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How chief operating officers can make government more effective

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PARTNERSHIP FOR PUBLIC SERVICE

Booz | Allen | Hamilton

ABOUT THIS REPORT SERIES

This report is the second in a series on the state of federal management from the perspective of the senior officials most accountable for results: the government's chief operating officers and other equivalent top management officials.

In the first report, the Partnership for Public Service and Booz Allen Hamilton explored in depth the evolving role of COOs and what they view as government's top management priorities and challenges.

For this second report, we gathered lessons from management officials from previous administrations. We took the best advice from these former government leaders, and from private-sector managers, and consolidated it for newly appointed COOs to use as they implement the proposals contained in the Trump administration's management framework.

The **Partnership for Public Service** is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership teams up with federal agencies and other stakeholders to make our government more effective and efficient. We pursue this goal by:

- Providing assistance to federal agencies to improve their management and operations, and to strengthen their leadership capacity
- Conducting outreach to college campuses and job seekers to promote public service
- Identifying and celebrating government's successes so they can be replicated across government
- Advocating for needed legislative and regulatory reforms to strengthen the civil service
- Generating research on, and effective responses to, the workforce challenges facing our federal government
- Enhancing public understanding of the valuable work civil servants perform

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PREFACE

The Trump administration laid out a management framework in its first 100 days that addresses longstanding problems with government accountability, talent and effectiveness. The president has placed this emphasis on management earlier than his predecessors, indicating the effective operation of government is a top priority. He created the White House Office of American Innovation to bring in new ideas from the private sector, and issued an executive order to identify ways to reorganize the government and make employees more productive.

How this management framework will be implemented is an open question. It is the more than two dozen presidentially appointed chief operating officers who will have much of the responsibility for guiding management changes. However, the nomination process for COOs and other political appointees has been slow, so many of the leaders who are expected to manage the directives in the president's executive orders are not in place.

If COOs are going to reorganize government, they will need to work together, using their collective resources, experiences, insights and abilities. The goal is a government that is more responsive, effective and accountable to the American people.

It is important that COOs build on our government's successes, and grow and extend them throughout the agencies and departments.

This report contains examples of solid accomplishments, such as the Food and Drug Administration's use of data and collaboration to identify eight times more listeria outbreaks; the Department of Transportation's initiative to speed up the multiagency permitting of large infrastructure projects by months, even years; and agencies' actions to consolidate federal data centers, which improved government efficiency and saved or avoided \$2.3 billion across government between 2012 and 2016, according to the Government Accountability Office.

Beyond those efforts already started, COOs must continue to root out inefficiencies and duplication across the government enterprise and add to existing accomplishments. There is much more to be done. As COOs take on the major task of driving the management agenda in their agencies—with support from Congress, the White House and its innovation office, and other interest groups and stakeholders—they will find they must overcome several major challenges.

This report can serve as a blueprint for overcoming those challenges as COOs step on board at agencies. The administration, particularly through the Office of Management and Budget's April memorandum on implementing the executive order on reorganization, has laid out what it is trying to accomplish. This report is intended to help agencies and their COOs prepare reorganization plans to submit to OMB by the September 2017 deadline. We hope that the examples and information in this report will assist COOs as they face the difficult decisions that lie ahead.

INTRODUCTION

The federal government is the nation's primary institution to address, collectively, the country's most pressing needs: keeping our country safe from harm, maintaining economic stability, ensuring basic civil rights, caring for veterans, providing educational opportunity and protecting public health and the environment.

But significant changes are needed in the management and operation of the federal government for it to become the best version of itself and serve the needs of the American people more effectively.

The Department of Veterans Affairs, for example, runs the nation's largest health care system with financial systems that are more than 30 years old. At the Internal Revenue Service, the information technology system used for assessing tax payments and generating refunds is 56 years old, and is based on an outdated computer code that is difficult to write and maintain. Many federal managers and employees know things need to change, but progress has been slow.

Bringing about changes in these and many other areas of government must start at the top, and the leaders who will be in the best position to drive management changes are the chief operating officers. COOs typically are deputy secretaries or deputy administrators, holding an agency position created in 1993 through a presidential memorandum. The position was formalized in the Government Performance and Results Modernization Act of 2010.

From an early reading of President Donald Trump's announcements on government management, this administration intends to keep COOs busy.

The president's fiscal 2018 budget blueprint contains a management agenda with major proposals for reforming agency management, making administrative functions more effective and efficient, and holding agencies accountable for improving performance. A March executive order on executive branch reorganization, along with guidance on the order's implementation released in April by the Office of Management and Budget, also sets the stage for more efficient government.

COOs will need to work together to guide the implementation of these plans and the reorganization at their agencies. They will need to take the lead on identifying actions and pressing for changes that will help their agencies meet the expectations the administration has set. As a group, they also

must manage the government as an enterprise.

One option for collective action identified by a number of former government leaders is the President's Management Council, an organization for deputy secretaries that now advises the president on management matters.

At large companies with many business units, top executives rely on a management committee to develop strategy and oversee management issues. According to a number of former executives, the administration has an opportunity to give the PMC a similarly prominent role in overseeing and shaping the management of the federal enterprise and creating a mechanism to make decisions for the good of government.

COOs also have an opportunity to work with the new White House Office of American Innovation. The innovation office, created in March by presidential memorandum, will work to find and recommend innovative solutions to problems in veterans care, infrastructure improvement, government information technology, regulatory reform and other areas.

"We have an opportunity to identify and implement solutions by

combining internal resources with the private sector's innovation and creativity, enabling the Federal Government to better serve Americans," said Jared Kushner, the head of the new innovation office and senior advisor to the president, in the White House press release announcing the office.

The memorandum states that the new office will consult with the directors of OMB and the White House Office of Science and Technology Policy, and make recommendations to the president on policies and plans to improve government operations and services.

COOs will play an important role in implementing those policies and plans. Sharing their ideas for improving government with OMB and OSTP could inform the recommendations those two agencies submit to the president.

Working with top career executives with deep knowledge of government operations as well leaders from the private sector, COOs can help ensure that the administration's and the innovation office's best ideas are implemented effectively, both at their agencies and throughout the government.

METHODOLOGY

The pages that follow are based on in-depth interviews the Partnership for Public Service and Booz Allen Hamilton held with more than 30 former COOs and other senior federal leaders. We also held a summit of former COOs, private-sector leaders and other top government officials to understand their thoughts on what issues incoming COOs will face as they work to change how government is managed.

Our conversations took place during the 2016 presidential campaign and presidential transition, and the first quarter of 2017. During the election season, the presidential candidates debated policy, but management is separate from politics. "Management is nonpartisan. It is either good or bad," said one of our interviewees. OMB Director Mick Mulvaney echoed this notion during a White House press briefing in April. "We might think differently about the role of government, but everybody dislikes bad government."

