as she was lighting a candle for

the dinner. Most people would blow out their thumb, but not my mom. She turned with her thumb on fire, looking at the bishop, and said, "Want a light?" My dad said he saw his short career pass before his eyes.

I highlight that because if you're not having fun at work and if you can't laugh at what you're doing, something is wrong. Yes, we have serious things to accomplish, but we need to smile. One of the things I do like to ask my team as a leader is what brings them joy. That's helpful for them because it puts them in a reflective state, but it also helps me figure out what they are passionate about. ■

To learn more about the IT modernization at the Federal Communications Commission, go to www.fcc.gov/about/guest-author/dr-david-bray.



To hear *The Business of Government Hour* interview with Dr. David Bray, go to the Center's website at www.businessofgovernment.org.



To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.



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Transforming VA's IT Organization to Better Serve Veterans: Insights from LaVerne Council, Assistant Secretary for Information Technology and Chief Information Officer, U.S. Department of Veterans Affairs

By Michael J. Keegan



In his second inaugural address, President Abraham Lincoln spoke of the tragedies of the Civil War and society's need to unify and "to care for him who shall have borne the battle and for his widow, and his orphan...."

Though much has changed since that time, Lincoln's sentiment remains constant in the mission of the U.S. Department of Veterans Affairs. Changes in society, advances in technology, and the aftermath of recent military conflicts only underscore the importance of such a mission and the need to get it right.

In today's technologically complex world, getting it right also means having an exemplary information technology organization to provide the highest level of service to veterans. Significant factors increase pressure on VA to change and adapt, facing shifting veteran demographics as the aging veteran population seeks out and uses benefits at much higher rates. IT is a key enabler that can help VA adapt and change, no small feat for the largest integrated health care system in the country; a benefits-processing organization equivalent to a medium-size insurance company; and one of the largest integrated memorial and cemetery organizations in the U.S.

What is VA's IT strategy? How is VA changing the way it does IT? What about its enterprise cybersecurity strategy? LaVerne Council, Assistant Secretary for Information Technology and Chief Information Officer, U.S. Department of Veterans Affairs, joined me on The Business of Government Hour to share her insights on these topics and more. The following excerpts from our discussion are complemented with additional research.

What are your duties and responsibilities at the VA?



LaVerne Council: As the Assistant Secretary for Information Technology and Chief Information Officer, I'm responsible for about 8,000 employees and 8,000 contractors, 56 percent of those folks are veterans. I manage an appropriation of a little over four billion dollars used to support the IT mission support needs of all VA programs that support veterans.

My objective is changing that veteran's experience using IT. I want to make it easier for the VA staff that run programs to use technology in getting it right and meeting VA's mission. Technology pervades almost every facet of life today: call it the "consumerization" of technology that goes to the heart of increased expectations. Folks have an expectation and we always have to be looking at ways to meet that expectation. In our case, we need to be accommodating the veteran and thinking about what we can do to give them access to their information and make it seamless to them when they come to the VA for benefits.

Regarding your duties and responsibilities, what are some of the top challenges you've faced?



LaVerne Council: A significant challenge is fostering a work culture that sees the value of change. It is vital to remind people why they come to work, the importance of the VA mission, but it is just as important, given the pace of technology, for them to recognize that change is a constant. We have to be open as a culture to change.

The second challenge is making sure we are using all the resources we have available to us wisely, efficiently, and focused on outcomes. One might think, that shouldn't be



"The Enterprise Program Management Office (EPMO) began operating February 1 to deliver new project management solutions with the veteran in mind. EPMO acts as the 'control tower' for major initiatives, monitoring key information (such as status and risks) to improve project execution, increase visibility, and deliver better outcomes to our business partners—and ultimately, to our veterans."

hard. But it is hard if you're not entirely aware of all you have available to you and that you are empowered to use those resources. Therefore, empowering employees is key to our success and is an effort that I am really focused on today.

The third challenge is making sure we are communicating across the enterprise. Communication is everything in my business and it is essential that I'm communicating well, often, and accurately. It's something I think every leader has to do, and in this role it's a requirement.

A comprehensive review of the organizational assessments, strategic plans, and customer and employee feedback reveal other persistent challenges within OI&T. I'll provide a brief overview:

- **Customer Focus:** There is insufficient collaboration between OI&T and customers; lack of service-level agreements is an ongoing problem.
- **Standardization and Quality:** Efficiency is compromised by an aging IT infrastructure, low data quality and lack of integration.
- **Leadership and Organization:** Leadership communication is not as effective as it could be, with key functions duplicated across OI&T and VA.
- **Innovation:** There are too few methods and processes in place that might enable innovation for our customers.
- **Governance:** OI&T is not always measuring what matters, leading to ineffective governance and inability to continuously improve.
- **Project Management:** Current processes are burdened by excessive overhead; consistency and accountability are lacking.
- **Workforce Development:** Insufficient talent management gives us little recourse to combat personnel departures.

Since you took the reins of VA's IT portfolio, you've crafted a new IT strategy. I'd like to talk more about that. Could you outline your vision for the office, but more importantly what your key priorities and strategic goals are?



LaVerne Council: As a political appointee with about an 18-month tenure, the ideal would be to identify one or two priorities, get those one or two things done, and say your good-byes. When I joined the VA, as I started looking at the

organization and thinking about how can we better serve veterans, I had to shift my original approach. Given the crisis situation, I knew I needed to do more than one or two projects. I needed to take this leadership opportunity to transform the department's IT organization.

The IT Enterprise Strategy provides a roadmap for our ongoing transformation. The strategy has a new mission, vision, guiding principles, and strategic goals, and I am proud to share these with you today. Our new mission is to collaborate with our business partners to create the best experience for all veterans. Our vision is to provide a seamless, unified veteran experience through the delivery of state-of-the-art technology. Our guiding principles are to be transparent, accountable, innovative, and team-oriented. The VA plans to achieve our goals through a prioritized set of strategic initiatives across our "Now, Near, and Future" time horizons.

One of your quick wins was establishing an Enterprise Program Management Office (EPMO). Would you describe the mission and purpose of the EPMO? How does it represent the "control tower" for VA's IT efforts going forward?



LaVerne Council: EPMO began operating February 1 to deliver new project management solutions with the veteran in mind. EPMO acts as the control tower for major initiatives, monitoring key information (such as status and risks) to improve project execution, increase visibility, and deliver better outcomes to our business partners—and, ultimately, to our veterans.

Given EPMO's role as the control tower for OI&T, establishing its goals is a crucial step in transforming how OI&T does business. To better streamline our processes, EPMO has four concrete transformational initiatives: managing a single new release process for all partners, establishing tools for time-tracking and request intake, developing an Enterprise Change Calendar, and building the Veteran-focused Integration Process (VIP).

EPMO has already produced results. The VIP is a project-level based process that replaces the Project Management Accountability System (PMAS). VIP creates a new, lean process for work delivery within OI&T that prioritizes veterans' needs by streamlining activities that occur at the project, program, and portfolio levels. Since its inception, VIP has taken the development process down by 88 percent. It focuses on doing rather than merely documenting, with a reduction of artifacts from over 50 to just 7, plus the Authority to Operate and the shift from a six-month to a three-month delivery cycle. What's more, VIP establishes two



“Sharing data is only the first step in interoperability. Shared data needs to be used to provide better health care and benefits services to veterans. I am happy to report this is happening, and we are learning a lot from our users in the field, which is helping us iteratively refine and improve our new products.”

critical decision points as part of the project and product phases to determine if a project is viable and if a product is ready for production release. We condensed seven release calendars into one and streamlined the release process from as many as ten review groups to a single group.

There is a serious level of accountability in the process, for instance, ensuring that our cyber-security needs are met upfront versus in the back end. The EPMO will also manage our IT dashboard that will be publicly available. People can see exactly what we’re doing, how we’re doing, how well we’re doing, and the resources we’ve allocated to development.

I would like to talk about cybersecurity for the largest medical system in the U.S. and the second largest federal agency. Would you elaborate on VA's Enterprise Cybersecurity Strategy and its five strategic goals? What critical questions does it seek to answer and how?



LaVerne Council: OI&T is facing the ever-growing cyber threat head on. The first step in our transformation was addressing enterprise cybersecurity. I issued a 90-day mandate to get this done; we did it in 60 days. We did it with employees across eight new domains including privacy and medical cybersecurity. We delivered an actionable, far-reaching, cybersecurity strategy and implementation plan for VA to Congress on September 28, 2015, as promised.

We designed our strategy to counter the spectrum of threat profiles through a multi-layered, in-depth defense model enabled through five strategic goals:

- **Protecting Veteran Information and VA Data:** We are strongly committed to protecting data. Our data security approach emphasizes in-depth defense, with multiple layers of protection around all veteran and VA data.
- **Defending VA's Cyberspace Ecosystem:** Providing secure and resilient VA information systems technology, business applications, publically accessible platforms, and shared data networks is central to VA's ability to defend VA's cyberspace ecosystem. Addressing technology needs

and operations that require protection, rapid response protocols, and efficient restoration techniques is core to effective defense.

- **Protecting VA Infrastructure and Assets:** Protecting VA infrastructure requires going beyond the VA-owned and VA-operated technology and systems within VA facilities to include the boundary environments that provide potential access and entry into VA by cyber adversaries.
- **Enabling Effective Operations:** Operating effectively within the cyber sphere requires improving governance and organizational alignment at enterprise, operational, and tactical levels (points of service interactions). This requires VA to integrate its cyberspace and security capabilities and outcomes within larger governance, business operation, and technology architecture frameworks.
- **Recruiting and Retaining a Talented Cybersecurity Workforce:** Strong cybersecurity requires building a workforce with talent in cybersecurity disciplines to implement and maintain the right processes, procedures, and tools.


This strategy is a major step forward in VA's commitment to safeguarding. We are working to close key actions in response to oversight recommendations, thus eliminating our label as a material weakness in VA. In addition to publishing our strategy, we have:

- Established eight domains to address findings from Office of Inspector General FISMA audits and improve cybersecurity posture
- Fully funded Continuous Readiness in Information Security Program (CRISP) efforts
- Conducted penetration testing with multiple parties

As part of CRISP, our Enterprise Cybersecurity Strategy Team has created a detailed Material Weakness Plan and is on track to eliminate our material weaknesses by the end of 2017.


In addition, we have a large legacy issue that we need to address. VA is increasing our spending on security to \$370 million, fully funding and fully resourcing our security capability. In addition, we are investing over \$50 million to create a data-management backbone.

VA and DoD share millions of health records today. I'd like to discuss efforts to pursue interoperability. What has the Joint Legacy Viewer done to enhance interoperability between VA and DoD?

 **LaVerne Council:** In the third quarter of FY 2015, the departments maintained data for 7.4 million unique correlated patients and unique DoD patients registered in the Master Veterans Index. Over the past year, VA has also seen rapid growth in utilization of the Joint Legacy Viewer (JLV). JLV is a read-only web-based health record viewer that allows both VA and DoD to see a veteran or service member's complete health history from both departments, integrated on a single screen. It provides a standards-based, integrated, chronological view of real-time electronic health record information from all VA and Department of Defense (DoD) facilities where a patient has received care as well as from VA external partners. It also meets 2014 NDAA Section 713 (b) (1) criteria for interoperability with DoD. We expected to have something like 35,000 users. We are well over that number—more than 138,169 VA JLV users, growing by thousands more weekly.

However, sharing data is only the first step in interoperability. Shared data needs to be used to provide better health care and benefits services to veterans. I am happy to report this is happening, and we are learning a lot from our users in the field, which is helping us iteratively refine and improve our new products.


Regarding interoperability, how does the new enterprise Health Management Platform (eHMP) build on the JLV and what role does the Veterans Health Information Exchange program (VLER Health) play in your efforts to expand interoperability?

 **LaVerne Council:** All of the great capabilities we have developed in JLV with our DoD partners will be carried forward into our new eHMP. The platform will improve organization, display and search of patient data, and will give clinicians the ability to compute data within the platform. Clinicians will also be able to write notes and order lab/radiology tests; promote team-based management and communication; consult with others via improved communication and tracking; and create customizable workspaces to improve clinical workflow. Over the next two years, we will roll out eHMP, but this is not a

“one-and-done” solution. There isn't such a thing in the world of technology, and there are certainly no shortcuts to be taken when the mission is to provide a truly veteran-centric healthcare experience. We are looking beyond just enhancing electronic health records to developing a comprehensive digital health platform that can better support veterans across the health continuum. The JLV moves us closer to that goal, and eHMP will move us closer still.


In all of our interoperability efforts, VA is working closely with the DoD/VA Interagency Program Office and the Office of the National Coordinator for Health Information Technology to ensure correct national standard codes are used for describing our health information data.


With so much going on, how are you strengthening the department's IT capital investment process to ensure that the investment that you're making is mission-aligned and cost-justified. How does your buy-first strategy factor into your effort?


 **LaVerne Council:** This is a very important question. We need to understand the implications of every dollar we spend and any new capital investment we pursue. Software is like a child. You have it and you will pay for it for the rest of its life. Before we undertake a project, the EPMO asks for a business case. We're asking the right questions at the beginning of the process. We are also pursuing a buy-first strategy that leverages existing commercial solutions first before building internally. There's too much custom development. We really need to take advantage of some of the best solutions that are out there.

Dollars, people, and time are all finite, so we need to make sure when using these resources they lead to the best outcomes possible. ■

To learn more about VA's Office of Information & Technology, go to <http://www.oit.va.gov/>

 To hear *The Business of Government Hour* interview with LaVerne Council, go to the Center's website at www.businessofgovernment.org.

 To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.

 To read the full transcript of *The Business of Government Hour* interview with LaVerne Council, visit the Center's website at www.businessofgovernment.org.

Implementing the DATA Act of 2014: Insights from Christina Ho, Deputy Assistant Secretary, Accounting Policy and Financial Transparency, U.S. Department of the Treasury

By Michael J. Keegan



The impetus behind the Digital Accountability and Transparency Act of 2014 (DATA Act) may be simple: Transform federal spending information from disconnected documents into open data to improve

spending transparency, transform federal financial management, and stimulate ideas and innovation. However, taking this concept and applying it to a structure as large and complicated as the U.S. federal government involves a significant implementation effort and is no small feat.

In a nutshell, it's about taking the complicated structure of federal government spending and imposing a consistent data structure on top of it. That offers a unique opportunity to unlock the spending data scattered across the government and to access it in new ways that will create public value.

Since the DATA Act became law, the U.S. Department of the Treasury and the Office of Management and Budget has been leading its implementation to provide more accessible, searchable, and reliable spending data for the purpose of promoting transparency, facilitating better decision making, and improving operational efficiency. How is the DATA Act being implemented? What are the requirements of the DATA Act? What are some of the key challenges in implementing the DATA Act? Christina Ho, Deputy Assistant Secretary, Accounting Policy and Financial Transparency, U.S. Department of the Treasury joined me on *The Business of Government Hour* to share her insights on these topics and more. The following is an edited excerpt of our discussion complemented with additional research.

Would you tell us more about your role as Deputy Assistant Secretary for Accounting Policy and Financial Transparency?



Christina Ho: In my role, I oversee the development of the annual financial report for the federal government. I represent Treasury on the Federal Accounting Standards Advisory Board. I also oversee Treasury's efforts around spending transparency that involves USASpending.gov and the DATA Act.

A goal for my office is to shift from simply reporting on financial information retroactively to creating a more interactive and transparent environment to access and use federal financial data. We want to make financial data more actionable and useful to improve the operations of the federal government and to keep the public better informed.

What are the top challenges that you face in your position and how have you sought to address those challenges?



Christina Ho: Since my portfolio is government-wide, I see there are common challenges across the government. The initial challenge involves changing culture from one that is compliance-driven, silo-based to one that is integrated, based in collaboration, and outcome-driven. In implementing the DATA Act, we are pursuing a very collaborative and cross-functional approach amongst agencies. This can be very challenging.

The next challenge concerns recruiting and retaining the right talent. Hiring within the federal government can be slow and not terribly easy, which makes it challenging for us to attract the right kinds of people and necessary talent.



“A key requirement of the DATA Act is to establish data standards. This is to ensure data quality, consistency, and usefulness. To provide context, each data element that was under consideration for standardization had one or more current definitions. The goal of standardization is to create both functional and IT definitions and standards that allow for consistency across communities, so that data elements reported from different agencies correspond in definition and in format.”

Despite this challenge, I have been able to build a team with great passion for this kind of work, especially the transparency work.

The last challenge centers on helping people see the vision and possibilities for government in the 21st century government. There is a perception that government can never achieve real, meaningful change for the better, but I would say there are great possibilities that exist that can enhance the way government does business.

What has surprised you most in your current role and in this effort?



Christina Ho: Once the DATA Act became law we knew that it presented a significant opportunity. We did not want to go about implementing it simply as a compliance exercise and miss the opportunity to transform how the government makes available federal spending data for the purpose of promoting transparency. We worked on developing the value proposition for agencies. We identified the value proposition to have better access to their data. I was most surprised by how that value proposition resonated. It showed me that the problem with accessing data was common and was in fact a big problem; it also showed me that we were on the right track in terms of our approach.

Would you tell us more about the DATA Act?



Christina Ho: The DATA Act expands the Federal Funding Accountability and Transparency Act (FFATA) of 2006 by disclosing direct agency expenditures and linking federal contract, loan, and grant spending information to federal agency programs. This is intended to allow taxpayers and policymakers to track federal spending more effectively. It establishes government-wide data standards for financial data and provides consistent, reliable, and searchable data that is displayed accurately. It looks to simplify reporting—streamlining reporting requirements and reducing compliance costs—while improving transparency. It looks to improve the quality of data submitted to USASpending.gov by holding agencies accountable, and to apply approaches developed by the Recovery Accountability and Transparency Board to spending across the government.

As we look at expanding the use of meaningful spending data, it boils down to three things. Extracting the data, we need to get the data out which resides in many, many systems across the government. Then we need to publish it in a way that allows all of the stakeholders to consume and

understand the data. Lastly, we need to have people use the data, which means that the data has to be of good quality. I often refer to a simple formula that data plus use equals value. What we are doing to data is trying to make it accessible so that people can use it to derive value.

How does the DATA Act complement some of the other federal financial transparency efforts that are underway?



Christina Ho: FFATA was the first legislation to require financial data transparency. The law established USASpending.gov and required the data on contracts, grants, and loans over \$25,000 to be published online. The DATA Act amends FFATA by adding additional reporting requirements and establishing data standards. We are also thinking about how the DATA Act might complement the CFO Act (Chief Financial Officers Act of 1990) looking for ways to create more linkages between those efforts.

Getting access to program information that can be linked to financial data is a challenge for many CFOs. The DATA Act requires establishing new linkages between financial and award data, often providing more program information like program activity and object class. Those would be helpful to the CFOs. I believe that the DATA Act will support many of the goals of the CFO Act, using financial data strategically to help federal agencies work more efficiently and effectively.


Would you describe the governance and the implementation structure employed to meet the requirements of the DATA Act?



Christina Ho: Recognizing that strong governance is crucial to successful DATA Act implementation, OMB (Office of Management and Budget) and Treasury have established a robust governance structure. David Mader from OMB and David Lebyrk from Treasury established both the DATA Act Executive Steering Committee and the DATA Act Interagency Advisory Committee (IAC), in addition to reinvigorating the call for agency Senior Accountable Officials (SAOs). The Executive Steering Committee is comprised of OMB and Treasury, and it oversees all aspects of both policies and implementation related to our federal spending transparency efforts. The Interagency Advisory Committee is charged with representing the numerous business and functional communities across the government that have stakes in DATA Act implementation. At its core, the committee provides monthly feedback and input from the government councils on issues related to the DATA Act and federal spending transparency, and it serves as the vehicle through which OMB and Treasury disseminate information to the various councils.

In addition, the agency SAOs, similar to their role in the Recovery Act, have become the single points of contact who can speak on behalf of their federal agencies and provide insights into challenges, best practices, and considerations to assure successful DATA Act implementation.

Would you describe the data-centric strategic approach to this implementation and how it differs from the traditional systems approach?


 **Christina Ho:** Our strategy focused on a few things. The first thing is that our work should be open and transparent. We used GitHub to get public input on data drafts and data standards prior to them being finalized. We launched OpenBeta.USASpending.gov to engage the public to participate in the process of building the ultimate USASpending site in May 2017. We also reach out to external stakeholders on a regular basis. We want to be transparent, open, and engaging with our approach.

Secondly, we developed a data-centric approach. We want to use technology to extract the data from current sources and systems. We do not want to have agencies build big systems and make significant system changes in order to comply with the law. The data-centric approach is essentially about making data portable, so that the data can be freed from the originating systems. Otherwise, every time we need new data, we will have to go through system changes. To illustrate, not too long ago our phone numbers were geographically based, but this is no longer the case. Today, when you move, you can take your number with you. It's portable. I hope that we can get to the same state for federal spending data: system agnostic, accessible, and useful.

We are also using agile technology development processes to develop our data-centric broker and future display website.. If you've ever worked on a technology project in government, you're probably most familiar with the "waterfall" methodology of software development. You have a long requirements gathering phase, then you write the software, test it, and launch. In contrast, agile development emphasizes working software that does the absolute minimum to achieve a mission, so that user feedback on the initial prototype can be incorporated early and often. The goal with agile development is to create a tight feedback loop where user feedback is driving the development. We have actually adopted all of the plays outlined in the U.S. Digital Services Playbook and our team is working in two-week sprints to develop these various components for eventual implementation by May 2017.


The fourth thing is we need data quality. Data will not be used to create value if the data is not good quality. We need to access the data at the source. We have to have validations in place. This also means that we have to align incentives and accountability. If agencies do not use the data or it is difficult to trace the provenance of the data, it becomes very difficult to ensure data quality. Lastly, it is very important that we do this in a way to create value—value for the public, value for businesses, and value for agencies.

Establishing data definition standards is key to the successful implementation of the DATA Act. Would you tell us more about this effort?

 **Christina Ho:** A key requirement of the DATA Act is to establish data standards. This is to ensure data quality, consistency, and usefulness. To provide some context, each data element that was under consideration for standardization had one or more current definitions. The goal of standardization is to create both functional and IT definitions and standards that allow for consistency across communities, so that data elements reported from different agencies correspond in definition and in format. This is part of the process of providing spending data on USASpending.gov, which allows the public to view, download, and conduct trend analysis across the federal government.

In August 2015, OMB and Treasury finalized 57 data standards and continue to work on operational guidance in questions about how the data standards will be applied. Collecting public input on the data standards was an important part of our process. I mentioned GitHub earlier. We used GitHub to collect input from external public and private stakeholders on the standards. GitHub is an open source tool for online collaboration. We are using it to post information publicly on our efforts and collect input on the data standards in the schema. Before we finalize the data standards, we post each proposed data element and its definition on GitHub for a three-week period. At that time, anyone could review the data element and submit their feedback to us. Afterwards we review the feedback and determine what changes, if any, we should make in our data standard.

What is the DATA Act schema? What are the benefits of pursuing such an effort?

 **Christina Ho:** The DATA Act schema is foundational to our data-centric approach. Earlier I mentioned the desire to make data more portable. This schema will allow us to do that as well as validate the data to ensure data quality. We

“The DATA Act expands the Federal Funding Accountability and Transparency Act (FFATA) of 2006 by disclosing direct agency expenditures and linking federal contract, loan, and grant spending information to federal agency programs. This is intended to allow taxpayers and policymakers to track federal spending more effectively.”



are dealing with some very complex data. Unlike the award-level data that most people are more familiar with that have already been published in USASpending.gov, the financial data is very complex. It doesn't have a lot of data elements. It is similar to a bank statement. We are dealing with only four or five data elements on our bank statements, but they can tell us much about our spending habits. Having the data schema allows us to make sure that those linkages are clear and the information about the data that we are publishing is clear to the external stakeholders, so it is useful, meaningful, and adds value.

Treasury used the data definition standards to develop the initial draft of the DATA Act data exchange standard, or Schema, in May 2015. As I noted, Treasury is using the agile development methodology to create the Schema and collected public input and feedback from federal agencies. Treasury issued four draft versions of the DATA Act Information Model Schema (DAIMS) v1.0 that have been finalized. The DAIMS v1.0 was revised over the past year based on hundreds of comments provided by the public and federal agencies. The DAIMS v1.0 gives an overall view of the hundreds of distinct data elements used to tell the story of how federal dollars are spent. It includes artifacts that provide technical guidance for federal agencies about what data to report to Treasury, including the authoritative sources of the data elements and the submission format. The DAIMS also provides clarity on how the public can better understand the inherent complexity of the data.

What are some of the key challenges with implementing the DATA Act?



Christina Ho: Implementing the DATA Act will require commitment and resources from the entire federal community. While its benefits are significant, there are significant challenges to driving such monumental change, especially in a budget-constrained environment. The DATA Act did not

provide additional resources to federal agencies. To mitigate this challenge, we decided to take a data-centric approach to implementation. Our goal is to minimize cost burden to implement and maximize the strategic values for agencies and external stakeholders.

DATA Act implementation also requires strong leadership. This is a serious change management effort. The data is our focus, but we also need to change processes and how people collect, store, and share data, which takes significant collaboration. The key to success is perseverance, communication, collaboration, and holding people accountable for the implementation.

Even with this huge challenge, we have been able to make great strides. The President's Fiscal Year 2016 Budget includes funding for DATA Act implementation for key agencies, which we believe will keep the federal government on its path to accomplish the DATA Act's objectives. In the next couple of years, agencies will be required to implement government-wide data standards and establish the capacity and processes to disclose federal spending pursuant to the DATA Act. ■

To learn more about the DATA Act, go to <https://www.usaspending.gov/Pages/data-act.aspx>.



To hear *The Business of Government Hour* interview with Christina Ho, go to the Center's website at www.businessofgovernment.org.



To download the show as a podcast on your computer or MP3 player, from the Center's website at www.businessofgovernment.org, right click on an audio segment, select Save Target As, and save the file.



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By Michael J. Keegan, Forum Editor

Introduction: A Management Roadmap for the Next Administration

In January 2017, the inauguration of the 45th president of the United States will be followed by the transition of government to a new administration. The president and senior staff will be focused on important policies and challenges at home and abroad. For new leadership teams across the government, effective management will constitute a critical success factor for the implementation of the president's agenda, the execution of that agenda by millions of federal employees and partners, and the public's confidence in the government's performance.



As part of transition planning, the presidential candidates will benefit significantly from a robust roadmap for effective management that is planned well in advance. A sound management roadmap will enable developing the capacity to achieve key outcomes for government missions and programs; such a roadmap should identify how work will get done, in addition to defining what initiatives should be addressed. By so doing, the next president can leverage an agenda for governing that builds on current progress, increases the likelihood of success, accelerates action on important priorities, and reduces risk.

In early 2015, the IBM Center for the Business of Government and the Partnership for Public Service launched a Management Roadmap initiative as part of the Partnership's Ready to Govern efforts. Both the Center and the Partnership have sought to develop a set of management recommendations for the next administration, thereby enhancing the capacity of government to deliver key outcomes for citizens.

To develop these management recommendations, the Center and the Partnership have hosted a series of roundtable conversations that brought together senior public sector leaders and experts, top academics, and key stakeholders. The sessions explored current and past administration management initiatives that should be continued; discussed new opportunities; and sought out ways to deliver real change in government through a comprehensive set of operational levers available to leaders. The recommendations addressed approaches for enhancing a strong management system that supports the administration and delivers to the American people.

This forum highlights the reports and recommendations derived from the IBM Center and Partnership efforts and roundtables that have as their goal the development of a management roadmap for the next administration:

- **Managing the Government’s Executive Talent.** The first contribution to this forum focuses on strengthening executive talent across the federal government. It is excerpted from *Managing the Government’s Executive Talent* by Doug Brook & Maureen Hartney and informed by the Leadership Talent roundtable discussion held in May 2015.
- **Building an Enterprise Government.** The second contribution examines how agency leaders can coordinate and integrate activities to drive successful outcomes for the next presidential term. It is excerpted from *Building an Enterprise Government: Creating an Ecosystem for Cross-Agency Collaboration in the Next Administration* by Jane Fountain of University of Massachusetts Amherst and informed by the Enterprise roundtable held September 2015.
- **Enhancing the Government’s Decision-Making.** The third piece focuses on decision-making processes in the federal government. It is excerpted from *Enhancing the Government’s Decision-Making: Helping Leaders Make Smart and Timely Decisions*, by Ed DeSeve and informed by the Decision-Making roundtable held in November 2015.
- **Encouraging and Sustaining Innovation in Government.** The fourth contribution explores how the new administration can drive innovation and sustain current government innovations. It is excerpted from *Encouraging and Sustaining Innovation in Government: A Technology and Innovation Agenda for the Next Administration* by Beth Simone Noveck and Stefaan Verhulst and informed by the Innovation roundtable held in January 2016.
- **Getting Off to a Strong and Fast Start.** The fifth piece outlines how the next administration can get off to a strong and fast start. It is based on the robust roundtable discussion held early this year.
- **Early and Effective Transition Planning.** The sixth and final contribution details one action that can have more impact than any other: early and effective transition planning. It is shaped and informed by the final roundtable discussion hosted by the IBM Center and the Partnership early this spring. ■

Managing the Government's Executive Talent

Edited by Michael J. Keegan

The initial contribution to this forum focuses on strengthening executive talent across the federal government. The success of a presidential administration rests in the hands of leadership: the political appointees and career executives responsible for implementing policy, achieving mission outcomes, and running government operations. By making leadership talent a key priority, the next president can significantly enhance government's capacity for political and career executives to deliver strong results for the nation.

What follows is excerpted from *Managing the Government's Executive Talent*, which derives from a roundtable discussion held in May 2015 with current and former career and political government leaders. It brings forward insights from that roundtable, including the need to effectively manage the interface between political and career executives, strengthen the Senior Executive Service, align accountability and incentives for political and career executives, and innovate recruiting and training executive leaders.

Why Does Executive Talent Matter for Government?

Presidents seek to shape the direction of the nation. But ideas alone are not enough; a president needs talented people to implement them. Presidential transitions must focus early on recruiting and deploying talent to advance the policy and political agenda of the president-elect. The leaders they select, especially those who are presidentially appointed and Senate-confirmed (PAS), hold primary responsibility for the formulation and execution of the president's policies. Yet new administrations often lack appreciation for the direct link between success and the need for sound management and capable people who will implement their policies and programs. Indeed, every presidential administration has experienced unexpected management failures (such as the Affordable Care Act website rollout and the Hurricane Katrina response), some of which have created political firestorms, set back policy initiatives, or undermined public confidence in our government.



This is why it is essential for the next president, during the transition to power and after taking office, to recruit and place talented political and career executives with management experience in critical management and operational positions throughout the government. The presidential transition team and the White House Presidential Personnel Office have the huge responsibility of identifying qualified candidates and filling some 4,000 political positions, including about 1,000 PAS jobs and some 625 non-career positions in the Senior Executive Service (SES). These appointees will work with the approximately 7,200 members of the career SES to direct and oversee nearly 2.1 million civilian executive branch employees and contractors supporting the work of their agencies and departments.

Insights from the Leadership Talent Roundtable

The roundtable discussion focused on effectively managing executive talent. The discussions addressed five different aspects of the leadership talent issue:

- Effectively managing the career-political interface to foster strong teams that deliver results
- Strengthening the career SES to increase the capability and capacity of the government
- Aligning accountability and incentives to drive desired behaviors and the achievement of administration priorities
- Supporting innovations in talent management that can enhance the ability to recruit, hire and train the talent that the administration will be relying on
- Enabling ideas and tools to help leaders manage executive talent in the complex federal environment

For a more detailed explanation of these areas, please consult the full report, *Managing the Government's Executive Talent*, beginning on page 9.

A new administration must both assemble and organize the talent required to meet today's pressing challenges by recruiting and retaining political and career executives with strong management capabilities. The essential building block for an effective executive talent management strategy is the creation of enterprise-focused executive management teams in the departments and agencies of the federal government. In this context, we offer policy and management recommendations for creating and managing the government's Executive Management Corps, and we present a framework for getting it done in the new administration.

The roundtable discussion and related research resulted in the identification of four premises on which the recommendations offered are based:

- **Executive management talent is critical to achieving the goals of the next administration.** There are many recent examples of government failure in management undermining good policy. If the new administration's policy objectives are to be met successfully, they must be accompanied by strong, capable management.
- **The new administration must find the right managerial talent for the government's Executive Management Corps, consisting of both the Political Executive Management Corps and the Career Executive Management Corps.** Political appointees come from various backgrounds, and policy and political considerations are legitimate in the selection of people to serve

in presidentially appointed positions. However, for managerial positions within the government's Executive Management Corps, the administration must identify and select senior executives with significant management experience and capability.

- **The accomplishment of the management and policy goals of the next administration requires a strong working relationship between the Political Executive Management Corps and the Career Executive Management Corps.** Political appointees, by definition, have limited tenures in office. In contrast, career senior executives often work for their entire management careers in the service of one agency or within one functional specialization. Neither group singularly possesses the broad policy, political, programmatic and organizational knowledge necessary to manage their agencies. These two groups must forge positive working relationships. The earlier such relationships are established, the quicker the agency can be positioned to act upon the administration's priorities.
- **The government's executive talent pool requires proactive management by departments and agencies, with the support of the Office of Management and Budget, the Presidential Personnel Office and the Office of Personnel Management.** The new administration's management strategy must be actively managed and coordinated across government.

Recommendations

The essential building block for an effective executive talent management strategy is the creation of enterprise-focused executive management teams in the departments and agencies of the federal government. In this context, we offer policy and management recommendations for creating and managing the government's Executive Management Corps.

1. **Create a Government-wide Executive Management Corps.** Departments and agencies, in consultation with the Office of Management and Budget, the Office of Personnel Management, the President's Management Council and the Presidential Personnel Office, should designate a sub-group of political and career executives as members of a government-wide Executive Management Corps. This group of senior executives would be expected to bring an enterprise-wide perspective to their roles as leaders, with a sense of shared purpose and common priorities. Effective February 2018, the administration will be required to submit a

strategic management plan just as the president's budget is submitted to Congress. This would be a propitious time for the administration to convene a meeting of the Executive Management Corps.

2. **Create Department-and Agency-Level Joint Executive Management Teams.** Joint executive management teams bring together both political and career executives with specific agency functional/operational responsibilities, entrusting them with and measuring them on the success of the department or agency. Joint leadership teams comprising of political appointees and career executives should be created in each department and agency. Performance plans for political and career members of joint leadership teams should contain a set of common elements tied to achieving key mission outcomes in order to align objectives and incentives. Departments and agencies should design and hold joint activities during the orientation process for political appointees.
3. **Create a Political Executive Management Corps.** Effective management of the Political Executive Management Corps involves identifying and selecting qualified appointees to fill management positions, as well as integrating political appointees and career executives into an effective operating team. The incoming transition teams should identify Political Executive Management Corps roles—those positions to be filled by Senate-confirmed presidential appointees and non-career senior executives that require significant managerial expertise. Members of the Political Executive Management Corps should receive targeted orientations on management priorities, the government's management apparatus and management issues facing their agencies. Though many agencies and departments address individual accountability, having performance plans that include shared goals and mission outcomes will increase buy-in from the executives and encourage the formation and use of leadership teams.

4. **Create a Career Executive Management Corps.** Departments and agencies should identify a subset of career Senior Executive Service positions that have the broadest management and operational spans of responsibility. These positions should be proactively managed and assigned to senior executives with the desired management experience. The next administration should establish an enterprise-wide approach to the management of the Career Executive Management Corps with active coordination between departments and agencies, OMB and OPM. In order to drive organizational alignment, performance plans for career executives should contain a set of elements that are also common to the performance agreements of political executives.

Political Appointees and Career Professionals: The Right Mix

People are the foundation upon which the next administration will implement its agenda. By focusing on political appointees and career executives in leadership, a new presidency can get set up for success over the next four years. However, with an early focus on leadership (including during transition planning), the next president can greatly increase the capacity to implement policy effectively.

Managing executive leadership talent offers both an opportunity and a challenge for the incoming administration. It requires recognition that the president is the chief executive of the federal government. It also requires recognition that policy and political success demands an effective executive talent management strategy.

Appendix three in *Managing the Government's Executive Talent* displays the suggested timing for each of the four recommendations. It also indicates which of these organizations would have primary or shared responsibility for implementation of the recommendations. ■

Building an Enterprise Government

Edited by Michael J. Keegan



The second contribution to this forum examines how agency leaders can coordinate activities to drive successful outcomes for the next presidential term. What follows is excerpted from the report *Building an Enterprise Government: Creating an ecosystem for cross-agency collaboration in the next administration*, which is informed by a roundtable held in September 2015 that focused on the challenge of working across agency silos to improve operations and reduce costs.

The next administration will be set to work implementing the goals and priorities of the new president. Few will align neatly with the agency structure of the government; achieving them will require that agencies work together to collaborate

and integrate programs and activities to achieve common goals. The next president will assume office at a time when networks, agility, enterprise approaches, cross-agency capacity and partnerships are essential to address complex policy challenges.

What is Enterprise Government?