AGENCIES BY THE NUMBERS

Federal chief operating officers are responsible for driving management changes and improving performance at their organizations, and typically serve as the deputy head of a department or in a similar high-ranking agency position. At the top 24 departments and agencies, COOs oversee budgets ranging from \$733 million to more than \$1 trillion.

DEPARTMENT OF DEFENSE

677,240

\$570.9 billion

DEPARTMENT OF THE TREASURY

82,556

\$486 billion

DEPARTMENT OF AGRICULTURE

74,465

\$142.5 billion

DEPARTMENT OF VETERANS AFFAIRS

333,267

\$160.5 billion

DEPARTMENT OF HEALTH AND HUMAN SERVICES

65,431

\$1.0 trillion

SOCIAL SECURITY ADMINISTRATION

62,560

\$950 billion

DEPARTMENT OF HOMELAND SECURITY

169,547

\$45.3 billion

DEPARTMENT OF TRANSPORTATION

53,992

\$72 billion

DEPARTMENT OF JUSTICE

112,429

\$29.4 billion

DEPARTMENT OF THE INTERIOR

49,679

\$12.5 billion

DEPARTMENT OF COMMERCE

35,437

\$13.8 billion

2.1 million

TOTAL 2016 WORKFORCE

\$3.9 trillion

TOTAL 2015 BUDGET AUTHORITY

NATIONAL AERONAUTICS
AND SPACE ADMINISTRATION

16,985
\$18 billion

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

7,827
\$44.1 billion

DEPARTMENT OF LABOR

14,937
\$46 billion

OFFICE OF PERSONNEL MANAGEMENT

5,175
\$92.4 billion

DEPARTMENT OF ENERGY

14,499
\$25 billion

DEPARTMENT OF EDUCATION

3,973
\$87.3 billion

ENVIRONMENTAL PROTECTION AGENCY

14,287
\$7.8 billion

NATIONAL SCIENCE FOUNDATION

1,208
\$7.5 billion

DEPARTMENT OF STATE

10,500
\$29.1 billion

Notes: The government has 2.1 million employees. Individual agency numbers shown comprise full-time, nonseasonal permanent employees. The DOD workforce statistic includes civilian employees at the Air Force, Army and Navy. Four of the 24 top agencies do not appear here as they use budget reporting methods not comparable to the other agencies. Budget authority allows agencies to commit to spending federal funds up to the amount that Congress approves.

Holding agencies and their leaders accountable



Many taxpayers say government programs and services are not delivering their intended results, even as agencies spend billions of dollars annually to maintain them. Inside government, many federal employees see the same inefficiencies in programs and processes. Many employees also believe that no one holds poor performers accountable, and that political and career leaders are not always held responsible for problems that occur.

Increase accountability through transparency

Accountability begins with transparency, which enables leaders and the public to track agency progress and spending, and determine if leaders and their organizations are meeting their goals.

However, government leaders have not always made transparency a priority.

“The reason nothing gets done in the federal government is there is no transparency about what the government is trying to do, by when, and how it’s performing relative to that goal,” said Clay Johnson, former deputy

director for management at the Office of Management and Budget.

While the Trump administration has not given indications, so far, that transparency is a top priority, presidents George W. Bush and Barack Obama took some steps to track government performance and address the lack of transparency.

In the Obama administration, Performance.gov was created in response to the Government Performance and Results Modernization Act of 2010, which directed OMB to track government performance on a single public website. The act requires OMB to post agency performance plans and reports on progress made against those plans, as well as agency-specific and cross-agency goals and how agencies are meeting those goals.

The law also set the stage for establishing priority goals both across and within agencies, and for measuring performance. The COOs, agency heads and performance improvement officers are required to do three things at least quarterly: review the data to see if the agency is

meeting its goals; determine how much of a risk exists that the agency will not achieve these goals; and identify strategies to improve agency performance. Agencies also are expected to make the results of those discussions available on a public website.

These activities not only allow the public to monitor agencies' progress, but also give Congress information for conducting its oversight role and questioning political and career executive branch officials about why they may be falling short on meeting goals. The public reporting also provides a mechanism for the White House to hold leaders accountable.

Also during the Obama administration, Congress passed the Digital Accountability and Transparency Act of 2014, or DATA Act, to make more transparent the massive amount of spending and performance data agencies maintain. The act directs agencies "to transform all spending information into open data."¹ Beginning on May 9, 2017, agencies had to start reporting their financial data on USAspending.gov, a public website that gives taxpayers the ability to track appropriations and see how agencies spend their money. Providing citizens and Congress this view into agencies' financial information can only help increase agency accountability.

Many former COOs praised the transparency and accountability under the Bush administration. The Bush administration's management agenda—a set of five initiatives to improve the management operations of federal agencies—included integrating performance information with budget planning and execution. It led to a tool that OMB used to assess the performance of more than 1,000 government programs, focusing largely on operational

improvements in areas such as modernizing government services and operations.

Bush used scorecards to show how well agencies managed functions, including financial management, information technology and personnel. At the time, agencies were putting new payroll systems into operation, and progress reports came in the form of a red-yellow-green light system.

During one White House meeting, the president conducted a live demonstration of his displeasure with those leaders who were not moving forward in a timely way to meet the deadlines for implementing the new payroll systems. Agency leaders attending the meeting found they had been assigned seats. As the meeting progressed, the president explained that people were placed according to their progress.

Those closest to the president were in the "green light" group because they were making sufficient progress. Those farthest away were in the "red light" group because they were not. At the end of the meeting, the president made it clear he wanted lagging agencies to step up their game. He asked the "yellow light" group—those in the middle—to improve to green, and he told the red light group to advance to yellow by the next meeting or they would no longer have their jobs.

The scorecards that assessed agency programs and initiatives such as the new payroll systems also were published on ExpectMore.gov, a public website. Taxpayers could browse programs whose performance was "effective" or "adequate" and sort them by agency or program area. ExpectMore.gov also contained assessments of programs that fell into the categories of "ineffective" or "results not demonstrated." According to the final archived website, 20 percent of the assessed programs fell into these two categories.

During the Obama administration, a highly successful example of transparency and holding both career and political leaders accountable for results was the American Recovery and Reinvestment Act of 2009, the stimulus bill enacted in the midst of the economic recession. The law provided tens of billions of dollars in stimulus funding for a wide array of activities in education, transportation, infrastructure, energy, the environment, health care and housing.

To assure tax dollars were being spent efficiently and effectively, the law called for enhanced reporting, auditing and evaluation requirements. Traditional oversight functions were conducted in real time instead of after program implementation, enabling program officials to learn of challenges and needed improvements much earlier in the process. Information about the programs and how money was being spent was posted on websites that improved the public's access to data about grants funded by the Recovery Act as well as its ability to report concerns.