The first form of enterprise is mission-focused. It encompasses cross-agency collaboration to tackle complex policy problems that touch all agencies. Presidents cannot address critical national challenges such as export promotion and disaster preparedness by using a single agency relying on hierarchies and bureaucratic approaches traditional to government. For mission-focused enterprise government, redundancy and duplication are not the problems; fragmentation and lack of coordination and communication across jurisdictions are.

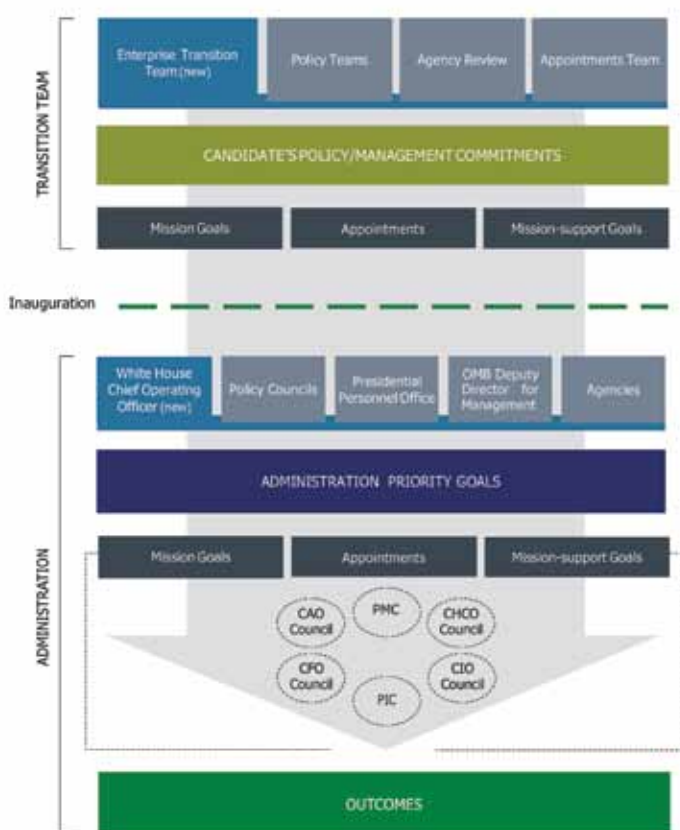
The second form of enterprise government is mission-support focused and emphasizes streamlining and integration of administrative services, processes and functions that share common or identical elements (such as shared financial and IT services and management of grants and loans).

Insights from the Enterprise Government Roundtable

The Enterprise Government roundtable identified key insights, experiences and recommendations for building the capacity to execute administration priorities by enhancing governance, improving collaboration and using enterprise approaches. These are the focus areas around which the roundtable was organized:

- Developing administration strategic objectives that cross agency boundaries
- Using the growing array of cross-agency institutions and roles to accelerate the president's priorities and agenda
- Coordinating across departments and agencies to drive mission outcomes

Enterprise Government Model



- Integrating mission support operations
- Getting it done in the federal environment: tools, timing, people

For a more detailed explanation of these areas, please consult the full report, *Building an Enterprise Government: Creating an Ecosystem for Cross-Agency Collaboration in the Next Administration* beginning on page 9.

The roundtable discussion and related research resulted in the identification of four premises from which the recommendations offered are based:

- **Contemporary policy problems are increasingly cross-boundary in nature.** Such challenges require cross-boundary responses. This compels the federal government to build such capacity.
- **Imperatives for cost reduction, greater efficiency, effectiveness and streamlined, citizen-facing services will continue.** Given contemporary management systems and practices, these imperatives can only be addressed through enterprise approaches.
- **A concerted effort to adapt and incorporate information and communication technologies across the federal government is required.** It is the digital revolution that makes possible cross-boundary coordination, control and service delivery. Therefore, the federal government must continue to strive to use IT strategically and effectively to build a government for the information age.
- **A new administration possesses a unique opportunity during its first year to use its mandate to promote change.** The evolution of governance toward enterprise approaches can be given fresh momentum and increased focus during the initial period of a new presidency.

Recommendations

From the research conducted by Jane Fountain and the roundtable discussion, five recommendations are offered to guide the next administration in managing enterprise government:

1. **Create a group within the transition team that focuses on the government's enterprise-wide policy management and implementation issues.** The transition teams should be set up to include a group that is organized around cross-agency goals and the integration of personnel, policy and management objectives. This group can establish a plan to utilize the existing management structures and tools, including the array of interagency councils.
2. **Create a White House Chief Operating Officer to support enterprise mission-focused initiatives.** Designate a White House COO to create greater coherence in managing the portfolio of cross agency mission objectives. The COO would ensure a clear implementation strategy for each mission-focused cross agency administration priority and identify the management capacity needed to achieve each goal. In addition to the COO, the administration should create a cross-functional support team within the White House to guide implementation of the president's key enterprise mission initiatives.
3. **Leverage the existing ecosystem of cross-agency institutions to support an enterprise approach to government.** The next administration should strengthen the coherence, communication and transparency among these organizations. The White House COO should work with OMB to connect the president's policy councils with the President's Management Council (PMC), other cross-agency councils, the General Services Administration (GSA) and the Office of Personnel Management (OPM) to create and sustain shared ownership for mission and management outcomes.
4. **Advance mission-focused outcomes by proactively coordinating cross-agency activities.** The next administration should accelerate implementation of mission-focused cross-agency administration priorities. The new administration may find that it succeeds or fails based largely on its ability to tackle horizontal, cross-cutting policy problems that lie across vertical agency silos. These "wicked" problems range from income inequality, health and energy to security, innovation and economic prosperity.
5. **Set ambitious enterprise mission-support goals to drive efficiency, innovation and customer satisfaction.** The next president will have the opportunity to fundamentally reshape and improve the operations of the federal government using shared services in areas including IT, financial management, acquisitions and human capital. The new administration should support development of the new governance and management structures recently announced for shared services. OMB, with the support of GSA and other lead agencies, should establish clear pathways to support agency migration to enterprise mission-support platforms.

The next president will enter office with a long list of campaign promises and an overriding desire to get things done. By identifying priorities that cut across agency boundaries and taking an enterprise approach to governing, the administration can deliver faster, more effective results. ■

Enhancing the Government's Decision-Making

Edited by Michael J. Keegan



The third contribution focuses on decision-making processes in the federal government. It is excerpted from a report with the very same title, which was shaped by a roundtable held in November 2015. Effective decision-making will be a critical element for the new administration. Incoming leaders in the White House and across federal agencies will be flooded with information and suggestions for new programs and priorities. They will be under pressure to act, especially on presidential priorities and budget choices. To succeed, new appointees need an organized approach to making decisions that draws on proven processes and frameworks to guide the rapid development and execution of policies and programs.

Why Should New Leaders Pay Attention to Decision-Making Early On?

Upon taking office, leaders must quickly decide what to focus on and what processes to use for making decisions. This sounds straightforward, but in reality can be extraordinarily complex in the federal environment, swamping even

experienced leaders. The roundtable participants identified the following challenges to making smart decisions:

- Sifting through large amounts of information
- Setting and sticking to priorities
- The need for effective collaboration across organizational boundaries
- The need for top leadership engagement and a sense of urgency to act

By being thoughtful about how to approach decision-making, leaders can make smart choices that are based on data and evidence.

Insights from the Decision-Making Roundtable

The roundtable addressed areas on which the next administration should focus in order to accelerate and improve the quality of its decisions about presidential priorities and. The key areas of discussion were:

- Establishing decision frameworks and associated governance structures
- Harnessing effective governmental decision processes
- Adapting decision support systems to better inform decision-making
- Developing ideas and tools to enable leaders to make practical decisions in the complex federal environment

For a more detailed explanation of these areas, consult the full report, *Enhancing the Government's Decision-Making: Helping Leaders Make Smart and Timely Decisions*, beginning on page 9.



Some decisions will be routine and predictable, such as choices made in the context of the annual budget process or the statutorily-driven strategic planning and financial reporting cycles. Similarly, there are decisions associated with new policy initiatives. Events may drive their timing, but leaders can influence the timing of the decisions themselves. Finally, some decisions are event-driven and not under the control of leaders—a natural disaster, a congressional investigation or a political scandal, for example. While a single framework for decision-making may not exist, general principles do apply.

The roundtable discussion and related research resulted in the identification of four premises from which the recommendations offered are based:

- **A need to move quickly to achieve policy and management successes.** Typically, new administrations have the most political capital with which to act on new initiatives in the first year of their four-year term. The lack of a clear decision process for prioritizing new initiatives in the context of other urgent decisions can doom policy and management priorities to failure.
- **A need to reduce the risks of making poorly informed decisions, or wasting time on the wrong issues.** A good decision-making process can predict in advance the need for certain kinds of information. For example, knowing a program's reauthorization schedule can allow the development of program evaluations, or the need to undertake a risk analysis of alternative proposals. In addition, developing a strategic context helps leaders choose the areas in which they want to invest time in making decisions, so they do not invest time in decisions on issues less important to a longer-term agenda.
- **A need to increase the capacity of agencies to deliver on mission objectives.** Many decision-makers are well versed in policy and invest large amounts of time in policy development. However, they are often not as well informed when it comes time to make decisions regarding program implementation. Execution is a critical element of policy success, and new leaders need to invest in mission delivery decisions via strategic reviews and risk analyses.
- **A need to employ an enterprise perspective when making decisions.** Increasingly, decisions cannot be made around discrete programs, policies or issues. Leaders need to incorporate an enterprise-wide view



whenever they make decisions—whether that enterprise is department-wide, government-wide, across the nation or around the globe.

Recommendations

From research conducted by Ed DeSeve coupled with insights derived from the roundtable discussion come three sets of recommendations offered to help incoming leaders put in place new decision procedures and leverage existing elements of effective decision-making processes. These recommendations are intended to help the next administration to act quickly on presidential priorities, and not be overwhelmed by the unremitting, urgent demands of ongoing governmental operations. They include:

1. **Leaders in the new administration should clearly explain how they will make decisions in different situations and what information they will need to ensure those decisions are well-informed.** New leaders need to develop a common understanding and approach to applying this view in different decision-making contexts. They need to articulate clear linkages among vision, mission, goals and objectives, as well as the roles that different organizational units play in achieving those goals and objectives. These should be consistent with cross-agency priorities developed in conjunction with the White House and other stakeholders.
2. **Incoming leaders should adopt an enterprise approach when establishing processes and making decisions.** They should take into account the complexities of broader

governmental systems and the consequences of different actions. Deputy secretaries or COOs should lead strategic reviews on progress toward key objectives. Agency leaders should also create a central data analytics capability to connect data and programmatic silos. In some cases, leaders will be called on to drive government-wide efforts that help achieve both agency and inter-agency priorities.

3. **Incoming leaders should use existing support functions within their organizations.** This includes using strategic foresight and planning and enterprise risk management, as well as creating an expectation that these functions will be coordinating their advice to top leadership.

Transition teams and the new administration should set an expectation among White House councils and agency leaders that articulating effective decision-making processes will be among their earliest priorities. Additionally, they should seek out individuals with experience in decision-making in multi-stakeholder environments to staff critical advisory positions in government.

How decisions are made will often determine the success or failure of new administrations and new agency leaders. New leaders must be able to focus on presidential priorities, while at the same time handling the myriad demands placed on them by routine but highly important operations that demand their attention. Transition teams should create an expectation for new agency leaders and their chiefs of staff that they will need to put in place their own procedures to deal with the deluge of pressing issues they will face, especially in the first 100 days.

The next president will inherit a web of decision-making frameworks and processes that can either help or hinder his or her efforts to accomplish tasks. Developing a framework and communicating how decisions will get made will be a key to success. Leaving the various decision frameworks that leaders need to navigate—policy, budget, acquisition, strategic planning, etc.—undefined or ad hoc will stymie concerted action. ■

Encouraging and Sustaining Innovation in Government

Edited by Michael J. Keegan

The fourth contribution to this forum explores how the new administration can drive innovation and support and sustain current government innovations. It is excerpted from the report, *Encouraging and Sustaining Innovation in Government*, which was inspired by an innovation roundtable held in January on how the federal government can use technology to achieve the next president's policy priorities.

Trust in government is at an all-time low. Re-designing and improving the way we govern should be a key a priority for the new administration—affecting how any new president will be able to accomplish priorities, be they economic growth, immigration, national security or responses to natural disasters. Technology and innovation will be essential to achieving the next administration's goals and to delivering services more effectively and efficiently.

Across President Barack Obama's two terms, agencies have prioritized innovation in many different ways. The administration pioneered business model innovations such as the



U.S. Digital Service, the GSA Office of Citizen Services and Innovative Technologies and 18F, and a new GSA Unified Shared Services Management (USSM) governance model. Challenge.gov and "idea labs," such as those at HHS and OPM, have brought new approaches to program delivery and government operations. There has also been innovation in talent acquisition such as the introduction of the Presidential Innovation Fellow (PIFs).

Yet despite the embrace of innovative technology as a means to do things differently, the use of technology in government is still the exception and not the norm.

When the next president takes office in 2017, a new administration will have the opportunity to embark on their own innovation agenda, building upon past efforts and setting new goals. How can new agency leaders drive and sustain innovation? How can the next administration enhance customer experience, and support empowerment of citizens and businesses? These and other questions served to frame a rich discussion.

Insights from the Innovation Roundtable

The roundtable discussion focused on three desired objectives for how innovation can improve outcomes:

- **Improving efficiency and effectiveness by using technology to improve government operations.** Operational innovation can proceed in an incremental fashion or through transformational leaps. It is important to make innovation a key expectation of every agency leader, both career and political.
- **Enhancing customer experience by improving the user experience.** A frequent pain point for citizens is the customer experience they have when interacting with government. While citizens have seen tremendous customer experience improvements in online banking, shopping, and news consumption, for the most part they have not seen the same level of improvements when



interacting with government. Improving customer experience has become a priority in the latter part of the Obama administration, with U.S. Digital Service and 18F leading the charge.

- **Increasing citizen engagement by empowering citizens and businesses to participate in the development of government policies and programs.** From obtaining information on communities and government operations, to creating avenues for citizen input and meaningful engagement on public policy issues, how citizens engage government is changing rapidly. The next president has the opportunity to build upon this trend to develop more meaningful participatory channels for citizens.

Enabling Innovation

There is no shortage of ideas for *what* should be done to drive better outcomes in government. Perhaps the more challenging question is *how* to lead innovation and change in the federal government. The next administration can look to enabling innovation through leadership and talent, process, scale and governance. Let's look more closely at each of these:

- **Leadership and talent.** Agencies can look at new models for acquiring talent, often using existing authorities that may not be fully utilized. They could explore using internal or public social media platforms to match people better with the skills needs of organizations. More importantly, top leadership needs to signal support for innovation—and tolerance for failure—while understanding that innovation needs to emerge from within the organization (not always top-down). External hires can bring in new ideas and ways of thinking, but they must work closely with existing career staff for innovation to stick.
- **Process.** Current law and policy can inhibit innovation. For example, the Paperwork Reduction Act could be reformed to promote communicating with citizens around innovative ideas. A long and complex acquisition process can limit the manner in which government and industry innovate together. Efforts to drive innovation must recognize this reality. OMB and other central agencies can help drive innovation across the government.
- **Scale.** Scaling innovation across the government, an agency, and a bureau is a difficult challenge, one that requires concerted effort by leadership. Agency leaders can foster innovation at scale by removing real and perceived barriers to change. Innovation in management structures is important (for example, establishing a

cohesive shared services governance model) and must accompany innovations at scale. Embed innovation in transition planning and the execution of campaign commitments. Be ready for a crisis—leaders can use a crisis to drive changes that would otherwise be unattainable—and at the same time drive real innovation in the delivery of services.

- **Innovation goals and governance.** The next administration needs to set clear goals around outcomes. It is important to establish a structure for innovation that names initiatives, designates accountable leaders, and develops bottoms-up and outside-in communication channels. Perhaps someone in the chief innovation officer role could set long-term goals and delegate short-term projects. The next administration would benefit from creating a “What Works” clearinghouse with successful innovations.

By building upon progress already made and effectively utilizing existing tools, the next administration can drive a new wave of innovation. The transition teams can better accelerate these efforts by thinking strategically about how to implement an innovation agenda, both within agencies and via government-wide initiatives. The transition team can also make innovation a priority in the selection of appointees.

Recommendations

From research conducted by Noveck and Verhulst, coupled with the insights derived from the roundtable discussion, three sets of recommendations are offered for incoming leaders:

1. **Scaling data-driven governance.** Platforms such as data.gov represent initial steps in the direction of enabling data-driven governance, but more can be done to make better use of data to improve decision-making and scale up evidence-based governance. This includes applying predictive analytics; increasing public engagement; and making greater use of emerging methods like machine learning.
2. **Scaling collaborative innovation.** Collaborative innovation takes place when government and the citizenry work together, thus widening the pool of expertise and knowledge brought to bear on public problems. The next administration must reach out not only to the public, but also to experienced officials and specialized citizens who possess relevant skills to attack the problems at hand.

3. **Strengthening a culture of innovation.** Institutionalizing a culture of tech-enabled innovation will require embedding innovation and tech skills more widely across the federal enterprise. For example, contracting, grants, and personnel officials must develop a deeper understanding of how technology can help them do their jobs better. What's more, workers need to be trained in human-centered design, gamification, data visualization, crowdsourcing and other new ways of working.
4. **Evidence-based innovation.** In order to better direct government investments, leaders need a much better sense of what works (and what doesn't). The government spends billions on research in the private and university sectors but very little experimenting with, testing, and evaluating its own programs. The next administration should continue developing an evidence-based approach to governance, including a greater use of methods like A/B testing; establishing a clearinghouse for success/failure stories and best practices; and setting up changes in oversight.
5. **Innovating the transition process.** The transition period represents a unique opportunity to set the stage for durable change. By explicitly incorporating innovation into the structure, goals and activities of the transition teams, the next administration can get off to a fast start in implementing policy goals and improving government operations.

The next administration will have the opportunity to build on progress from past administrations—from President George W. Bush's e-gov initiatives to the many efforts undertaken by the Obama administration, which is often called the "first tech presidency." The Obama team's use of technology began during then Senator Obama's campaign, continued through the transition, then accelerated during his presidency. Despite significant obstacles, including obsolete infrastructure and sometimes clashing policies, considerable progress has been made along three government-wide and agency-specific dimensions:

- **Personnel:** creation of new tech and innovation leadership roles across government, signaling a commitment to the use of technology and especially data
- **Policies:** new policy and legal frameworks that encourage experimentation and innovation
- **Platforms:** We The People and data.gov have helped translate the efforts of new personnel and the possibilities of new policy into concrete progress

Innovation is not a means to an end but a set of tools and methods in service of people and communities. The next administration must take steps now to create an agenda for the first hundred days that will set government on the path to still more effective use of technology. ■

Getting Off to a Strong and Fast Start

Edited by Michael J. Keegan

- ✓ **People**
- ✓ **Structure**
- ✓ **Tools**

The fifth contribution to this forum outlines how the next administration can get off to a strong and fast start. What actions should be prioritized? How can the new team avoid re-inventing the wheel? To seek answers to these questions, the IBM Center for The Business of Government and the Partnership for Public Service co-hosted a roundtable bringing current and former senior officials from administrations of both parties, as well as experts from academia and the private and nonprofit sectors. The robust discussion uncovered a number of practical actions that a new administration can take, starting with the transition, to increase the odds of success.

From the sixth roundtable came dozens of recommendations around people, structure and process. Among them were actions aimed at the White House, appointees and career staff. They include:

People

- **Ensure continuity of leadership from the transition operation to the Presidential Personnel Office.** PPO is critical to getting key staff into place and to helping align appointee priorities and performance measures with key administration priorities. Turnover within PPO leadership can have ripple effects across the new president's entire first term.
- **Appoint key management leaders in the first wave of appointees.** Set an explicit expectation that they will work together as a management team. Into this group, appointees put the heads of the Office of Management and Budget, the Office of Personnel Management, and the General Services Administration, as well as the OMB Deputy Director for Management (DDM), the White House chief information officer, and a newly created White House chief operating officer (a recommendation suggested in previous roundtables as well). Attendees pointed to problems following the eight-month delay in confirming a DDM at the start of the Obama administration, which in turn delayed action on a range of initiatives.

- **Integrate appointees and career leaders.** The faster the new administration can build trusted relationships with career staff, the more effective it will be. This can occur via joint training and orientation; the creation of integrated senior leadership teams in agencies and departments; town hall-style meetings with SES and career staff within the first 100 days; and regular joint political and career meetings.
- **Leverage the senior advisor role to put people into place quickly.** Attendees pointed to the key role that Ed DeSeve played as a trusted senior advisor to Vice President Joe Biden, coordinating the implementation of the Recovery Act. As the confirmation process is playing out, senior advisors can help the administration move forward on priorities.

Structure

- **Formalize the role of the President's Management Council.** The PMC is comprised of the chief operating officers of the major agencies (typically the deputy secretaries) and it provides enterprise-wide leadership on management priorities. Among the first actions of the administration should be the issuance by the president of a directive that reconstitutes the PMC. Such an order could identify positions on the PMC and delineate expectations for its focus.
- **Create task forces around key priorities.** Cross-agency or intra-agency priorities can be more effectively addressed through task forces (consisting of political and career staff) that bring together functional and policy expertise.
- **Establish performance goals in key policy and management areas early.** The new administration should quickly build on the performance framework led by OMB to move forward with measurable goals (the transition team can work on this prior to inauguration). If policy implementation and budget get too far ahead of performance management, it can be hard to drive alignment.

Tools

- **Quickly set up a regulatory review process.** While new administrations typically come in and freeze the process, attendees noted that the vast majority of regulations that pass through OMB's Office of Information and Regulatory Affairs are non-controversial. Freezing all rules can slow down processes that might actually further a new administration's priorities. Attendees suggested setting up a triage system to identify which rules to freeze, which to review quickly, and which to allow to move forward.
- **Develop a management agenda early.** The new administration can signal its management priorities in the opening days of the administration and should rollout a management plan at the same time as the first budget is released. Delay in releasing a management plan can have detrimental ripple effects across the administration's term.
- **Drive alignment around clear goals.** This should be done through performance management and through written performance plans for appointees, with key elements also reflected in career SES performance plans. PPO, OPM, a new White House COO and cabinet leaders would all play a role in driving alignment.
- **Provide agency leaders with a plan for their first six months.** Leaders who enter an agency without a roadmap have a higher likelihood of a disappointing tenure. Multiple levers can help new leaders implement such a plan, including reaching out to former office holders on a bipartisan basis, engaging career staff, setting decision-making processes, spending time in the field talking with customers and staff, and more.

The collective experience of the extraordinary group of people who participated in the roundtable generated a wealth of great ideas. Acting upon these recommendations can provide a significant boost to the next administration. ▣

Roundtable Recommendations

People

- ✓ Ensure continuity of leadership from the transition operation to the Presidential Personnel Office.
- ✓ Appoint key management leaders in the first wave of appointees.
- ✓ Integrate appointees and career leaders.
- ✓ Leverage the senior advisor role to put people into place quickly.

Structure

- ✓ Formalize the role of the President's Management Council.
- ✓ Create task forces around key priorities.
- ✓ Establish performance goals in key policy and management areas early.

Tools

- ✓ Quickly set up a regulatory review process.
- ✓ Develop a management agenda early.
- ✓ Drive alignment around clear goals.
- ✓ Provide agency leaders with a plan for their first six months.

Early and Effective Transition Planning

Edited by Michael J. Keegan

- ✓ **People**
- ✓ **Structure**
- ✓ **Tools**

The sixth and final contribution details a single action that can have potentially more impact than any other: early and effective transition planning. From strengthening the President's Management Council, to setting up a triage system for regulatory review, these recommendations can help jump-start the administration. What should transition teams focus on? What do past transition efforts tell us about ways to improve? How can transition teams fashion a management agenda that supports the implementation of campaign commitments and improves the operations of government?

The IBM Center for The Business of Government and the Partnership for Public Service co-hosted a roundtable earlier this year to discuss how transition teams can operate most effectively. The roundtable was the final in a series of seven as part of our Management Roadmap effort, a Ready to Govern (#Ready2Govern) initiative through the Partnership's Center for Presidential Transition.

The recommendations from the roundtable were clustered around three dimensions—people, structure and process.

People

- **Set up the transition personnel operation with the explicit understanding that key members of the leadership team will transition into the Presidential Personnel Office.** Continuity in the appointee selecting and vetting operation is critical to getting the administration fully staffed in the first year.
- **Identify an experienced management executive who is a close ally to the president and bring them into the transition team early.**
- **Communicate how personnel selections will be made.** Will the White House select and place all people? Will cabinet and agency leaders select appointees within their areas? Will there be block placement of certain functions, such as CFOs? Or will a combination of these approaches be used? Align selection of personnel to a

robust process for identifying the needs within agencies, across leadership teams, and in alignment with administration priorities. Personnel selection is a multi-dimensional Rubix cube, but it should start with clarity around what skills the position demands.

- **Select individuals to be on leadership teams.** High-performing teams have a mix of skills, which is why transition personnel should look at appointee selection through the lens of team formation. For example, attendees noted that deputy secretaries are the COOs for departments. When deputy secretaries are chosen for their policy expertise or to be “secretaries in waiting,” an opportunity to use the role to create balanced leadership teams that can effectively operate departments and implement policy priorities can be missed.
- **Consider selecting the OMB Deputy Director for Management during the transition.** It might be appropriate to put that person in charge of developing a management agenda to roll out at the start of the administration.
- **Create a pre-populated pool of vetted candidates from which appointees can be selected.** This could significantly decrease the time it takes to get appointees into place.
- **Identify potential roles and people that the new administration will ask to hold-over.** Attendees noted that several Bush appointees were held over to help tackle the 2008-2009 financial crisis until a new team could be put into place.

Structure

- **The structure and operations of the transition team should reflect how the administration wants to govern.** Making the shift from the transition phase to the White House more seamless can decrease churn in the opening days of an administration, when the new president's influence is at its peak.

- **Prior to the election, determine the roles, responsibilities and lines of communication between the transition team and the campaign staff.** Consider how campaign staff will be integrated into the transition operation after the election. The campaign-to-transition process can be fraught with tension; it needs to be managed carefully.
- **Set up a team to focus specifically on the regulatory review process.** Regulatory actions are a critical part of any administration. Attendees advised transition personnel to create a team to design a regulatory review function that allows non-controversial regulatory actions to proceed while also achieving priority goals and preventing unwanted regulatory actions.
- **Set up a team to focus on creating an enterprise approach to governing.** Cross-agency approaches can yield more effective methods to solving difficult challenges. Conducting policy implementation planning in the transition with an enterprise perspective will increase the likelihood of success.
- **Create intra-transition team linkages between personnel and policy.** Better information flow within the transition teams can improve the selection of appointees by better aligning position needs with potential candidates.
- **Deputies are critical to making transition teams function effectively.** The deputies of the various teams (policy, personnel, etc.) should be selected carefully. Attendees suggested creating a deputies council in a transition to improve cross-team information flow and overall coordination.

Tools

- **Develop management principles that can frame a detailed management agenda to be rolled out early in the administration.** Getting a fast start on management can drive improvements across all four (or eight) years of the administration, which can provide benefits to policy implementation, both operationally and politically.
- **Set up decision-making processes during the transition.** Think through how to approach routine (e.g. budget) and non-routine (e.g. crisis) decisions during the transition.
- **Harness existing process and tools—such as the budget, cross-agency priority goals, acquisition and financial management cycles, etc—to implement priorities.** Roundtable attendees advised transition leaders to spend more time thinking about how to implement priorities

using existing processes than how to change processes and organizational structures.

These recommendations and more emerged from the discussion with the exceptional group assembled at the roundtable. These actions—and recommendations from previous roundtable and reports—can help a new administration get a faster start and be more effective in implementing their priorities. ■

Roundtable Recommendations

People

- ✓ Set up the transition personnel operation with the explicit understanding that key members of the leadership team will transition into the Presidential Personnel Office.
- ✓ Identify an experienced management executive who is a close ally to the President and bring them into the transition team early.
- ✓ Communicate how personnel selections will be made.
- ✓ Select individuals to be on leadership teams.
- ✓ Consider selecting the OMB Deputy Director for Management during the transition.
- ✓ Create a pre-populated pool of vetted candidates from which appointees can be selected.
- ✓ Identify potential roles and people that the new administration will ask to hold-over.

Structure

- ✓ The structure and operations of the transition team should reflect how the administration wants to govern.
- ✓ Prior to the election, determine the roles, responsibilities and lines of communication between the transition team and the campaign staff.
- ✓ Set up a team to focus specifically on the regulatory review process.
- ✓ Set up a team to focus on creating an enterprise approach to governing.
- ✓ Create intra-transition team linkages between personnel and policy.
- ✓ Deputies are critical to making transition teams function effectively.

Tools

- ✓ Develop management principles that can frame a detailed management agenda to be rolled out early in the administration.
- ✓ Set up decision-making processes during the transition.
- ✓ Harness existing process and tools to implement priorities.

Conclusion

In the past several transition cycles, the Partnership's important work has made transition planning a more integral and accepted part of a serious presidential bid. Their efforts have made significant progress in supporting more resources and earlier transition planning, thus building more effective transition teams to support activities through election day, inauguration, and beyond. Likewise, the IBM Center has sponsored roundtables and scholarship related to management advice for incoming administrations and best practices since 2000. Bringing together the Center's focus on management with the Partnership's focus on effective transition planning provides synergy to amplify our collective efforts in helping government advance.

In the end, we hope that the insights and recommendations highlighted in this forum are instructive to the government leaders heeding the call to service in the next administration. A more in-depth exploration of the reports and roundtables discussion introduced in this forum can be found at <http://www.businessofgovernment.org/content/developing-management-roadmap-next-administration>. ■

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**Managing the
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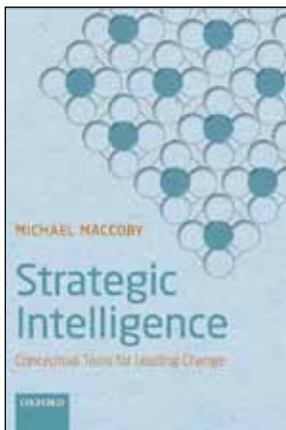


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Perspective on Strategic Intelligence: Conceptual Tools for Leading Change with Dr. Michael Maccoby

By Michael J. Keegan



Today's government executives face serious and sometimes seemingly intractable issues that can go to the core of effective governance and leadership. These issues may test the very form, structure, and capacity of agencies to meet problems head-on. As a result, successful government leaders must go beyond established parameters and institutional strictures, working across organizational

boundaries in pursuit of multilayered, networked approaches tailored to a specific challenge.

Given such dynamic conditions, government leaders are presented with difficult choices, but also unprecedented opportunities. As Roger Martin, former Dean of the Rotman School of Management at the University of Toronto, has observed, "There was a time when leaders shared a sense that the problems they faced could be managed through the application of well-known rules and linear logic. Those days are gone. Most of today's important problems have a significant wicked component, making progress impossible if we persist in applying inappropriate methods and tools to them."

This calls for leaders to cultivate and possess the specific abilities and conceptual tools that foster the practice of foresight, visioning, partnering, and motivating—what Dr. Michael Maccoby refers to as *strategic intelligence*.

A renowned business advisor who is both an organizational psychologist and anthropologist, Dr. Maccoby joined me on *The Business of Government Hour* to share his perspective on the following questions and to discuss his recent book *Strategic Intelligence: Conceptual Tools for Leading Change*.

- What is strategic intelligence?
- What does it mean to be a strategic, operational, or network leader?
- What is the relationship between personality and leadership?

Strategic Intelligence as a System

Strategic intelligence is a system in that each part of strategic intelligence interacts with other parts. Both strategy and intelligence have been defined in many different ways. The elements of strategic intelligence expand on the definition in the Oxford English Dictionary (OED): strategy is defined as "the art or skill of careful planning toward an advantage or desired end." Strategic intelligence employs all the qualities of head and heart to equip leaders with the conceptual tools essential to creating a better future for an organization.

The following abilities and conceptual tools are integral to strategic intelligence:

- **Foresight is the ability to anticipate currents of change that can threaten an organization or provide opportunities.** To gain foresight, you must be able to perceive patterns that indicate threats and opportunities for your organization. No one can predict the future, but someone with foresight can perceive the future in the present and make contingency plans or make bets.
- **Visioning is the ability to design the organizational system to produce the products and services valued by customers and to continually improve processes, products, and services.** Visions are often wishful pictures of greatness, but Russell Ackoff, an organizational theorist and teacher, describes a strategic vision as a systemic blueprint of an ideal future that would achieve the organization's purpose more effectively and efficiently.

- **Partnering is the ability to develop productive relationships, including a team with colleagues who have complementary abilities.** The ability to develop and sustain productive partnering relationships is an essential quality on which leaders build effective leadership teams.
- **Engaging, motivating, and empowering involves collaborating with those who will implement the vision and continuously improve products and productivity.** The challenge for leaders is to engage people’s internally driven motivation, the intrinsic motivation to work and contribute.

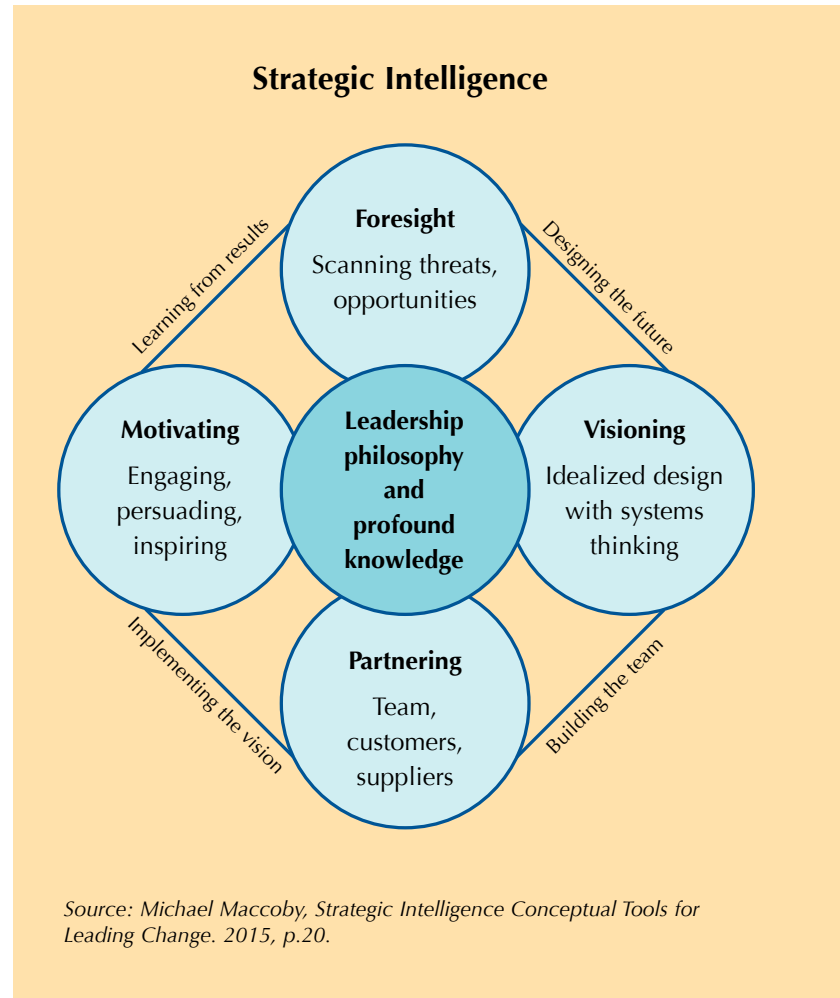
To effectively practice foresight, visioning, partnering, and motivating, leaders need to develop and communicate a philosophy that guarantees values and guides decisions about products, partnering, organizational design and relationships with customers, collaborators, and communities.

What are the practical values essential to achieve that purpose? What is the basis of your ethical and moral decision-making? Finally, what are you measuring? Are your measurements really reinforcing your purpose and your values?

Furthermore, you need to have what W. Edwards Deming called “profound knowledge,” which includes understanding variation. That’s not just statistics, but understanding the difference between causes that are based on the system, common causes and special causes.

Systems thinking is essential for developing an idealized design of an organization. However, it is the weakest ability in the executives my colleagues and I have interviewed about their strategic intelligence. The brief definition of a system is: a set of interrelated parts that interact to further the system’s purpose. Each part of the system should be evaluated according to how well it interacts with the others to achieve the system’s purpose. Ackoff distinguished three types of systems: technical systems, like automobiles, that people can design; organic systems, like the human body, that are genetically designed; and social systems, organizations that are made up of processes and people who have purposes of their own.

Third, you need to understand psychology—in particular, personality. Otherwise, you’re not going to partner very well. You’re not going to be able to understand what motivates and engages people, what brings out their intrinsic motivation.



Finally, you need to understand how you create new knowledge because any organization today has to be able to continually innovate and improve in order to be sustainable, and that involves understanding the processes of creating knowledge.

Leadership Philosophy as a Tool for Change

Effective leaders of change communicate and practice a philosophy that shapes organizational culture. A leadership philosophy should define the purpose of an organization, the values essential to achieve that purpose, and the way results will be measured. An organizational philosophy is essential for building trust internally and with customers. It invites everyone in the organization to challenge decisions and practices that clash with the values that support the organization’s purpose. It provides guidelines for innovation at all levels. It is a necessary tool for positive change.