Hold political leaders responsible for agency results

The Trump administration's March executive order makes agencies accountable to OMB for coming up with a reform plan that includes near-term actions to reduce the workforce and maximize employee performance. However, it does not explicitly hold political appointees accountable for results on what they propose nor for the pace of accomplishing those goals. Neither does the federal performance management system include a requirement that the roughly 4,000 political appointees have performance plans that define success or hold them accountable for their agency's results. Only career civil servants fall under the federal performance management system.

¹ Data Coalition "DATA Act: Transforming U.S. Federal Spending into Open Data." Retrieved from <http://bit.ly/2nek0j6>

Many private companies, on the other hand, hold their leaders accountable for their organizations' successes and failures, recognizing that this leads executives to be deeply invested in performance. When Apple missed its sales targets for 2016, for example, CEO Tim Cook and his senior vice presidents had their compensation cut. Cash incentives in 2016 "were significantly less" than the annual cash incentive payments made in 2015, reflecting "strong pay-for-performance alignment," according to Apple's filings with the Securities and Exchange Commission.²

The federal government does not offer cash for higher profits or better sales, obviously. But there are other ways to make sure executives

are invested in their agencies' success. For instance, a COO could be held accountable on behalf of the agency by creating and submitting a performance plan to the agency secretary or deputy director for management at the Office of Management and Budget with their top priorities for carrying out the administration's agenda, according to a former federal leader.

Once the plan is negotiated and accepted by both sides, it would enable the secretary or OMB to review agency results and determine how they stack up against the COO's stated priorities. The priorities in those performance plans would also be in the performance plans of the people down the line who have responsibility for carrying them out. Regular meetings or progress reports that keep score on how the leaders are doing would motivate COOs to stay on track and continue pushing for results.

² Securities and Exchange Commission, "Apple Inc. Notice of 2017 Annual Meeting of Shareholders and Proxy Statement." Retrieved from <http://bit.ly/2mJqcDc>

RECOMMENDATIONS



COOs and other political leaders should have performance plans that define success, measure agency progress toward goals and encourage individual and agency accountability.



COOs must hold career executives and managers accountable for the success of programs under their purview, using set measures to determine whether those programs are meeting their goals. A process for tracking performance and results should be developed that ensures evaluations are substantive and not mere compliance exercises.



COOs need to hold career executives accountable without creating a chilling effect that prevents them from reporting incidents or problems, or gives them pause when considering doing so. This will require finding a balance that leads to effective reporting while also making executives responsible for their decisions.



COOs should take action to make more of their agencies' data transparent. Transparency provides public accountability for outcomes that meet agencies' goals and taxpayers' expectations.



COOs should use data that government collects to help them identify their agencies' strengths and shortcomings, and make sure their agencies base decisions about programs and employees on the most up-to-date and accurate data available.



Reshaping the workforce for tomorrow

The success of the president's agenda will hinge on the skills and knowledge of the federal workforce, and its ability to implement his programs and policies effectively.

Indeed, the administration's April 12 memorandum on government reorganization and reform deals prominently with maximizing employee performance, directing agencies to ensure "that the workforce they retain and hire is as effective as possible."

At the same time, the memorandum calls for "immediate actions to achieve near-term workforce reductions."

With the administration seeking to make the government more effective while also cutting the number of federal employees, agency leaders will face a huge task. They will need to evaluate how employees do their jobs and the tasks they spend their time on, realign teams and reassign employees, and fill gaps created by the workforce reductions.

Yet the need for specific mission-critical skills will not disappear, particularly for jobs such as cybersecurity experts, auditors, human resources specialists, contract specialists, economists and those in the science, technology, engineering and mathematics fields.

A 2015 Government Accountability Office report found that "mission-critical skills gaps within specific federal agencies as well as across the federal workforce pose a high risk to the nation because they impede the government from cost effectively serving the public and achieving results."³

³ Government Accountability Office, *Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps*, GAO-15-233, January 2015. Retrieved from <http://bit.ly/1Dadivg>

The Trump administration also may find these skill gaps magnified as members of the baby boom generation continue to retire in large numbers, a phenomenon that coincides with the government's difficulty in attracting members of the millennial generation to public service.

The combination of cutbacks and the need for hard-to-find mission-critical talent will present a significant challenge for chief operating officers. They will have to be strategic in their workforce planning to ensure that important functions are not shortchanged and skill gaps are not created that impede achievement of important policy goals.

As COOs engage in this arduous task, they will have the opportunity to draw on the expertise of federal career executives and other employees who have deep knowledge of the agency policies, programs and workforce.

Bolster the workforce with short-term talent

As agencies develop their lists of preliminary actions due June 30, they should consider building in a provision to hire short-term employees with critical knowledge or skills. Without hiring new full-time employees, many agencies have infused innovation and fresh talent into their workforces by providing an easy path for temporary employees to serve in government.

The government's research agencies, for example, hire short-term employees to help create state-of-the-art technologies in the defense, intelligence and energy sectors. This tactic ensures a consistent influx of new thinking, which can lead to new discoveries or approaches. The Defense Advanced Research Projects Agency uses term appointments of three to five years to bring in top talent in specialized areas. For

example, Vincent Tang joined DARPA for a temporary post in 2013 from Lawrence Livermore Laboratory, where he was a staff physicist. While at DARPA, he developed an innovative, mobile and low-cost system to detect the smallest traces of radiological and nuclear materials, offering cities worldwide a new tool to identify and stop terror threats.

The General Services Administration's 18F also uses short-term employment, in the form of a fellowship, to attract new thinking to government. Its Presidential Innovation Fellows program, initially established at the White House, focuses on digital innovation and pairs "talented, diverse technologists and innovators with top civil-servants and change-makers working at the highest levels of the federal government to tackle some of our nation's biggest challenges," according to its website.⁴ For instance, a fellows project addressing sexual assault on college campuses resulted in NotAlone.gov, a website that provided resources to students and schools on how to respond to and prevent such violence.⁵ The content now lives on a Department of Justice website.

In another case, the Office of Personnel Management partnered with the U.S. Digital Service—a tech startup-like organization in the Executive Office of the President—to hire software engineers and digital technology experts. OPM helped USDS develop effective recruitment and faster hiring processes. USDS then hired a team of recruiters whose only job was to find innovators and disruptors to work short term at USDS.

The USDS deploys these skilled employees across the government to

help agencies with their technology issues. Its work has included helping the U.S. Citizenship and Immigration Services redesign its external application and internal review processes for the 7 million annual applications and requests, and worked with the Department of Education to reduce the complexity of student loan repayments.