Most organizations I have studied or worked with publish a set of values. When managers have responded to a gap survey asking how important each value is to the organization's success compared to how well the value is practiced, gaps between theory and practice often emerge. In a number of organizations, measurements clash with stated values, as when the value of teamwork is contradicted by measurements of individual performance alone. In such organizations, value statements trigger cynicism, not trust.

Without trust, people in organizations work for themselves, not for the organization and its stakeholders. I learned that by coaching managers a large technology company. One manager confided to me that he was getting himself transferred from a multi-million-dollar project because he was sure it would fail. I asked if he had reported his view to the team leader so that the project could be stopped and money saved. No, he said, that would make an enemy. It was better for his career just to leave the project.

When people in an organization trust each other, tasks are accomplished more quickly and easily. People are more willing to share information with one another. To build trust, leaders should communicate a philosophy, practice the values, follow through on what they promise, and explain what they won't do and why they won't do it. Rather than blame people for mistakes, they create a dialogue about the reasons for the mistake and what can be done to avoid future mistakes. They listen and act upon what they hear. They institute processes to facilitate ideas, and they recognize contributions from others

Leadership and Context

When I wrote *The Leader*, nobody was talking about leadership. The reason leadership has become so important is change. You can't have change without leaders. When you had bureaucracies that were stable, not changing, you didn't need leaders. You had managers—people keeping the ship on course.

What is a leader? Warren Bennis, who was a friend of mine and a leadership guru, said a leader is someone with a vision who's able to realize it. When I think about it this description is true of a gardener or a good carpenter.

There are different kinds of leaders in terms of personality, role, and behavior. A definition may fit one type but not others. Another reason has to do with the definition of good

leadership. The word "good" can mean either effectively good or morally good.

Of all the definitions proposed, the one definition of a leader that seems to me unarguable is: *a leader is someone with followers*. If you have followers, you are a leader, and if you do not have followers, you are not a leader, even if you have a formal position of authority. Leadership, then, is a relationship between leaders and followers. But this relationship has varied in different cultures and organizations. In some contexts, the leadership model has been autocratic; in others, more collaborative.

Leaders of change in the age of knowledge work are different from autocratic or bureaucratic leaders. They need collaborators who want to collaborate and innovate. To support greater collaboration, leaders may have to change how people think as well as what they do. Leadership of change in the age of knowledge work and learning organizations requires different types of leaders working together.

Leadership depends not only on qualities like strategic intelligence but also on context. In one context, someone may be a leader and not so in another context. It's a mistake to describe the qualities needed for leadership without indicating the context. The context for leadership includes two main factors: the challenges facing a leader; and the values and attitudes of followers.

Three Types of Leaders

Leadership is a relationship in a context. There are different kinds of leaders because there are different contexts. Leadership needs to become a creative partnership among three different types of leaders with different skills and personalities:

- **Strategic leaders define purpose, vision, and practical values.** They make sure that products and processes are aligned with purpose and practical values. They educate an organization about the reasons for change. Strategic leaders recognize that change stirs up resistance, and they have different approaches for getting everyone on board. Some are like Jeff Bezos of Amazon, who encourages arguments backed by numbers and passions. Some are like Apple's Steve Jobs, who was quick to fire resisters. And others are like IBM's Sam Palmisano, who used training and incentives to overcome resistance. How strategic leaders lead change depends on their personality. Palmisano, with an adaptive personality, was

Government Leaders in Action

Strategic leaders help define purpose, vision, and values of their organizations, and look for patterns and partners.

Consider **Charles F. Bolden, Jr., NASA Administrator**. Administrator Bolden's vision for the 21st century NASA is to "reach for new heights to reveal the unknown so that what we do and learn makes life better for humanity." With the retirement of the space shuttle in 2009, NASA ceded lower earth orbit to a burgeoning commercial space industry. As such, Bolden refocused NASA's mission to explore deep space with Mars as its trajectory. "When we talk about going to Mars and going to deep space, we're no longer talking merely about exploration," says Bolden. "We're talking about pioneering—about setting up habitats where humans can live for long periods of time. Much of this research is being conducted on the ISS." Read more of our conversation with Charles Bolden here:

- <http://www.businessofgovernment.org/sites/default/files/Conversations%20with%20Leaders%20Bolden.pdf>
- Charlie Bolden on *The Business of Government Hour*: http://www.blochhousemedia.com/ibm/charles_bolden_abc.mp3

Operational leaders are key to the design and maintenance of organizational processes. They help improve productivity and cut costs.

In **Ellen Herbst, Chief Financial Officer and Assistant Secretary of Administration at the U.S. Department of Commerce**, we see an exemplar of an operational leader. Among other duties, Herbst is also the department's point person overseeing the multi-year renovation project of the Commerce Headquarters building, the Herbert Hoover renovation project, a rather massive 13 year, one billion dollar undertaking. According to Herbst, "this project has given the department an opportunity to think about how we should work and how we can make this building built in 1930 a more 21st-century workspace." Find more insights from Ellen Herbst here:

- http://www.businessofgovernment.org/sites/default/files/Insights_Herbst.pdf
- Ellen Herbst on *The Business of Government Hour*: http://www.blochhousemedia.com/ibm/ellen_herbst_abc.mp3

Network leaders may have no formal leadership role in their organization but are key to connecting experts across disciplines, organizations, and regions.

In **Kshemendra Paul, Program Manager, Information Sharing Environment**, we see a network government leader. Though he is not in the chain of command, his specific responsibilities as program manager are to plan for and oversee the agency-based build-out and management of the Information Sharing Environment, intended to be the information fabric enabling whole-of-government responses to national security and public safety challenges that face our nation. Paul employs a "top-down, a bottom-up, and an outside-in approach" to engage and network with all the critical stakeholders that comprise the ISE. You'll find more about Kshemendra Paul and his leadership here:

- <http://www.businessofgovernment.org/sites/default/files/KshemendraPaul.pdf>
- Kshemendra Paul on *The Business of Government Hour*: http://www.blochhousemedia.com/ibm/kshemendra_paul2_abcd.mp3

Maccoby says these different kinds of leaders require different skills and personalities, but that successful knowledge organizations need all three types and they need to be able to work together in a creative partnership: "In any context, strategic, operational, and network leaders need to interact to develop a shared purpose and the products, practical values, and processes necessary to achieve that purpose."

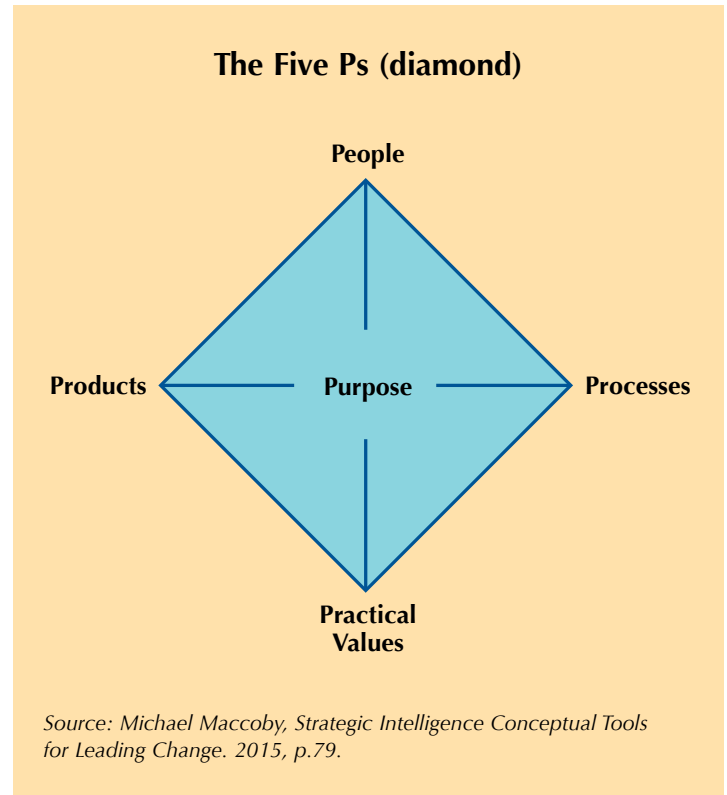
Source: *What Kind of Leader Are You?* by John Kamensky and Michael J. Keegan, *Business of Government Blog*, <http://www.businessofgovernment.org/blog/business-government/what-kind-leader-are-you>

respectfully interactive with subordinates and customers. Leaders like Jobs and Bezos—narcissistic visionaries intent on changing the world—are aggressive, competitive, and view subordinates as human resources, to be used as long as they are useful.

- **Operational leaders are in charge of designing and maintaining the processes that implement a vision.** They may lead teams and projects at all levels of an organization. Some of these are essential for continually improving production and supply-chain logistics. I have worked with operational leaders in middle management who have been able to engage subordinates and union reps in projects to improve processes. They did so by articulating and practicing values that responded to the needs of customers and employees, as well as owners. They gained trust by teaching teams to take over some of the management functions and trusting them to carry them out. They drove out fear by treating mistakes as opportunities for learning and improving processes. As a matter of fact, Steve Jobs' success came when he understood he needed Tim Cook, a great operational leader. He brought in all the processes of the manufacturing, he knew materials, etc. that have been crucial for Apple's success.
- **Network leaders are needed by knowledge organizations that provide complex solutions for their customers.** They connect experts across disciplines, organizational departments, and regions. To do this, they must develop the trust and facilitate the communication to make experts from different disciplines and departments collaborate. An excellent example was Lou Viraldi of Ford, who in 1980 facilitated groups of designers and engineers who produced the Ford Taurus, a car that lifted the company from near bankruptcy. Usually, Ford designers would send a design to product engineers, who would criticize it and send it back for redesign until they agreed to send it to the production engineers, who would criticize it in terms of cost and would send it back, and so on for a number of years. Viraldi got them all together cutting production time and enhancing quality.

Strategic Intelligence and Systems Thinking

The lack of systems thinking seems to be the biggest weaknesses affecting leaders running organizations today. People are taught to look at problems, stack up possible solutions, and try to put them together. For example, when HP merged



with Compaq, management on both sides said, let's take the best organizations from each company and put them together. That approach turned out to be a disaster. It's like saying, let's get the best parts of automobiles from every company and put them together to make a great car. You wind up with a lot of junk.

A system is a collection of elements with a purpose. None can be evaluated in a vacuum, only in terms of how well they interact with each other elements to further the system. There are three kinds of systems: mechanical systems like a car where you can design the parts; organic systems like the human body where the parts are genetically designed to serve the purpose of life; and a sociotechnical system like a company, where many of the key parts are people. Therefore leadership is essential to create a common purpose. People have to feel that purpose is worth their energy and passion.

With a systems thinking mindset, you view organizations and individuals holistically. With this mindset, you ask how the organizational system is adapting to a larger system and you will be more likely to gain foresight and openness to support change. When the growth and systems thinking mindsets strengthen each other, you will gain the capability for double-loop learning (the attitude of testing theories with

openness to changing those that do not predict expected results). With these mindsets, you can focus on developing the elements of strategic intelligence.

Five Ps—Purpose, Product, Practical Values, People, and Processes

During the past five years in leadership workshops, my colleagues and I have developed, the Five Ps: purpose, product, practical values, people, and processes. We define *purpose* and *practical values* as parts of organizational philosophy. Purpose substitutes for strategy. Practical values, more than shared values, emphasize the beliefs and behaviors essential to support the organization's purpose and support the creation of its offerings. *People* encompasses both the skills of employees and style of leadership consistent with values, purpose, and the *products* offered. And *processes* describe the organization of work and the systems used to produce products, motivate employees, and determine results. The products and services produced should express the organization's purpose.

Personality and Leadership

We have to consider all of the elements that go into personality. That's not easy. We look at what drives people are born with that shape their personality. For example, there are drives for mastery, security, relationships, dignity or meaning. Understanding another person requires both conceptual and emotional understanding of that person and their drives. Conceptual knowledge of personality equips us to predict how a person will act, but it will not tell us if someone is angry, anxious, doubtful, or happy. We may observe emotions in facial and bodily expressions. However, a heart that listens combined with conceptual knowledge of personality equips us to make sense of what we experience in our interactions with others.

The personalities of leaders influence their strategic decisions and behaviors. Personality focuses the leader's attention on aspects of the future and influences the types of visions that are meaningful to leaders and the way they think about organizational systems. Their personalities influence the types of people they consider as partners in accomplishing their visions—and the way they recruit, motivate, and empower them.

The personality of every person—and therefore every leader—is a blend of types that work together as a system. To understand these personality systems, I introduce four personality types and consider them in their various combinations with the other types—with an emphasis on leadership. There are four primary leadership personality types: caring, visionary, exacting, and adaptive. For some people, a single type is clearly dominant, but never to the total exclusion of elements of the others. For other people, one type may be dominant and blended with a clear secondary type. Many combinations of the four are possible.

Employing Strategic Intelligence

There is no standard pathway or formula for change, but strategic intelligence equips you to follow a path to effective change. There is logic to starting with a clear purpose and philosophy. The reasons for change generally have to do with adapting to threats or exploiting opportunities and innovations. A leadership team needs to develop a vision and motivate the organization, but there is no one best way to do this. It may combine top-down, bottom-up, and interactive initiatives. In summary, strategic intelligence is a system of qualities of mind and heart that equip leaders with the conceptual tools essential to creating a better future for an organization. But even with strategic intelligence, strategic decisions require good judgment and courage. Sometimes information is inadequate. Leaders may be uncertain about an investment, or they may have doubts about selecting other leaders. However, with strategic intelligence, their judgment will be strengthened. ■

Michael Maccoby is an American psychoanalyst and anthropologist globally recognized as an expert on leadership for his research, writing and projects to improve organizations and work. He has authored or co-authored fourteen books and consulted to companies, governments, the World Bank, unions, research and development centers laboratories, and universities.

You can listen to the complete version of my interview with Dr. Michael Maccoby on *The Business of Government Hour* at businessofgovernment.org/interviews.

Delivering on Mission Priorities: New Pathways to Achieve Key Government Outcomes

By Daniel Chenok
(with contributions from IBM colleagues Chris Ballister, Chris Trainor, Matt Spaloss, and Mark Fisk)

Effective and innovative approaches for managing people, processes, and technologies can support agencies to deliver critical missions effectively, bolstering the government's ability to serve the citizen and protect the nation.

Enabling the public sector to deliver on its mission priorities remains a major research theme of the IBM Center for The Business of Government. Making this vital connection between outcomes that agencies strive for on behalf of the citizens they serve and the good management needed to achieve those outcomes is a critical link for effective government.

As we collaborate with government stakeholders in meeting this objective, a number of specific mission areas have great importance for the nation and call for further work to identify pathways for strengthening performance. Each of these areas features several distinguishing elements:

- They have broad impact on citizens, businesses, and other governments, and in some cases international partners.
- They are implemented through networks of agencies working together. None are the province of a single organization; all rely on a strong collaborative approach.
- Partners from outside government can be a source of innovation and creative solutions to help government succeed.
- Achieving positive outcomes depends on bringing together people, process, and technology in a strategic management framework that enables the mission.

Developing approaches that help agencies find new pathways to achieve key mission outcomes will be a high priority for the IBM Center over the next several years. We will seek to do so in new ways to engage government through joint exploration of innovative ideas, interaction around potential solutions, and the ability to foster rapid action and iterative learning. Especially as a new administration takes office in



January 2017, we will work with colleagues across government, academia, industry, the non-profit community, and IBM to jointly develop thought leadership and actionable recommendations that help government serve the nation efficiently and effectively. Moreover, we welcome ideas from government stakeholders about specific issues to address—ideas that can help frame the art of the possible.

These activities focus on four areas that share the distinguishing elements described above, and address two of the most important roles for government: to serve the citizen and to protect the nation. Specifically, this focus includes helping government across the following mission areas:

- Engaging Citizens to Meet Evolving Needs
- Transforming Operations to Improve Programs



Daniel Chenok is Executive Director of the IBM Center for The Business of Government.

- Strengthening Threat Prediction and Prevention
- Enhancing Cybersecurity

Each will be discussed in more detail below.

Engaging Citizens to Meet Evolving Needs

In the last several years, innovative ways to provide services have enabled a revolution in engagement in the private sector. Self-service, new approaches to raise customer satisfaction, analytics, and cognitive computing platforms have all combined to improve user experience across many parts the economy and society. Government is starting to do the same via increased use of design thinking and similar techniques, in order to successfully deliver services within an agile enterprise.

These approaches can be harnessed to streamline benefits for citizens in need; enhance the experience of those working with government to better match what they have come to expect when interacting with the best companies in the private sector; and involve the public in framing public policy through crowdsourcing, sentiment analysis, and similar innovations. Working with citizens and with advocacy organizations that represent citizen interests allows agencies to take advantage of these new approaches and digital interactions with government agencies as a key engagement point.

Commercial enterprises—for example, leading retail firms—have already developed best practices to engage citizens—termed “consumer engagement points.” Within government, one could define a set of specific Citizen Experience Points (CEPs) where a citizen’s or an advocate’s input would be sought for the co-creation process. Leveraging these CEPs would be a great place to begin a dialogue among the various stakeholders in the process, whether it is agency mission, agency IT, citizen, or other organizations. Moreover,

new technologies available through cognitive and analytics are gaining in maturity, making them ideal candidates for consideration as viable solutions within the public sector. And new initiatives (such as the Federal Front Door program) are being developed to address customer service, customer satisfaction, and to improve public-government interactions.

Government can move forward with positive, citizen-focused engagement in developing policies and applications that touch millions of Americans. Consider the streamlining of the Free Application for Federal Student Aid (FAFSA) that is filled out by millions of Americans seeking financial support for higher education each year. The Obama Administration’s recent announcement of a Core Federal Services Council to focus on improving performance in key citizen-facing programs provides a great opportunity to help agencies better serve their constituents. The OMB Memorandum announcing this body states, “The Council will improve the customer experience by using public and private sector management best practices, such as conducting self-assessments and journey mapping, collecting transactional feedback data, and sharing such data with frontline and other staff.”



hope is that the savings generated by this \$3.1 billion investment yields reduced operating costs, which the government can spend on additional IT modernization in subsequent years. Done right, this could be a self-sustaining investment that yields returns for decades to come. Since current legacy systems often limit the capability to securely scale and bring enterprise services to the citizen, modernized systems will allow new capacity for citizen-facing capabilities.

- **Shared Services at Scale.** Government shared services have the potential to improve outcomes, increase compliance, and reduce cost. Such services also allow employees to be redirected to mission-critical tasks. Yet a recent McKinsey & Company article shows significant underinvestment in this realm. Only 22 percent of the shared-services organizations studied are building capabilities in automation. Less than 20 percent of them are streamlining internal operations through analytics. And only about 10 percent are using analytics for external use to support the business. Shared services hold the promise of being a key contributor to the government digital transformation.

Strengthening Threat Prediction and Prevention

There is perhaps no more urgent mission for government than public safety and national security. Global threats require collaborative approaches to leverage organizational and technical innovation across the national security, homeland security, and law enforcement communities. Moreover,

they require all levels of government to work in concert with civic and community leaders and advocacy organizations. Approaches like image recognition and social media analysis can be managed as part of a larger strategic framework to help identify early warning signs of radicalization threats; better target potentially dangerous people and cargo while increasing the speed and overall experience for the vast majority of travelers; improve management of emergencies and related incidents; and support enhanced performance in correctional institutions to foster reduced recidivism and other desirable outcomes. A strong government approach to threat prediction and prevention will address more specific acts or instances of crime, national security or border security threats, and military preparedness—all by identifying patterns that exist in disparate data feeds, and combining them to generate new insights.

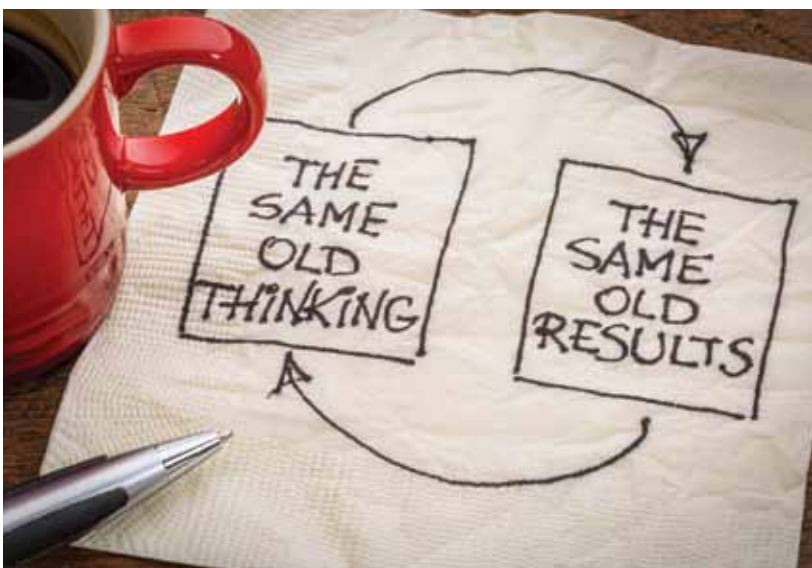
Another aspect of threat prediction and prevention is to help a human analyst monitor vast and increasing stores of data. Today's data sources are so numerous that an analyst cannot possibly track all of the relevant information needed. Machine assistance and cognitive computing approaches will help government sort through all of the available data sources, and point human analysts relevant information that they can act on in a timely way to get ahead of threats before they arise, and respond more rapidly and precisely to address incidents that may occur.

By assessing government data feeds into alongside open source, social media, and similar information resources, agencies can generate anticipatory intelligence that can be acted upon to predict, prevent or mitigate threats. Industry can work in partnership with government to ensure that what we create is useful to solve government challenges.

Enhancing Cybersecurity

Like the private sector, the government must detect and respond to threats in cyberspace at an increasing rate, from a growing and complex landscape of malicious actors. Yet it must do so in a way that enables and does not impede the technologies that serve citizens, businesses, state and local governments, and other partners. Threats arise from a range of places: insiders to commercial hackers to organized crime to foreign actors. Today's CIOs and CISOs have a dual challenge of achieving effective security protection while meeting compliance requirements—all against a backdrop of shrinking budgets.

In order to evolve from reactive protection into proactive and predictive security, agencies require systems that analyze,



predict, and defend against problems in real time; provide protection for large IT systems as well as handheld and other “edge” devices; understand how personnel risks from employees or contractors can manifest into broad cyber risk, and how to identify and respond to minimize those risks; and leverage new approaches like biometrics to enable efficient access for legitimate users while impeding access for those who would bring harm. And all of these responses depend critically on providing for privacy of information held by government on behalf of its citizens.

To be effective in their security efforts, agencies must be proactive—using cyber analytics and cognitive-based systems to develop true security intelligence. No longer can security programs rely on an “If it’s not broke, don’t fix it” approach; adversaries could already be inside systems, stealing data or probing for weaknesses. Too many CIOs and CISOs have considered their systems and data secure when in fact they were riddled with vulnerabilities.

Security programs need effective protection of valuable information and systems to prevent data breaches and to comply with the ever-increasing federal compliance requirements. Among others, there are the Federal Information Security Management Act (FISMA); the Privacy Act, policy and guidance from the Office of Management and Budget and the National Institute for Standards and Technology; the General Services Administration’s Federal Risk Authorization and Management (FedRAMP) program; and the Federal Acquisition Regulation (FAR) to be considered.

With massive increases in data, mobile devices and connections, security challenges are increasing in number and scope. The aftermath of a breach, which can result from internal or external threats, can be devastating to an organization in terms of both reputational and monetary damages.

- **External threats.** The nation faces a proliferation of external attacks against major companies and government organizations. In the past, these threats have largely come from individuals working independently. However, these attacks have become increasingly more coordinated, and are being launched by groups ranging from criminal enterprises to organized collections of hackers to state-sponsored entities. Attackers’ motivations can include profit, prestige, or espionage. The vector known as Advanced Persistent Threat requires specialized continuous monitoring methods to detect threats and vulnerabilities prior to breaches or loss of sensitive data.

- **Internal threats.** In many situations, breaches come not from external parties, but from insiders. They might be employees, contractors, consultants and even partners and service providers. The causes range from careless behavior and administrative mistakes (such as giving away passwords to others, losing backup tapes or laptops, or inadvertently releasing sensitive information) to deliberate actions taken by disgruntled employees. The resulting dangers can easily equal or surpass those from external attacks.

A strong security program must include capabilities to predict both external and internal threats and assess their mission impacts, validated by cognitive technology and cybersecurity experts serving mission operators.

To address external, internal, and compliance challenges through a proactive approach, mission-oriented cognitive cybersecurity capability is needed. To achieve such capability, four key areas must be addressed:

- **Security architecture effectiveness.** Agencies must focus on rapidly accessing vulnerabilities in the security architecture and developing a prioritized road map to strengthen cyber protection that plugs security gaps and meets policy expectations. Ensuring the identity of users and their access rights while reducing the number of privileged users is critically important to effective security architecture.



- **Critical data protection.** Agencies must focus on rapidly accessing the data architecture and uncovering shortfalls in tracking and protecting critical data. Prioritized action plans can reshape data architecture for more focused security protection and improved continuous monitoring.
- **Security compliance.** Agencies must focus on quickly addressing compliance gaps and establishing a roadmap to prioritize issues, develop appropriate policies and controls, and achieve compliance.
- **A holistic security program.** Effectively implementing the first three areas above enables agencies to lay the foundation of a program that addresses risk management and IT governance at the enterprise level. Organizations can then identify risks to critical business processes that are most important to mission success, as well as threats and vulnerabilities that can impact critical business processes.

Conclusion

Each of these four areas will benefit from reports, discussion, rapid development of ideas, and co-creation of solution approaches to help government manage more effectively and achieve positive outcomes. The IBM Center for The Business of Government looks forward to developing thought leadership and creative approaches to support agencies in addressing these critical mission imperatives. In this ongoing effort, we seek to enable government leaders and managers with innovation that will both serve the citizen and protect the nation. ■

Creating a Cadre of Enterprise-Wide Leaders: Fledgling Efforts Underway to Create Cross-Agency, Career Level Capacity Building

By John M. Kamensky

Several years ago, then-recently retired U.S. Coast Guard Admiral Thad Allen spoke to a gathering at his alma mater, George Washington University, about his experiences in leading large-scale cross-agency emergency recovery efforts. He had been called in to fix the botched Hurricane Katrina recovery in 2005, lead the international response to the 2010 Haiti earthquake, and manage operations during the 2010 BP Gulf Oil Spill. In each case, the president called and asked him to take charge because of his renowned interagency collaboration skills. He was asked after his presentation, “Now that you are retired, how do we find and train the next ‘Thad Allens’ in the government?” He said he didn’t have an answer. But in the past couple of years, an answer to this question has started to look more promising.

Background

Public administration researcher Professor Donald Kettl at the University of Maryland has written several books examining the increase in the number and complexity of cross-agency challenges that traditional government structures are ill-equipped to address. These span the policy spectrum and include: cybersecurity, food safety, climate change, international trade, health and wellness, as well as intelligence and law enforcement. In fact, in a recent assessment that he conducted of the underlying root causes of programs on the high-risk list compiled biennially by the Government Accountability Office, he found that agencies’ “inability to span boundaries” was the leading contributor to program failures.

Cross-agency leaders have emerged in times of crisis. Admiral Thad Allen was one. John Koskinen led the effort to stem the potential computer failures tied to Y2K in 2000, and Ed DeSeve coordinated the implementation of the \$800 billion Recovery Act in 2009. The country was lucky these individuals were where they were at a time the president needed them. But how can government move more deliberately to create a cadre of leaders with enterprise-wide skills and experience? We shouldn’t leave these roles to chance any longer.



A 2012 report by Professors Rosemary O’Leary and Catherine Gerard surveyed federal career senior executives, asking what skills they saw as important to leaders of collaborative efforts. They said: “Our survey respondents surprised us.” They found that executives felt the most important were individual attributes, interpersonal and group process skills, and strategic leadership skills. Less important were substantive or technical expertise. The authors asked “whether effective collaborators are born or made” and wondered “whether the individual attributes needed by collaborative leaders can be acquired.”

Recent Activities

The Government Performance and Results Modernization Act of 2010 (often referred to as GPRAMA) provides an opening for the role of collaborative leaders and the authority to develop this kind of talent across and within agencies. In the past two years, the deputy secretaries on the President’s Management Council and the Office of Management and Budget (OMB) have encouraged the development of such efforts. In early 2016, Congress allowed budgetary resources to be made available for them.



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Starting in 2014, a series of seemingly disconnected—but clearly interrelated—initiatives were launched that could be a strategic lever for being able to deliver on enterprise government activities, if these initiatives are assessed to be effective and are sustained over the coming years. The initiatives are:

- As part of the career Senior Executive Service (SES) reform initiatives announced by the president in December 2014, the White House created the White House Leadership Development Program for promising future career executives. The participants are assigned to cross-agency priority projects. The inaugural cohort was launched in October 2015 and it is loosely based on the long-standing, prestigious White House Fellows program.
- The Performance Improvement Council created a Leaders Delivery Network in 2015, comprised of federal managers charged with leading agency-level priority projects.
- The Office of Executive Councils, which provides staff support for several cross-agency mission support councils, launched a “CXO Fellows” program in 2015 for agency staffers working in financial management, information technology, and acquisition career specialties.
- In the FY 2016 appropriations bill, Congress agreed to allow agencies to jointly fund up to \$15 million for cross-agency initiatives, including career development in these initiatives.

So far, these are a series of pilots. Each is targeted to a different audience, but they all have a similar objective: to create a cadre of talent across agencies that will have an enterprise-wide lens on how government works.

White House Leadership Development Program

President Obama in his address to a gathering of the Senior Executive Service in December 2014 announced the creation

of a White House-level leadership development program for a select group of promising career managers. The program launched its inaugural cohort in October 2015, comprised of 16 participants at the GS-15 level, from 16 different agencies.

The individuals were selected from a pool nominated by their departments’ deputy secretaries. The program is a full-time, one-year temporary assignment. Participants help to staff cross-agency priority goals—such as improving customer service and combatting cybersecurity breaches—and several other government-wide priority initiatives.

The stated objectives of the program are to:

- Develop talent within the next generation of career senior executives “through a rotation focused on the complex, cross-agency challenges...and build and strengthen enterprise leadership skills.”
- Deliver results by harnessing top talent from across the government to support the implementation of key priorities such as the cross-agency priority goals.

Their assignments on government-wide initiatives are mostly located in the Executive Office of the President and comprise about 80 percent of their time. They are purposely placed in roles where they don’t have prior technical expertise so their focus will be on developing their collaborative skills.

They also meet every Friday as a group for skill set development and sharing of experiences. This includes developing their executive core qualifications (a prerequisite to competing for a position in the Senior Executive Service); gaining exposure to agency mission-support functions/roles (e.g., what do chief financial officers, chief information officers, etc. do and how can they help); and meeting different types of stakeholders they would need to be familiar with in a cross-agency context and learning how to work with them (e.g., unions, auditors, media). They also have speakers from topical areas (e.g., presidential transition).

The program has a steering committee overseeing its development and operation. It includes the deputy director for management at the Office of Management and Budget, the director of the Office of Personnel Management, and career OMB staffers.

Leaders Delivery Network

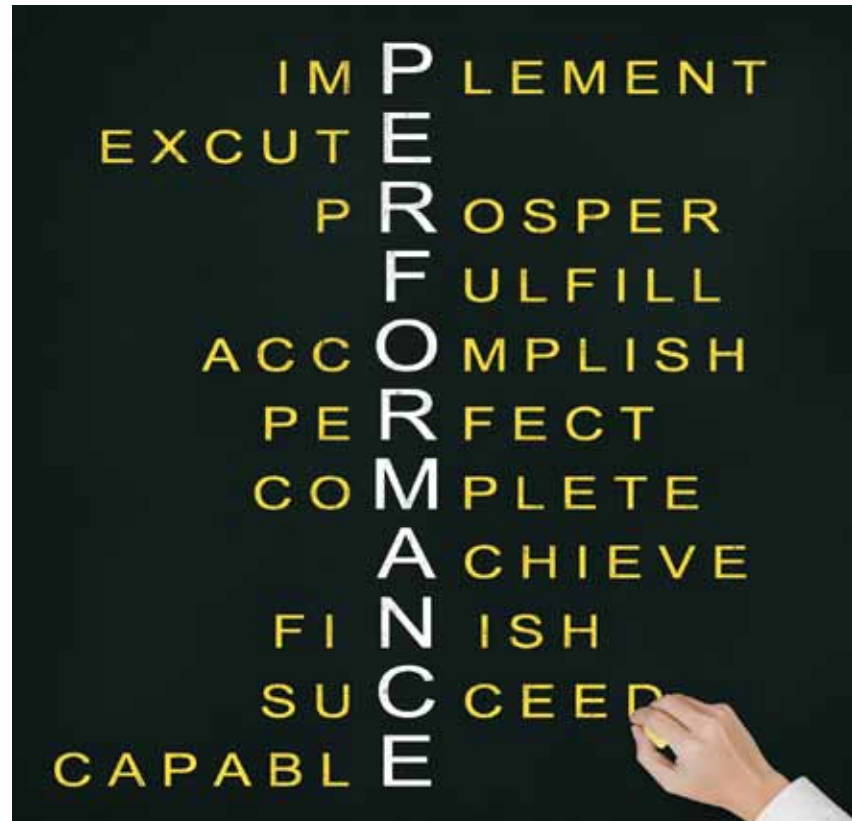
This initiative is targeted to senior staff (GS-15 and career SES) who support their agency's priority goal leaders. It is a two-year program, co-terminus with the agency priority goals (APGs) set every two years. There are currently a total of 92 APGs government-wide (see the full list on performance.gov). These include efforts such as improving energy usage in defense and combatting antibiotic-resistant bacteria in Health and Human Services. The program extends to the agency's teams and expanded networks as well. The program is part time and participants enter it voluntarily.

Currently in a pilot stage, the first cohort of 20-25 participants volunteered in late 2015. The program has adopted the "insight-to-action" model instead of a traditional classroom training model. It is designed to serve several purposes:

- At the most basic level, it is intended to help participants amplify progress and results on select agency priority goals by motivating and equipping program participants with "the insight, access, advice and tools to accelerate progress" on their APGs.
- It aims to cultivate a network of senior leaders working on APGs across federal agencies. It recognizes participants in a way that "conveys the prestige and responsibility to lead/manage an APG."
- It is intended to help create visibility into success stories and lessons learned in different programs, and to celebrate and share progress among participants.
- It hopes to highlight common issues, challenges, and opportunities that exist across agencies, or across mission support or mission delivery activities, with the goal of sharing strategies that work across the network of participants.

The Leaders Delivery Network focuses on three developmental dimensions for its participants:

- **Personal and team leadership development:** This includes individual skills assessments and coaching—e.g., how to develop "strategic narratives" and



"Performance 101" training—considering most of the participants are not familiar with GPRAMA and the "performance stuff" in their agencies.

- **Training and support for the participants' agency-level teams:** Interestingly, this element is reinforced by Professor Jane Fountain, an expert in collaborative teams, who stressed the importance of creating effective teams.
- **Participation in broader networks:** This includes connections with the White House Leadership Development Program's participants, participants' own agencies' performance management offices, and mentoring opportunities. There are also plans to create an alumni network to leverage experiences of participants' predecessors as the program grows over time.

CXO Fellows Program

This program evolved from a successful pilot initiative sponsored by the Chief Financial Officers (CFO) Council, and it has been expanded to include participants sponsored by the Chief Information Officer and the Chief Acquisition Officer Councils.

The objectives of the CXO Fellows program are to: identify rising talent; connect the “rising stars” of federal financial management, acquisition, and IT sectors with each other; foster cross-community relationship building; and broaden the knowledge base of outstanding employees on how the federal government works from an enterprise perspective.

Like the Leaders Delivery Network, this program is part time. The first cohort began in fall 2015 and will participate for one year. Participation is competitive; each of the 24 departments and major agencies can put forth three participants (one each from finance, IT, and acquisition), for a total of 72 individuals (in the first year, there are actually 52 participants). Participants range from GS-11 through GS-15.

Participants are provided five days of professional development seminars in the form of functional and technical training at the National Defense University’s CFO Academy and iAcademy (training covers topics such as enterprise risk management and earned value management). They are also provided “soft skill training” such as business etiquette and collaboration skills. Like the other two programs, the CXO program provides interactive seminars on topics such as how OMB works, how to tell stories effectively, etc. The manager for the program said that a common refrain she has heard from participants has been: “I had no idea the government worked that way.”

Participants also have visited private sector companies, such as Amazon Robotics, to understand the type of managerial training used in the private sector. In addition, participants attend informal events that they organize among themselves to create personal interactions, such as a book club, a coffee hour in a common neighborhood, etc. Like the other networks, they aspire to create an alumni community to keep themselves connected.

Conclusion

While these initiatives were launched late in the Obama Administration, they are actions that finally address the concerns of many, including GAO, who have watched the increase in risks facing the federal government. The risks come about due to the federal government’s lack of

adequately addressing cross-agency challenges because there has not been a cadre of executives with the temperament, skills, and experience to lead it.