Many of those working at USDS "are employees of tech giants like Facebook, Google, Amazon and Twitter, who sign up for 'short term tours of duty' to help fix government systems and services," according to Quartz, an online news outlet.⁶ "We're like the Peace Corps for nerds," Haley Van Dyck, co-founder of the digital service, told Quartz. More importantly, these temporary employees bolster the agencies they serve by providing private-sector knowledge and perspective to organizations that typically find it challenging to keep up with the fast-changing technology arena.

Appeal to millennials

Attracting short-term talent can boost innovation, but agencies cannot rely exclusively on temporary talent to meet their workforce needs. And the government must have a stable core of employees that reflect today's America, not the America of the past century. To build that workforce, agencies need to find better ways to draw younger generations to public service.

Currently, they are shunning public service. Employees younger than 30 represent less than 8 percent of the federal workforce, compared to about 24 percent in the private sector. This has broad implications for the government, and the potential to create serious gaps in critical

skills that agencies need. For example, there are almost five times more information technology employees in government who are older than 60 than under 30 at a time when technology use is increasingly important, and cyber threats and attacks are on the rise.

To try to remedy this worsening situation, some federal COOs have worked with their chief human capital officers and human resources offices to implement strategies to attract young people.

Some agencies have used the Pathways Programs, for example, to smooth the path to federal careers for high school, undergraduate and recent graduate students and build a talent pipeline for the future. Agencies also have made themselves visible and welcoming to the next generation through campus visits, job fairs, online information and social media. The federal government has hiring authorities that simplify the hiring process for young people with particular skills such as information technology. Once on board, agency training programs could help retain young employees who are interested in developing new skills.

However, the Trump administration's actions so far have impeded rather than aided the government's recruitment efforts. The hiring freeze early in the administration made it harder for agencies to recruit young people, yet the government needs a constant influx of new talent to keep up with the country's changing demographics.

In addition, the Office of Management and Budget memo on implementing the reorganization executive order refers only to reducing the federal workforce. It does not touch on millennial recruitment.

Ease the transition

The Trump administration's reorganization plans could lead to considerable cuts in the number of employees in many agencies, and the impending changes have created anxiety among federal employees concerned about downsizing and

4 Presidential Innovation Fellows, "Home page." Retrieved from <http://bit.ly/1JYnUT9>

5 General Services Administration, "GSA's 18F Creates NotAlone.gov to Assist Campus Sexual Assault Victims." Retrieved from <http://bit.ly/2qC7vi4>

6 Anne Quito, "There's a start-up in the White House basement and its mission is to 'disrupt' government," Quartz Media, February 17, 2016. Retrieved from <http://bit.ly/2o16sbS>

major agency changes. One of the three greatest difficulties governments typically face during reorganizations is employee resistance to change, according to a Harvard Business Review survey of reorganizations in 87 government institutions.⁷

For COOs to be successful in carrying out the president's agenda, they will have to work on keeping morale high and assisting their employees in continuing to accomplish their agencies' important goals. That means keeping employees engaged in their agencies' missions and communicating and guiding the career workforce through changes as they occur. COOs will benefit from being transparent about their plans and communicating clearly from the outset that even though workforce cuts are likely, employees will be supported through the process.

7 Stephen Heidari-Robinson, "Making Government Reorgs Work," *Harvard Business Review*, March 30, 2017. Retrieved from <http://bit.ly/2r5qy5P>

The administration's early words are encouraging. Leaders from both the Office of Management and Budget and individual agencies recognized the important role career employees play in improving how government works. "We're trying to figure out a way to make the government more responsive and more accountable, and that means taking care of the people who are doing a good job," said OMB Director Mick Mulvaney at a White House press conference while discussing OMB's guidance to agencies about government reorganization. "The president wants to reward good employees."

Echoing Mulvaney's words, Secretary of Health and Human Services Tom Price said during a speech to department employees in May: "Success in this endeavor isn't going to happen just because we get the right corporate buzzwords or we present elegant diagrams of the organizational charts from consultants far and wide. It's going to

happen because every single person within this department, from the secretary's office across the entire department, is willing to listen to the people above and below them in the organizational chart, and to cooperate with colleagues across our agencies and divisions and persist in making change possible."

It will likely take time for these words to translate into actions that make employees committed to the coming changes. Without a successful change-management strategy involving career employees at every level, federal workers could become disengaged and might leave altogether, and those people could be the ones COOs would most like to keep. "Personnel the department wanted to retain exited the organization" in 45 percent of reorganizations in the HBR study of government reorganizations.⁸

8 Ibid.

RECOMMENDATIONS



COOs need to use change-management strategies to communicate with and guide employees through what could be significant cuts and major shifts in agency makeup and operations.



COOs should include the career workforce in meetings and strategy sessions, both to benefit from their institutional knowledge and ideas about how to get things done in government, and to solidify good working relationships between short-term political appointees and the career workforce.



Agencies should continue long-term planning for bringing top talent into government, particularly for people with critically needed skills, even though the administration's near-term goal is to reduce the workforce. They also should be ready to use all available hiring authorities to speed up the process.



Agencies need to focus on millennials, who are significantly underrepresented in federal government. COOs should work with their chief human capital officers and human resources offices to implement strategies to recruit, hire and retain the next generation of federal employees. They should build a pipeline of young talent by taking advantage of the Pathways Programs, recruiting on college and university campuses, holding job fairs and being active on social media. And they should offer training and professional development to retain millennials in government.



COOs should take advantage of opportunities to hire for the short term, particularly when their agencies need people with specialized skills.

A man in a dark suit and teal tie is shown from the waist up, pointing his right hand towards a large, light green circular graphic on the left and his left hand towards a vertical column of icons on the right. The background is a solid green color. The icons include: a scale of justice, a pie chart, a piggy bank with a dollar sign, a bar chart, a document with a checklist, and a magnifying glass. The main title 'Working across the government enterprise' is written in large, white, sans-serif font across the top of the image.

Working across the government enterprise

Most major tasks facing our government require the involvement of more than one federal agency, whether it's protecting the homeland, supporting economic development or upgrading the nation's infrastructure. The Partnership for Public Service and Booz Allen Hamilton have long advocated that government needs to operate as a unified enterprise, not as separate fiefdoms with overlapping jurisdiction and duplicative programs and services.

To do so, chief operating officers need to not only confer on the issues and challenges their agencies have in common, but also work collectively to tackle these issues on a government-wide basis.

Give the President's Management Council a role in shaping federal management government-wide

In previous administrations, the President's Management Council has provided a forum for COOs to advise the president on government reform initiatives, provide

leadership on performance and management across the executive branch and oversee government-wide management policies. But as a general rule, the PMC has lacked clout and accountability, serving mainly as a networking and ideas forum as opposed to an organization dedicated to action, according to former federal leaders.