Will the next administration adopt, adapt, or abolish these fledgling efforts? That’s an unknown. But these pilots should be assessed upon the completion of their first cycles this fall. If they are found to be valuable, the pilots should be continued and expanded to ensure the federal government has the capacity to address enterprise-wide challenges. ■

Additional Resources on Enterprise Leadership

Jane Fountain (March 2016). *Building an Enterprise Government: Creating an Ecosystem for Cross-Agency Collaboration in the Next Administration*, IBM Center for The Business of Government: Washington, D.C.

Donald F. Kettl (2016). *Managing Risk, Improving Results: Lessons for Improving Government Management from GAO’s High-Risk List*, IBM Center for The Business of Government: Washington, D.C.

Partnership for Public Service (2013). *Building the Enterprise: Nine Strategies for a More Integrated, Effective Government*, Washington, D.C.

Jane Fountain (2013). *Implementing Cross-Agency Collaboration: A Guide for Federal Managers*, IBM Center for The Business of Government: Washington, D.C.

Bruce Barkley (2013). *Developing Senior Executive Capabilities to Address National Priorities*, IBM Center for The Business of Government: Washington, D.C.

Rosemary O’Leary and Catherine Gerard (2012). *Collaboration Across Boundaries: Insights and Tips from Federal Senior Executives*, IBM Center for The Business of Government: Washington, D.C.

Achieving IT Security Intelligence

By John W. Lainhart

IT security needs to be proactive—using cyber analytics and cognitive-based systems to ultimately achieve security intelligence. No longer can security programs rely on “if it’s not broke, don’t fix it”—the bad guys could already be inside your systems, stealing your data or probing to get in. Too many CIOs and CISOs are looking for jobs because they thought their systems and data were secure when, in fact, the opposite was true. Security programs need effective protection of valuable information and systems to prevent data breaches and to comply with the ever-increasing federal compliance requirements (e.g., FISMA, the Privacy Act, NIST, OMB mandates, FedRAMP, HIPAA/HITECH, etc.).

Security Challenges are Greater than Ever

With massive increases in data, mobile devices, and connections, security challenges are increasing in number and scope. They fall into three major categories: external threats, internal threats, and compliance requirements.

External Threats

The nation faces a proliferation of external attacks against major companies and government organizations. In the past, these threats have largely come from individuals working independently. However, these attacks have become increasingly more coordinated, and they are launched by groups ranging from criminal enterprises to organized collections of hackers to state-sponsored entities; attackers’ motivations can include profit, prestige, or espionage.

These attacks target ever more critical organizational assets, including customer databases, intellectual property, and even physical assets that are driven by information systems. They have significant consequences, resulting in IT, legal, and regulatory costs. Many of these attacks take place slowly over time, masked as normal activity. The threat vector known as advanced persistent threat (APT) requires specialized continuous monitoring methods to detect threats and vulnerabilities prior to breaches or loss of sensitive data.

Internal Threats

In many situations, breaches in information security are not perpetuated by external parties but by insiders. Insiders today can be employees, contractors, consultants, and even partners and service providers. These breaches range from careless behavior and administrative mistakes (such as giving away passwords to others, losing backup tapes or laptops, or inadvertently releasing sensitive information) to deliberate actions taken by disgruntled employees. These actions can lead to harm as dangerous as external attacks, if not more so.

Compliance Requirements and Effective Protection

Public sector enterprises face a steadily increasing number of federal, industry, and local mandates related to security, each of which have their own standards and reporting requirements. These many mandates include FISMA, the Privacy Act, NIST standards and special publications, OMB mandates, FedRAMP, HIPAA/HITECH, Sarbanes-Oxley, various state privacy/data breach laws, IRS 1075, SSAE 16, COBIT®, various ISO/IEC international standards, EU privacy directives, etc. Complying with these requirements often takes a significant amount of time and effort to prioritize issues, develop appropriate policies and controls, and monitor compliance.

To address external, internal, and compliance challenges through a proactive approach, four key areas must be addressed to protect an organization’s systems and data:

- Security architecture effectiveness
- Critical data protection
- Security compliance
- Holistic security program



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Security Architecture Effectiveness focuses on rapidly accessing vulnerabilities in the security architecture and developing a prioritized roadmap to strengthen cyber protection by plugging security gaps and meeting policy expectations.

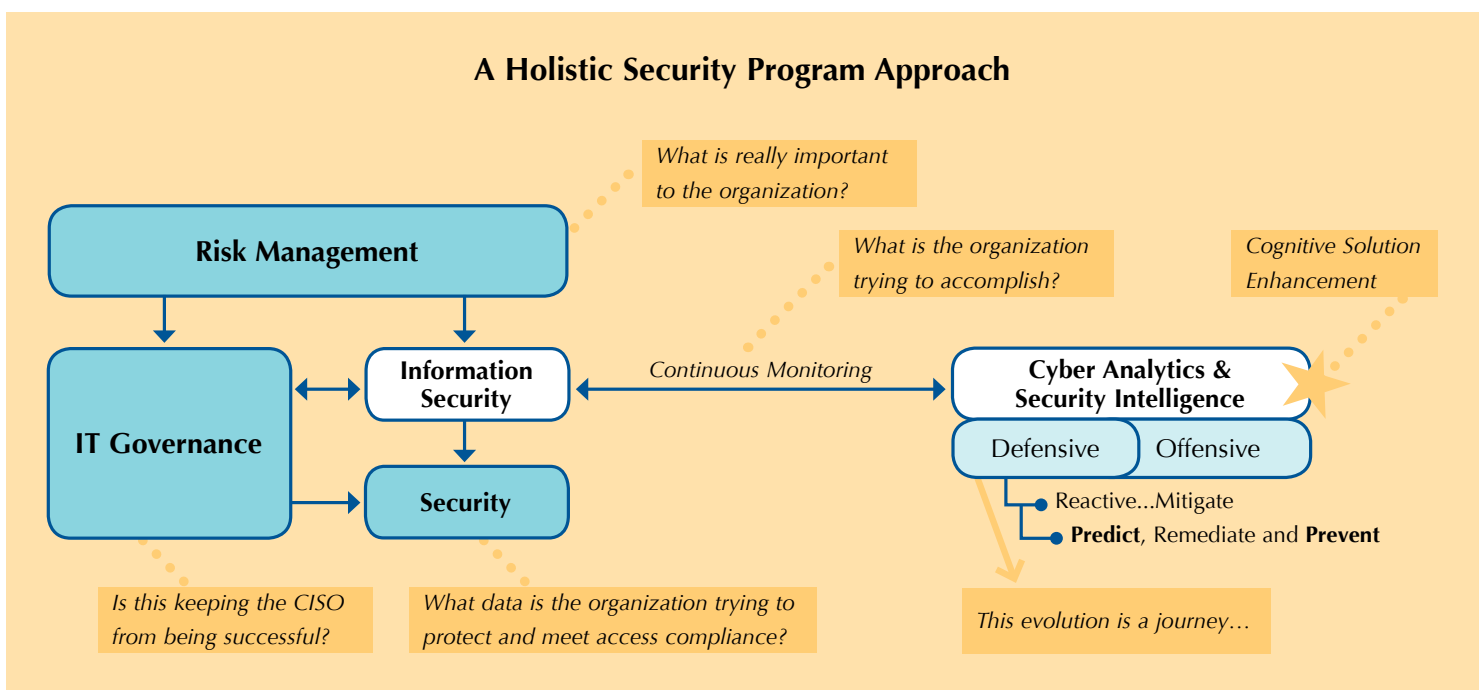
Critical Data Protection focuses on rapidly accessing the data architecture and shortfalls in tracking and protecting critical data. Prioritized action plans can reshape data architecture for more focused security protection and improved continuous monitoring.

Security Compliance focuses on rapidly accessing compliance gaps and establishing a roadmap to prioritize and achieve compliance.

Effectively implementing the first three areas above can enable the establishment of a **Holistic Security Program** that addresses risk management and IT governance:

- Risk identifies critical business processes that are most important to an agency's mission success, as well as threats and vulnerabilities that can impact critical business processes.
- Information technology (IT) governance is a key enabler of successful cybersecurity protection. Consistent and standardized security and privacy processes and technology configurations support protection at a lower cost. These types of relationships are depicted below.

The graphic below demonstrates how a holistic security program focuses on protection through continuous monitoring of systems and data. This involves moving from a more common defensive-reactive approach to a defensive-proactive (predictive) approach, using cyber analytics to foster "security intelligence," which also protects privacy.



Viewpoints

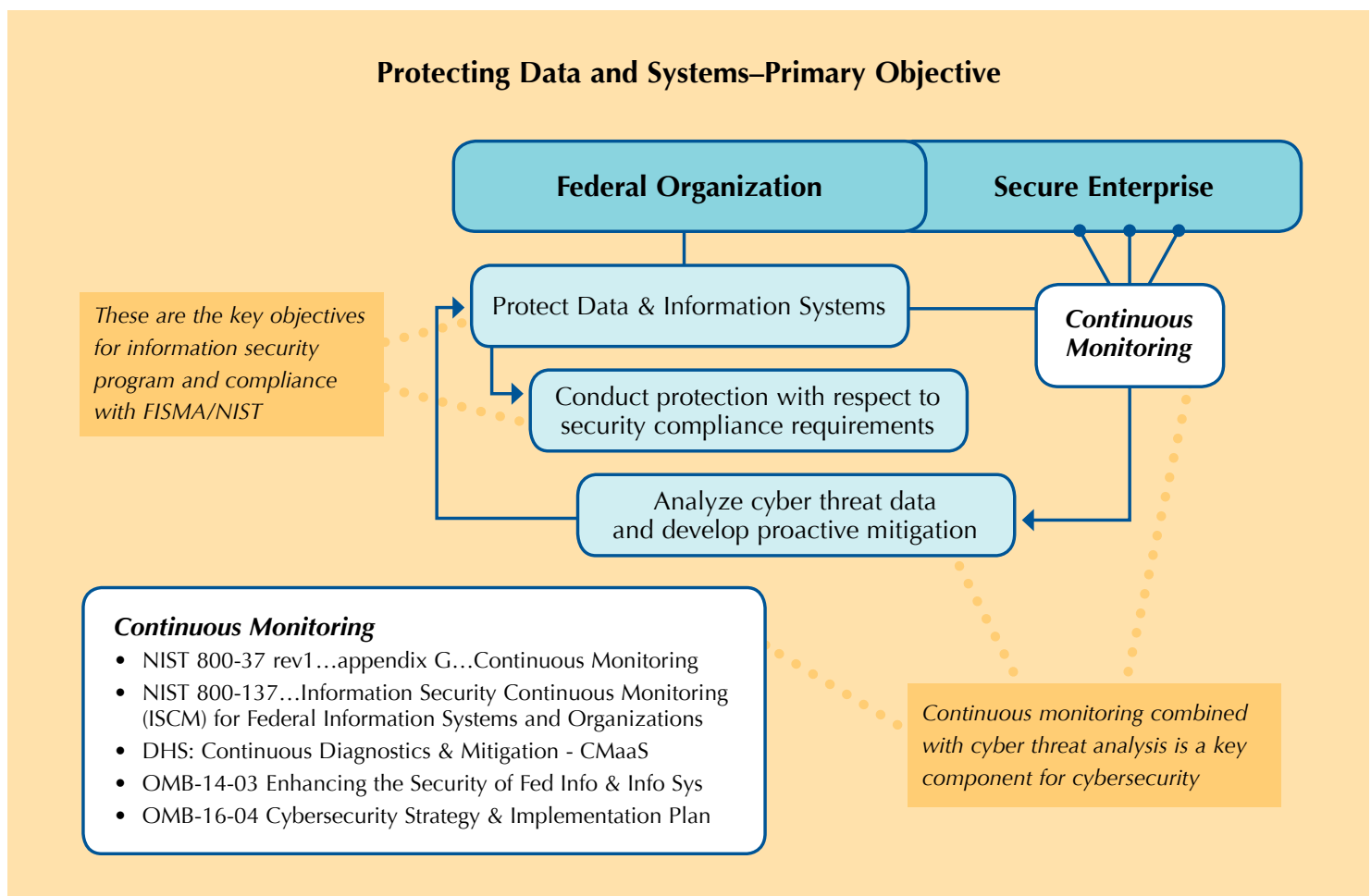
Continuous monitoring is now required by OMB and NIST mandates, and it can be supplemented using cyber analytics to proactively highlight risks and identify, monitor, and address threats. As enterprises bolster their security defenses, predictive analytics plays an increasingly important role (see the figure below). Enterprises can conduct sophisticated correlations to detect advanced persistent threats while implementing governance and automated enterprise risk processes—critical building blocks for enabling security intelligence. This includes the ability to:

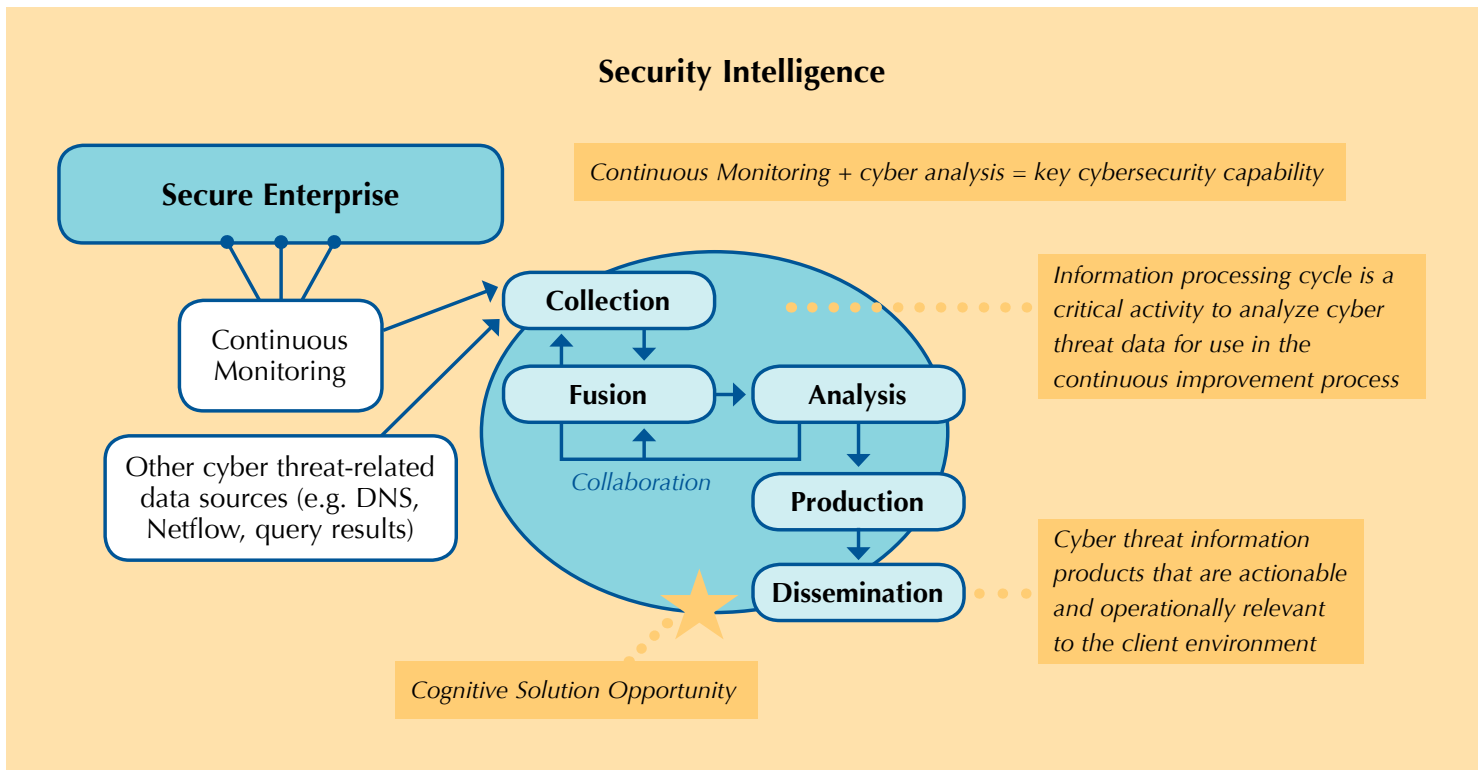
- Identify previous breach patterns and outside threats to predict potential areas of attack.
- Analyze insider behavior to identify patterns of potential misuse.
- Monitor the external environment for potential security threats.

Continuous monitoring, combined with cyber analytics via security intelligence, can provide key cybersecurity capabilities, as depicted in the graphic below. Continuous monitoring and analysis of cyber threat-related data sources (e.g., DNS, Netflow, query results) provides the needed context for the fusion of data that can be analyzed using tools to produce actionable, meaningful, and timely information for CISOs and CIOs to address the most important issues affecting their agency, and to deter and prevent cyber threats.

Using cyber analytics to proactively highlight risks and identify, monitor, and address threats and vulnerabilities helps to achieve predictive and preventive cybersecurity capabilities.

However, cyber analytics can also be greatly enhanced using cognitive-based systems to build knowledge, learn and understand natural language, and reason and interact more naturally with human beings. They are also able to put content into context with confidence-weighted responses and supporting evidence. They can quickly identify new patterns and insights. Specifically, cognitive solutions have these three critical capabilities that are needed to achieve security intelligence:





1. **Engagement.** These systems provide expert assistance by developing deep domain insights and presenting the information in a timely, natural and usable way.
2. **Decision.** These systems have decision-making capabilities. Decisions made by cognitive systems are evidence-based and continually evolve based on new information, outcomes, and actions.
3. **Discovery.** These systems can discover insights that perhaps could not be discovered otherwise. Discovery involves finding insights and connections and understanding the vast amounts of information available.

Thus, agency senior executives involved in cybersecurity need to move from a basic to an optimized level of security intelligence.

Achieving cybersecurity protection is a way to preserve mission success while achieving key objectives for the agency's security program. Government needs to move from a basic (manual and reactive) to an optimized (automated and proactive) posture to secure critical systems and valuable information through security intelligence. ■

Beyond Business as Usual: Improving Defense Acquisition through Better Buying Power

By Zachary S. Huitink and Dr. David M. Van Slyke

The U.S. federal government spends nearly a half-trillion dollars per year through contracts, buying everything from office supplies and automobiles to professional services, information technology, and complex weapon systems. The effectiveness with which the government buys these products increasingly separates mission success from mission failure. Indeed, as recent events (e.g., the initial rollout of healthcare.gov) illustrate, acquisition can play a role in both the government's most laudable achievements and its highest-profile disappointments. As agencies continue to face pressure to do more with less, getting more for the money spent through contracts is critical. Now, more than ever, it is imperative that government is a smart buyer.