The PMC could go much further, according to a number of former COOs, and assume the authority to shape and carry out proposals for change when members agree on how to advance a cross-agency policy or a management priority.

If COOs want to further this administration's management and policy agendas, several former COOs said an enhanced PMC provides a golden opportunity for them to look beyond their own departments to find ways to improve government as a whole.

There has been no consensus, however, on how to change the PMC to give it more authority, according to

a former appointee. One possibility, he said, is to make the PMC responsible for furthering the management agenda across government, and have it serve as a mechanism for holding COOs accountable. Instead of the Office of Management and Budget simply releasing guidance following an executive order from the president, the PMC members could take responsibility for key initiatives and be held accountable to the White House and their peers for delivering results.

Reduce overlap, duplication and fragmentation

The president's March executive order on reorganizing government requires COOs and other leaders to examine whether some mission functions or administrative capabilities of an agency, component or program are needlessly redundant with those of another agency, component or program. The order calls for agencies to then take steps to eliminate the redundancies and restructure operations to improve efficiencies and achieve costs savings.

As COOs work through this difficult process, they must not only identify and deal with their own internal issues, but also find a means to collaborate with other agencies that have similar programs and services to find opportunities for consolidation.

In May 2017, for example, the Government Accountability Office reported that by consolidating federal data centers, agencies improved government efficiency and between 2012 and 2016 saved or avoided \$2.3 billion in costs. Agencies estimated that further consolidation could help them save or avoid another \$656 million in costs by 2018, according to GAO.⁹

9 Government Accountability Office, *Data Center Optimization: Agencies Need to Complete Plans to Address Inconsistencies in Reported Savings*, GAO-17-388, May 2017. Retrieved from <http://bit.ly/2qWEKQz>

In 2013, GAO reported that the Department of Defense estimated it could save \$2.3 billion over 20 years by consolidating 26 military installations and combining support services such as logistics.¹⁰ Although the Trump administration's budget proposed a \$52.3 billion increase for the department for fiscal 2018, all department funding needs to be spent efficiently, and as the 2013 GAO report underscores that currently is not happening.

In all, the GAO recommendations put into effect between 2011 and 2016 already have saved government \$75 billion, with another \$61 billion in savings to be realized in the future.¹¹

Expand the use of shared services to consolidate functions

Over the years, agencies have spent billions of dollars operating their own payroll, financial management, human resources and information technology systems instead of sharing these administrative functions with other federal organizations to create efficiencies and save money, according to a Partnership report on shared services.

Shared services is common in the private sector. More than 75 percent of Fortune 500 companies use this approach to improve performance, become more efficient and cut costs.

The path to shared services can be complicated in government, and the upfront costs can be steep. Yet this approach has the potential to

trieved from <http://bit.ly/2qWEKQz>

10 Government Accountability Office, *2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-13-279SP, April 2013. Retrieved from <http://bit.ly/2nIHKeD>

11 Government Accountability Office, *2017 Annual Report: Additional Opportunities to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits*, GAO-17-491SP, April 2017. Retrieved from <http://bit.ly/2p2ljjd>

save taxpayers between \$21 billion and \$47.2 billion over a decade, according to participants at the Partnership's Shared Services Roundtable. It also can reduce duplicative paperwork and procedures across government.

In 2015, the government created the federal Unified Shared Services Management office within the General Services Administration to help with the expansion of this approach. As new COOs examine the administrative operations of their agencies, the shared services office could serve as an important resource.

In a short time, the office has turned an inconsistent, ad hoc system for adopting shared services into a clear decision-making process for federal leaders to understand their options and the potential benefits of outsourcing administrative functions to other agencies or, possibly, the private sector. It also has built a coalition of federal leaders, agencies, government councils and private-sector partners to help agencies consolidate and transform their administrative systems.

More than 30 agencies are using the office's step-by-step guide to examine their options and determine the costs and benefits of various shared services options. And a number of agencies are already moving forward. The Department of Veterans Affairs, for example, is in the process of moving its decades-old financial management system to the provider that runs shared services for that function at the Department of Agriculture.

Work across agency boundaries

When federal agencies look beyond their organizations to do their work efficiently, it almost always contributes to improving government programs. Chief operating officers are in a position to capitalize on such opportunities and determine what they have to offer other organizations.

A prime example can be found in an initiative by Customs and Border Protection that has benefited dozens of agencies and the business community as well.

Getting goods into and out of the U.S. can involve any number of organizations—47 federal agencies have a stake in the process of moving more than \$10 billion worth of goods across U.S. borders every day. Traditionally, importers and exporters had to submit information to many of those agencies, often on paper forms, and sometimes wait days before getting the go-ahead to transport their products across U.S. borders.

Customs and Border Protection's Brenda Smith, executive assistant commissioner for trade, reorganized this inefficient process by creating "Single Window," an online portal that merges the requirements and processes of multiple agencies, so that importers and exporters have a one-stop shop for dealing with

government. The new system has eliminated nearly 200 paper forms and hundreds of redundant data requests, greatly reduced wait times for import and export decisions, and will save the government and businesses tens of millions of dollars.

In the health arena, a repository of genomic sequencing data led to several federal agencies and states doing a better job of working together to more rapidly stop the spread of foodborne illnesses. Researchers and others send the National Center for Biotechnology Information at the National Institutes of Health raw data on what they're seeing, and the center turns it into useful information for the world to use.

Access to this information by federal agencies including the Department of Agriculture, CDC, FDA and federal, state and local level health labs has led these organizations to work collaboratively on outbreaks and halt them sooner.

This cross-agency collaboration not only prevents disease but could save millions of dollars: The USDA estimates that foodborne illness in the U.S. costs more than \$15.6 billion annually.

With the successful results it has had so far, the center now is taking more of the steps researchers were doing on their own, so researchers can "push a button" and get answers, said Dr. David Lipman, who left the agency recently after serving as the director for nearly 30 years. Having this health-related organization serve several other agencies makes all federal researchers who tap into the information more effective at their jobs.

It is likely that departments and agencies throughout government have processes or approaches that could help make other organizations more collaborative and efficient if they were shared, and COOs can play a pivotal role in finding and acting on these opportunities.

RECOMMENDATIONS



The administration should give the President's Management Council the authority and ability to identify and implement the president's management priorities. The White House should empower this group to help decide the best course of action and should hold the COOs accountable.



The administration should accelerate the use of shared services across government to take advantage of economies of scale, make government more effective and allow agencies to focus on achieving their missions. COOs should play a role through the PMC to identify opportunities for shared services across government.



COOs should use the PMC to identify cross-agency priority goals and become goal leaders to make sure they are implemented. Beyond the cross-agency goals, COOs should look for other areas of common interest where their agencies can collaborate and find efficiencies.



COOs should identify the top opportunities for eliminating cross-agency redundancies, using the Government Accountability Office's report on fragmentation, overlap and duplication, and incorporate them into the priority goals which, by law, must be proposed for the fiscal 2019 budget.



CASE STUDY

SMOOTH THE WAY FOR AGENCIES TO WORK TOGETHER

Chief operating officers can play a pivotal role in bringing their agencies together to achieve common objectives.

One area critical to the nation's economy in which COOs were successful at making government work in a more cohesive and collaborative way involved issuing permits for infrastructure projects. This process can be time-consuming and inefficient. On the federal level alone, agencies that play a role can include the departments of Agriculture, Housing and Urban Development, Energy, Interior and Transportation, and several of their subcomponents. The permitting of the nation's first offshore wind farm, for example, involved 17 federal and state agencies.

The Department of Transportation initially took steps to address the permitting problem—under the guidance of former Deputy Secretary John Porcari—by coordinating the review process among DOT agencies and other departments, such as Interior. DOT itself moved from a paper to a digital process, enabling each person reviewing a permit to know who had done a review and what they had added or changed—information that could get lost when agencies passed paper from person to person. Multiple reviewers now examine projects concurrently and see each other's comments in real time, leading to a more collaborative process that enables employees to address issues as soon as they arise, Porcari said.

This concurrent permitting process helped speed the launch of the project to replace the Tappan Zee Bridge over the Hudson River in New York state, a major connection between New England and the Port of New York and New Jersey. For the massive project, the Federal Highway Administration coordinated on permitting with 10 federal and state agencies, including the federal Environmental Protection Agency, the Army Corps of Engineers and the New York State Department of Environmental Conservation.

Just one consideration was the effect of construction on the local environment. Contractors had to protect the water quality of the river, as well as the habitat of Atlantic sturgeons—which contribute to the country's caviar supply—from the underwater construction and noise. DOT worked with the National Marine Fisheries Service to install bubble curtains around the construction site during pile driving. With Interior and DOT agencies coordinating closely and through the personal involvement and cooperation of the COOs at the two departments, it was possible to start setting up the bubble curtains in two weeks rather than going through a months-long process, Porcari said.

Even with these unusual circumstances, project managers still were able to drastically reduce the time it took to launch the bridge replacement effort—to one and a half years from the three to

five years that had been typical for such large projects.

Other projects also are benefitting from the streamlined permitting process, which started as an executive order, became a cross-agency priority goal and is now law under the Fixing America's Surface Transportation Act of 2015. The law requires agencies to coordinate for large infrastructure projects, and established an interagency council to improve permitting. The council has recommended performance schedules for major projects and best practices for closer coordination and increased transparency, and maintains an online dashboard so agencies and citizens can check the status of a project's permitting.

So far, the changes have reduced uncertainty for companies bidding for large-scale projects, cut by up to half the total time it takes to conduct reviews and make permitting decisions, produced “measurably better” environmental and community results, and saved hundreds of millions of dollars. “The numbers are so big, they are almost unbelievable,” Porcari said.

However, the FAST Act only covers major projects and the permitting still takes too long for “second-tier” projects, the less massive ones that account for the majority of nationwide infrastructure needs, Porcari said. COOs now could work to expand the permitting changes to these smaller projects.

Finishing what has been started



Every new administration faces a litany of unfinished business from the prior administration, and must decide whether it will continue, expand or alter agency activities in progress or start fresh. In the management arena, there are a number of projects underway to address human resources, the acquisition process, real estate, shared services, customer service, information technology and much more.

Adopt technologies that free employees to work more strategically

Information technology is one area ripe for action, according to many of the COOs we interviewed. In the April memorandum, the Trump administration calls for agencies to use technology better and “improve underlying business processes.” That squares with a number of projects already in the works to improve processes or simplify how agency work is accomplished.

The Department of Health and Human Services, for example, has been looking for ways to automate functions so staff can spend their time more strategically.

A team of scientists at the National Antimicrobial Resistance Monitoring System program, which works with state and local health officials, is developing a phone app to collect and transfer data from meat samples to the Food and Drug Administration’s labs. The current paper-based process requires workers who collect meat samples to enter information manually into FDA’s spreadsheets, a process that can take 16 hours each month¹² and lead to a lag time of up to three months between when the sample is collected and when the data is entered.¹³ The app could

¹² Department of Health and Human Services Idea Lab, “NARMS Collect.” Retrieved from <http://bit.ly/2o0iRMj>

¹³ Food and Drug Administration, “FDA’s Antimicrobial Resistance Monitoring Team Wins Government Award to Design Public Health

save \$200,000 per year, but perhaps more importantly it could give workers those 16 hours back every month.¹⁴

The intelligence community is continually seeking ways to use technology to free staff from tedious or repetitive activities and reduce the chance of human error—in this case, in critical national security work.

The Intelligence Advanced Research Projects Activity is offering a \$100,000 prize for a competition to see if someone can build a biometric fingerprint reader that captures the best fingerprint without someone having to interact physically with a person.¹⁵

Currently, an employee has to roll each finger over a fingerprint reader's surface.¹⁶ If employees are not skilled or trained properly, the fingerprint quality often is not as good as it needs to be. If the prints are not read correctly, it is more difficult to match them to those of criminals or terrorists. A successful result from the competition would be an innovation that delivers a more reliable reading more often, and enables staff to work on other important tasks.

Efforts by the Department of Veterans Affairs to change IT systems also have led to increased efficiency and improved health care services. Since the VA health and hospital system started, each health care provider has recorded patient health data in its own system. These stovepipes of information make it challenging for the VA to operate as effectively as it could. "A Veteran's data and full health record is currently housed in many different,

Surveillance Mobile App." Retrieved from <http://bit.ly/2oTEgIf>

¹⁴ Ibid.

¹⁵ Intelligence Advanced Research Projects Activity, "Nail to Nail (N2N) Fingerprint Challenge." Retrieved from <http://bit.ly/2oqqQW4>

¹⁶ Ibid.

complex systems, each holding discrete records of the Veteran's interactions with her military, community, and VA health teams," according to VA's Digital Health Platform.¹⁷

To improve how the department serves veterans, the VA now is combining this information about veterans—"the number of steps on her phone[s] health app], the flu shot she received at her local pharmacy, her vital signs at her annual physical, and her treatment at a community provider" into a single database, according to the VA.¹⁸ This Digital Health Platform uses the latest health industry technologies and standards to gather, combine and secure this information, and make it available instantaneously to both the veteran and his or her VA doctors and nurses. In addition to linking critical health data, the platform also includes an analytical and predictive component, which uses the health care information to recommend preventive treatment for veterans.