For the modern government agency, the difference between mission accomplishment and mission failure increasingly turns on the ability to be a smart buyer—to build an efficient and effective acquisition enterprise on a foundation of professionalism, expertise, and commitment to getting the best possible business deal when buying goods and services. Perhaps nowhere is smart buying as important as at DOD, which accounts for approximately seven of every 10 cents in annual federal contract spending, but a matter of national security. Despite these strong imperatives to get things right, value-enhancing acquisition performance remains one of DOD's most elusive goals.

Despite these strong imperatives to get things right, acquisition remains one of the Pentagon's most significant managerial challenges. While not all is amiss—for every failure or setback, there are many unheralded successes, attributable to the hard work of government and industry professionals—after over 60 years of attempts at reform, efficient and effective acquisition remains an elusive goal. In light of this history, a recent report characterized defense acquisition as exhibiting “a significant degree of entropy”—a tendency to revert to established operating procedures despite the application of strong external forces. This same report went on to argue, however, that “meaningful improvement is possible” in the current environment, due in large part to a degree of

leadership commitment not seen for many years. Within both DOD and Congress, the job of improving defense acquisition is a priority for knowledgeable, experienced, and committed leaders.

For the last five years, leaders within DOD's Office of Acquisition, Technology, and Logistics (AT&L) have been leveraging downward pressure on defense spending to improve the Pentagon's acquisition outcomes. They call their effort “Better Buying Power,” so-named because the change they envision aims at getting more for each dollar DOD spends on buying goods and services, or, “doing more without more”.

Though not the first (nor, no doubt, the last) of DOD's efforts to improve its acquisition practices, Better Buying Power is a timely and instructive case in the challenges and opportunities of enhancing acquisition performance through a commitment to continuous improvement—to constantly seeking greater efficiency and productivity in the acquisition enterprise rather than instituting a single reform or policy change. While some may claim defense is a bad model for others to follow, and would thus argue Better Buying Power is not of interest to a non-defense audience, this report offers a different perspective. The Defense Department does acquire a number of goods and services unique to its war-fighting mission, but it also buys many products civilian agencies buy, such as professional services and information technology. Moreover, the principles Better Buying Power emphasizes apply equally to the acquisition of military-and non-military-specific products. These principles include:

- Professionalism
- Critical thinking
- Sound judgment
- Data-driven decision making

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Accordingly, for busy acquisition executives and senior procurement officers striving to get more for the money that their agencies spend on critical goods and services, this report traces the origins, evolution, and broad impact to date of the Better Buying Power initiatives. Are these initiatives living up to their promise of moving defense acquisition beyond “business as usual?” What lessons do they offer for the rest of the federal acquisition enterprise?

To answer these questions, the report focuses on five initiatives at Better Buying Power's core:

- **Core Initiative One.** Achieving Affordability and Controlling Costs—Planning and executing large, complex acquisitions in a manner that ensures the projects are affordable within future budgets
- **Core Initiative Two.** Promoting Competition—Judiciously leveraging the benefits of competition to promote ongoing performance improvement and minimize lock-in risk
- **Core Initiative Three.** Providing Incentives—Using tools like contract type and source selection method in a manner that motivates vendors to be productive and innovative
- **Core Initiative Four.** Reducing Bureaucracy—Clarifying the chain of command to empower frontline acquisition managers and hold them accountable for results
- **Core Initiative Five.** Improving Services Acquisition—Taking a more strategic approach to acquiring services, which now outweigh weapon systems as a share of DOD's annual acquisition budget

The report summarizes the thrust of each initiative, discusses DOD's successes and challenges implementing it, and presents lessons for acquisition executives and senior procurement officers in other federal departments and agencies. The analysis is based on a case study involving interviews with subject matter experts (SMEs) in government, industry, academia, and the think tank community, as well as review of a large sample of primary and secondary documents

published by DOD, the Government Accountability Office (GAO), the Congressional Research Service (CRS), and other sources.

Lessons Learned

DOD's experience with crafting and implementing core initiatives under Better Buying Power reveals a number of lessons for acquisition executives and senior procurement officers striving to get more for the money their own agencies spend on goods and services. Across the five initiatives surveyed, eight lessons emerge:

1. Acquisition Is (Nearly) Everyone's Business
2. Strong Forces Work to Preserve “Business As Usual”
3. “Creep” Is a Pervasive Threat
4. Communication Is Always Subject to Varying Interpretation
5. Following Through Is Crucial
6. When It Comes to Some Practices, the Only Time to Start Is Early
7. Knowledge Is Power
8. Being Realistic—and Patient—Is Best

Recommendations

Determining the precise content and direction of future iterations is beyond the scope of this report, but at least three potential avenues DOD leaders could pursue in a future version of Better Buying Power include the following:

- **Recommendation One.** Continue to pursue the idea of “agile” acquisition
- **Recommendation Two.** Maintain and enhance the focus on improving services acquisition
- **Recommendation Three.** Further the effort to build partnerships outside the traditional defense industrial base

This report has aimed to glean some preliminary lessons from DOD's experience to date with Better Buying Power—to ask, in short, whether and to what extent this novel attempt at improving the productivity and efficiency of a deeply entrenched system has been successful or fallen short. As the report suggests, the answer is mixed. Better Buying Power is one of the few and most recent governmental initiatives to develop and implement an approach that is multi-faceted, benefits from sustained leadership commitment, and uses a window of opportunity associated with externally imposed events.

For both DOD and the broader federal acquisition community, learning from past successes and failures and incorporating new ideas from a range of internal and external stakeholders to craft a comprehensive, sustainable approach to acquisition improvement presents an acute challenge. Adopting the “Better Buying Power” model—initiating and institutionalizing change through a decentralized and cascading approach that engages stakeholders, measures results, learns from and evolves toward clarifying priorities and continuously strengthens performance—is no easy task. Nonetheless, the historical experience with “magic bullet” reforms suggests it may be the better of the two alternatives. ■

TO LEARN MORE

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By Zachary S. Huitink and David M. Van Slyke



The report can be obtained:

- In .pdf (Acrobat) format at the Center website, www.businessofgovernment.org
- By e-mailing the Center at businessofgovernment@us.ibm.com
- By calling the Center at (202) 551-9342

Using Mobile Apps in Government

By Sukumar Ganapati

Apps are programs designed specifically for mobile devices like smartphones, tablets, and wearables. With the explosive growth of mobile devices, apps have become commonplace since Apple introduced them for iPhones in 2008. There are close to 4 million apps available. The app economy has burgeoned with billions of downloads. Nearly 90 percent of a mobile user's time is spent on apps.

The growth of mobile devices and apps presents new opportunities in the public sector. Schadler, Bernoff, and Ask argue that there is a mind shift in the mobile environment, in which a person expects that "I can get what I want in my immediate context and moments of need."

The proliferation of mobile phones is also narrowing the digital divide in terms of access to online services. The ownership of smartphones, and dependence on them for Internet access, is especially high among minority groups. African Americans and Hispanic adults spend more time on apps than the average user. Low-income households are also more likely than high-income households to depend on smartphones for online access. The greater accessibility of smartphones to traditionally underserved populations raises the prospects of delivering social services through apps.

There are two broad types of government apps that are discussed in the report:

- **Enterprise-focused apps** are mainly for internal use within a public organization. They are accessible only to employees and operate within secure firewalls established by the organizations.
- **Citizen-oriented apps** are intended for external use. They are accessible to anyone who seeks to use government services.

The State of Mobile Apps in Government

Mobile Apps in the Federal Government

The Obama Administration's 2012 Digital Government Strategy laid out a broad digital plan to harness information technology in federal agencies. The strategy explicitly envisaged doing mobile "right" from the beginning. It was premised on four principles to:

1. Create an information-centric government that focuses on open data and content
2. Establish a shared platform within and across agencies
3. Take a customer-centric approach in presenting data
4. Build required security and privacy measures upfront

The federal strategy required agencies to expose high-value data and content of at least two existing major customer-facing systems through Application Programming Interfaces (APIs), which are online methods for apps to access data from public agencies in order to provide value-added services in real time and place. The core strength of the federal digital strategy is that government data is a resource that can be leveraged to spur customer service innovation. All new federal agencies' systems, underlying data, and content have to comply with the open data and API policy.

Mobile Apps in State and Local Government

State and local (county/city) governments vary in their adaptation to the mobile environment because they follow their own mandates and policies. Customer service improvements are very important at the state and local levels as they are the direct service providers to citizens on a day-to-day basis (e.g., schools, hospitals, law enforcement, public works, transportation, etc.). Hence, state and local governments have created apps to facilitate citizen engagement.

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State government apps. State governments are increasingly adapting to the mobile environment.

Local government apps. Local governments vary greatly in their adaptation to the mobile environment.

Enterprise-Focused Apps

In the federal government. Customized agency-developed enterprise-focused apps for internal organizational use are in their very early stages of emergence.

In state and local governments. Similar to the federal government, enterprise-focused apps are not prominent—but rather emerging—among state and local government agencies.

The transformational use of mobile devices is in re-engineering field processes, so there is greater degree of integration between line workers in the field and back-office workers. Field case management, road and rail infrastructure maintenance, vehicular fleet management, inventory control, and supply chain management are all areas that have potential efficiency gains with mobile use. The Pennsylvania Department of Transportation's *Posted and Bonded Road* mobile app, for example, replaced manual paper-based reports, reducing the field workers' administrative duties.

The road ahead for enterprise-focused apps. Enterprise-focused apps are still in the nascent stages of growth in federal, state, and local government agencies. Indeed, enterprise-focused apps represent a lucrative growth area in private businesses as well, especially among the sales force. There is much opportunity for transforming internal operations with location-based services available anywhere in real time.

Enterprise-focused apps could enhance government productivity in several ways:

- Aid in managing mobile assets
- Increase employees' productivity, especially among routine and simple tasks that require cursory examination

- Reduce field workers' administrative onus in the back office
- Provide opportunities for collaboration and networking between public agency field offices

Citizen-Oriented Apps

Citizen-oriented apps are more prevalent than enterprise-focused apps in the federal, state, and local governments. These apps are used as additional innovative mechanisms of delivering public services, and to engage the public in decision-making processes. They include:

- Citizen-oriented apps in the federal government
- Information and news service apps
- Client services apps
- Crowdsourcing apps
- Health and safety information apps

Educational apps

Citizen-oriented apps in the state and local government. Citizen-oriented apps provided by state and local governments can be classified into four categories:

- Information on parks, recreation, and leisure activities
- Traffic and transit information apps
- Public engagement apps
- Third-party civic apps

The road ahead for citizen-oriented apps. In the years ahead, government at all levels will move toward:

- Increased support of citizen-oriented apps to enhance public services
- Increased embedded approach for citizen-oriented apps

- Increased availability of APIs for third-party citizen-oriented apps

Mobile App Design Considerations

The type of device (wearable, smartphone, or tablet) is a primary consideration in designing an app. Small devices allow greater portability, but have limited screen space for presentation and user interaction. Wearables are appropriate for personalized user needs. Smartphones are used for a range of communications and social networking activities, including location-based services. Tablets are useful devices for performing field-based activities. Apps have to be customized to the specific features of the various devices. Because operating systems vary among mobile devices, different versions of an app need to be developed for each system.

There are three types of app designs from a software perspective:

- **Native apps** are downloaded onto the device and take maximum advantage of the device's hardware features (e.g., camera, etc.).
- **Web apps** are websites using responsive web design features so the same web app can be optimized and accessed from different types of devices.
- **Hybrid apps** combine the features of native and web apps. Similar to native apps, hybrid apps are accessed through the app gateways and installed onto a device. However, these apps are developed with cross-mobile device features so they can work across different platforms.

Recommendations

The report concludes with the following three recommendations:

- **Recommendation One.** Optimize online services for mobile devices

- **Recommendation Two.** Provide open data based on common standards
- **Recommendation Three.** Assess feasibility of standard data structures across and within agencies

The road ahead for mobile app design. With the proliferation of mobile devices, public agencies need to explicitly adopt a “mobile first” strategy. Government agencies at the federal, state, and local levels should strategically assess their existing online services and engage the public in identifying those which would be most valued on various mobile devices. Because there are various mobile devices and app design considerations, apps need to be offered appropriately. Every device has its strengths and limitations. ■

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The Social Intranet: Insights on Managing and Sharing Knowledge Internally

By Ines Mergel

This research report introduces the concept of the social intranet—the use of in-house social networking technologies for employees of a government organization only—and how these technologies are designed and used in the public sector. As opposed to social media tools used to engage external audiences for educational and informational purposes, social intranets are slowly spreading in government to support internal knowledge creation, sourcing, and sharing activities.

Components of a Social Intranet Site

Social intranet sites either use open source tools or proprietary systems developed specifically for use in one organization. They are hosted on the organization's own servers and are not accessible to outsiders. They allow employees to import external information from the Internet and share it on the intranet. Some of the most common components include:

- Wikis
- Blogs
- Microblogging
- Tagging and bookmarking tools
- Social networking
- Other components
 - Social analytics technologies for reports on how content was accessed
 - File sharing
 - Collaborative workspaces for geographically-dispersed employees to interact with each other on a joint project

Benefits of Using Social Intranets

Social intranets lead to information benefits that go beyond face-to-face interactions, information e-mailed to a limited number of recipients, or actively searching in shared hard drives. As opposed to an organization's traditional knowledge-sharing systems, social intranets go beyond file-sharing activities in shared hard drives or network drives. Benefits of social intranets include:

- **Visibility.** Social intranets make communication patterns, networks, and the location of an organization's knowledge sources highly visible, even across organizational boundaries.
- **Persistence.** Social intranets help to trace communication streams and knowledge-creation activities (recorded and archived for future access).
- **Discoverability of knowledge.** Even though employees might not be part of their colleagues' ongoing discussions about issues in other parts of the organization, knowledge is now discoverable across artificial organizational boundaries; it can be tagged with the names of employees considered the original knowledge experts, whom others can then contact.
- **Speed of search and read activities.** Knowledge created in communications streams, newsfeeds, documents, or other types of content files such as videos or pictures is available in real time to the whole organization and not limited to pre-defined audiences.
- **Lowering geographic distance and communication barriers.** As Sproull and Kiesler have shown, computer-mediated communication often leads to the loss of social cues.
- **Strengthening social ties, creating social capital, and social capitalization.** Previous studies of internal social networking and collaboration sites in the private sector have shown that employees are creating new connections

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with employees located in other parts of the organization, especially when they are not co-located or part of the same work teams.

- **Open communication.** Employees who use external social networking sites, such as Facebook or Twitter, are more likely to be willing to update and share on internal social sites as well.

The report includes four cases of social intranets in North American government organizations.

- **Case Study One.** *Corridor* at the Department of State
- **Case Study Two.** NASA's Goddard Space Flight Center's *Spacebook*
- **Case Study Three.** Intelligence Community's *i-Space* (intelligence space)
- **Case Study Four.** Government of Canada's *GCconnex*

The first two social intranets (*Corridor* and *Spacebook*) were designed to serve one department or agency. The second two intranets (*i-Space* and *GCconnex*) serve many different departments and agencies, and in the case of the Canadian

government, a single intranet platform provides tools for collaboration across the entire federal government.

Traditional knowledge transfer is limited to memos, the sharing of documents with a limited contact list, or administrative cables. Rarely is knowledge created in the open and observable to the whole organization. Social intranets are aiming to open opportunities for knowledge sharing with wider audiences who might all be working on similar issues, or who might be able to contribute to problems and tasks that are replicated in different parts of the organization.

The report outlines how a range of technologies is used to support core knowledge management activities, including:

- Organizational knowledge creation
- Socialization of knowledge
- Technological support of knowledge management activities

For each case study, the report highlights the goals, rollout and implementation phases, organizational locations, components, and specific collaboration features of each social intranet.

Summary of Social Intranet Case Studies

Case Study	<i>Corridor</i> U.S. Department of State	<i>Spacebook</i> U.S. National Aeronautics and Space Administration	<i>i-Space</i> U.S. Intelligence Community	<i>GCconnex</i> Government of Canada
Goals	Tacit knowledge sharing across geographically disconnected units	Knowledge sharing online across knowledge silos	Discovery and sharing across knowledge silos	Collaboration across all federal government departments and agencies in both official languages
Components	Enterprise search, wiki, blogs, social networking, ideation (Secretary's sounding board), forming groups, creating polls	Social networking, social bookmarking, collaboration, equipment sharing	Wikis, blogs, social networking	Social networking, shared workspaces, groups, instant messaging, chats, file sharing, wiki
Main use	Social connections based on shared interest leading to professional conversations	Search for collaboration opportunities, sharing/reuse of equipment (discontinued)	(Short-term) fast collaboration and knowledge aggregation, quickly moving knowledge to decisions	Connecting over 250,000 employees with people and information across 138 federal department and agencies inside and outside of Canada

The report is based on interviews with project managers and selected users, publicly available documents, and news coverage about social intranets. The goal of this report is to highlight current projects, implementation challenges, and broader insights that might be transferrable to other government agencies interested in implementing similar approaches. Insights for the successful implementation of a social intranet include the role of leadership support, technological considerations, and successful implementation steps.

Insights: Successfully Implementing Social Intranets in Government

The following insights are derived from interviews with public managers in charge of designing and implementing in-house social networking platforms in three U.S. federal government agencies and the Government of Canada.

Insight One: Active Leadership Participation Is Essential

Two levels within the organization need to be models for social networking adoption:

- Top leadership
- An agency champion

Insight Two: Three Technological Considerations Are Key

Based on our interviews, we found the following technological considerations to be key in the design of a social intranet:

- Radical transparency in design and change is needed
- Allow deliberative knowledge discovery
- Allow external and internal knowledge sources

Insight Three: Successful Implementation Requires Key Management Involvement

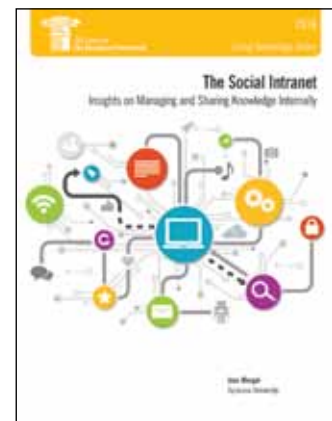
Based on our interviews, we found the following set of actions essential to the successful implementation of social intranet:

- Investing in training, education, and outreach
- Moving from siloed to open communication
- Demonstrating innovativeness, effectiveness, and ease of use
- Making the social intranet the new standard operating procedure
- Phasing in implementation, but considering a wider spread of testers

Overall, social intranets will only work if there is a need for collaboration within a department or across departmental boundaries. That means employees need to fulfill tasks requiring innovative solutions that are locally not available, or they need expertise that is already available in other parts of the organization. ■

TO LEARN MORE

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The report can be obtained:

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