Examine data to target programs better

Another federal initiative improved how the Department of Agriculture identifies and assists Americans in poor, rural areas. Relying on the government's massive collection of data, USDA in 2010 launched an initiative called StrikeForce, using data from the Census Bureau's American Community Survey to identify and target areas where poverty rates were higher than 20 percent. Once these communities were identified, USDA worked with state and local partners to shore up those most in need of the department's help. "We are taking the same programs that we have in place, and making sure that they are available to populations that may not have been as readily served in the

¹⁷ Department of Veterans Affairs, "Digital Health Platform." Retrieved from <http://bit.ly/2okhUPL>

¹⁸ Ibid.

past," said Gregory Parham, former USDA assistant secretary for administration.

By 2016, USDA had coordinated more than 190,000 projects and invested \$23.5 billion in 970 counties in 25 states and Puerto Rico.¹⁹ In 2015 alone, the initiative created or saved 5,800 jobs, helped 14,600 farmers to conserve natural resources, provided farm loans to almost 10,000 farmers and gave more than 75 million summer meals to children.²⁰ The department announced in 2016 that it was expanding the initiative into four new states: Florida, Missouri, Montana and Ohio.

Use office space more efficiently

Many agencies also have been reducing the office space they own or lease throughout the country to become more efficient and reduce costs, and as COOs work on their budgets, they might find great savings from disposing of unneeded properties and making more efficient use of their real estate.

The Department of Education launched an effort in 2014 to redesign its headquarters office and projects that by 2023 it could reduce its bill for rent by \$40 million, potentially saving the department 10 percent of its discretionary budget, according to Andrew Jackson, former assistant secretary for management. A study was conducted on agency work habits that determined who needed to have an office presence versus who could change their schedule or work at another location. The department then redesigned one of the floors at its headquarters, and now is trying to find funds to modernize the entire building.

Cutting back on office space or using it more efficiently also

¹⁹ U.S. Department of Agriculture, "USDA's StrikeForce Initiative Invests \$23.5 Billion in Rural Communities, Expands to Four New States." Retrieved from <http://bit.ly/2ogHSCq>

²⁰ Ibid.

has saved resources at the departments of Agriculture, Education, and Health and Human Services and at GSA and the Internal Revenue Service, all of which became more efficient at property management.²¹ Overall, agencies decreased their footprint by almost 25 million square feet between 2012 and 2015, helping the government avoid \$300 million in annual rent and maintenance costs.²²

Assess the cost and quality of administrative functions

Previous leaders from the 24 CFO Act agencies have used data the General Services Administration keeps on human resources, finance, acquisition, information technology and real property—areas considered the responsibility of COOs—to review whether their agencies’ administrative functions are efficient and cost-effective.

They also have used this detailed information to compare the cost and

quality of functions in their agencies against those in other federal organizations. As part of a management initiative that began in 2014, agency chief operating officers met with GSA and the OMB’s deputy director for management for data-driven discussions known as FedStat meetings. They reviewed agency priorities in mission and support functions as well as data on cost and satisfaction levels in functional areas, and used the information to find ways to save money and become more efficient.

The cost comparisons helped the Department of Energy to make major changes, according to Robert Gibbs, chief human capital officer. DOE, which was running HR out of 17 locations around the country, had the second most costly HR function in government. The CHCO’s office examined its decentralized approach and decided to align HR shared services by mission type to provide knowledgeable service to similar customers. (DOE works on everything from high-energy science to curtailing nuclear proliferation to the distribution of power to dozens of states.)

The change in approach has enabled HR to develop strategic expertise in specific areas, and the department was able to reduce its human capital costs by 26 percent since

2013.²³ The cost data comparisons with other agencies helped DOE stay focused on the business case for change during its HR service delivery transformation effort, ensuring successful completion on time and under budget.

The FedStat meetings provided insights that helped shape budget decisions in several agencies, according to COOs we interviewed, and had the potential to become even more effective. However, these were suspended this year under an April OMB memorandum for department and agency heads. Instead, OMB will meet with CFO Act agencies and a “limited number” of other agencies to discuss three items that they have been asked to provide to OMB by June 30: a “high-level” draft of an agency reform plan, progress on actions to reduce the workforce in the near term, and a plan to “maximize employee performance.” OMB also asked agencies to tackle cross-agency issues more effectively and propose actions to do so.

While the now-altered approach for strategic reviews is underway, the results will not be known for many months.

21 The White House, “Promoting Efficient Spending to Support Agency Operations” May 11, 2012. Retrieved from <http://bit.ly/2nav80j>

22 The White House, “Testimony of David Mader, Controller, Office of Management and Budget, before the House Committee on Oversight and Government Reform Subcommittee on Transportation and Public Assets,” September 23, 2016. Retrieved from <http://bit.ly/2n4Qv78>

23 The White House, “Benchmarking.” Retrieved from <http://bit.ly/2mBWikp>

RECOMMENDATIONS



While preparing their reorganization plans for OMB, COOs should evaluate activities in progress to determine which ones should be continued, expanded, altered or stopped.



COOs need to find budget savings and efficiencies by supporting effective, ongoing initiatives that are revamping business processes, improving technology and reducing office space, and they should identify additional ways to streamline and make agency processes more effective.



The administration, during the fiscal 2019 budget process, should reassess the use of FedStat or another data-driven approach for evaluating agency programs and policies.

CONCLUSION

On March 13, 2017, President Trump signed an executive order on reorganizing the federal government. “The government reorganization is probably the biggest story that nobody is talking about,” said Office of Management and Budget Director Mick Mulvaney at a press conference after his agency issued guidance on implementing the order. “Yes, we talk about health care; yes, we talk about taxes; yes, we talk about infrastructure—and all of those are extraordinarily critical to rebuilding the country,” but the administration’s management agenda framework “is something that goes much deeper and to the very structure of government.”

The Partnership for Public Service and Booz Allen Hamilton have written previously that chief operating officers are key to implementing presidential priorities, as they bring together the policy and program sides of their agencies to work toward a common goal.

An accountable government that delivers programs effectively and has a workforce equipped to face the challenges of tomorrow is a laudable goal for our government, and this report is a blueprint for reaching it. The report’s recommendations can help COOs perform their responsibilities and replicate the success stories we have highlighted.

Federal COOs will make or break the ability of agencies, and the government as a whole, to reach the Trump administration’s goals. Success will require consistent and relentless focus by COOs, and close and sustained collaboration among them, as the management leaders of the government enterprise.

APPENDIX A

THE FIRST TWO WEEKS: A GUIDE FOR INCOMING DEPUTY SECRETARIES

(download complete guide at <http://bit.ly/2rHzhOD>)

As the deputy secretary, you are pivotal to your agency's success. You are taking on a critical leadership role in your organization, and across government, by driving the vision, mission and priorities of the administration and the secretary, and making sure the agency is able to implement them. This guide outlines the best practices and actions you should consider on day one and over the course of your first two weeks. It contains the immediate tactical, operational and strategic actions you will need to take to hit the ground running.

THERE WILL BE:

- **Expectations** of your leadership role
- **Strategic priorities** of the agency and administration, which should guide where you spend your time
- **Immediate decisions** on budget and critical mission-support functions and systems
- **Ethics requirements** including completing training, compliance and review(s)
- **Meeting people** from your frontline staff and people in agency headquarters to staff in regional and field offices as well as other stakeholders
- **Lessons** from former deputy secretaries' experiences

THIS GUIDE COVERS:

- **What** you need to know and do
- **Whom** you need to meet
- **What** you need to communicate
- **How** you might do this

Tactical issues that demand your immediate attention could include:

- Major stories in the mainstream (or social) media that may require an official response
- Pending inspector general and other investigations, HR and union issues, and Government Accountability Office reports
- Regulations attracting attention from stakeholder groups and the media
- Major court cases affecting the agency, directly or indirectly
- Imminent congressional hearings and legislative proposals, and significant budget issues
- Direction from, and liaising with, the White House

Significant operational issues that need to be addressed may include:

- Any major mission-support challenges in administrative functions such as budget, finance and HR systems; acquisition and procurement processes; or information technology, workforce and human capital issues that include performance shortfalls, service interruptions or delays, and results from employee engagement surveys
- The status of major acquisitions (or their implementation) that may come under IG or congressional scrutiny regarding cost, schedule and functionality
- Discussions with your secretary to ascertain your COO duties
- Discussions with the secretary's chief of staff and yours to determine the responsibilities of your "front office"—which comprises the secretary, his or her chief of staff and you
- Governance processes in your agency

Strategic issues that need decisions in the short term may include:

- Major program and policy initiatives from the previous administration that are at a critical implementation stage
- The status of the fiscal 2017 and fiscal 2018 budget submissions and their effect on your agency's priorities and performance
- Your agency's strategic plan and performance metrics measuring progress against stated outcomes, including relevant cross-agency priority goals
- Congressional requirements such as testimony, budget submissions and pending legislation

Your agency's political appointee team will not all be in place on your first day, or potentially even in your first several weeks or months. Accordingly, it will be critical to build relationships, trust and rapport with the career officials acting in these roles—not just because they will be available to support you until your entire political contingent is confirmed and on the job but because you will need their buy-in and support to succeed.

Key relationships include:

- Senior career executives in critical positions¹
- The Office of Presidential Personnel staff as you assemble your team of political appointees, in coordination with your secretary, chief of staff and the White House liaison, who will keep you connected on a day-to-day basis
- White House senior staff, including the chief of staff, senior advisers and stakeholders such as business leaders, interest groups and associations
- Your personal office and immediate support staff, and your direct reports such as your chief financial, human capital, technology and information officers, and assistant secretaries for program area

¹ In preparation for potential gaps between the exit and onboarding of senior political appointees between administrations, agency heads are required to identify qualified career employees to serve in critical noncareer positions in an acting capacity if a position becomes vacant. These "acting officers" were identified as of September 15, 2016, in accordance with the Federal Vacancies Reform Act (VRA).

BEST PRACTICES PEOPLE AND ISSUES



Understand and help shape the administration and your secretary's vision and priorities for your agency. This will inform discussions with your secretary about your role (see below), including how you will drive the administration's policy and program goals and support the agency's operations, including day-to-day program delivery and mission-support functions.



Get clarity on what your secretary expects of you in your role as chief operating officer, including what you will have direct responsibility for, how this supports the secretary's role and what immediate issues you will be responsible for.

- As a COO, you will set policy, lead high-profile programs and initiatives, deal with external stakeholders, oversee organizational operations management and serve as the secretary's alter ego.
- While the GPRA Modernization Act of 2010 establishes the chief operating officer role, some deputy secretary roles have focused more on policy than management.

Note: While much of the COO role is described in law, each secretary and deputy secretary (or agency equivalent) could tailor the role to their skills, experience and personality.



Establish trust and rapport with the career leadership. These leaders have significant institutional knowledge of the agency, what has worked and what hasn't, the key issues, and the policies and programs that will be crucial to your ability to deliver on the agency's mission. Many career officials will have been acting in critical leadership positions while new political appointees were being confirmed. They will help accelerate your understanding of:

- Informal organizational structures and relationships in the agency and across government, including with Capitol Hill and the media
- Significant legislation, litigation and other hot topics you may be required to respond to immediately
- Key stakeholders and interest groups you will need to reach out to in your first two weeks



Communicate early and often. Be highly visible, engaged and candid with the agency's workforce, including regional administrators and field staff. Making it a priority to learn about how your agency operates and its structure, core business and stakeholders will enable you to build rapport with and get support from the teams responsible for executing policies and programs, even when you need to make difficult or unpopular decisions.



Understand and be prepared to drive your agency's budget priorities as outlined in the fiscal 2017 and fiscal 2018 budgets, and recognize how this will affect the agency's priorities and your role in your organization's budget-related activity. While this may require a significant amount of your time in your first two weeks, it will be critical in shaping what the agency can and can't do for years to come.



Understand employee engagement and human capital at your agency including any skills gaps, needs of the Senior Executive Service cohort and overall attrition, and establish agency employee engagement priorities. Current and past Federal Employee Viewpoint Surveys and other key human capital indicators (e.g., attrition, retention and critical skill gaps) can provide insights to inform these priorities.



Speak with past deputy secretaries who were successful in the role and ask:

- What challenges they faced on their first day and first two weeks
- How they approached their discussion with the secretary about their role as the agency's COO
- How they built productive working relationships with the agency's career staff

Note: The Partnership for Public Service will be able to assist you in connecting with former deputy secretaries.

BEST PRACTICES STRUCTURES, SYSTEMS AND PROCESSES

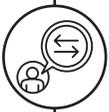


Seek the expertise of your agency’s chief human capital, IT, finance, procurement and acquisition officers and chief management officers to understand the key issues that will affect policy implementation and agency operations. It is critical to establish these relationships early to acquire institutional knowledge and strengthen the sustainability of operations from the beginning.

Note: In some agencies the chief management officer will be the assistant secretary for administration and management. In others, it will be the undersecretary for management.



Define and develop roles, responsibilities and procedures so you can establish from the beginning how the front office (secretary, secretary’s chief of staff and you) will run the agency. Communicate this clearly to the political and career heads of your agency’s divisions.



Get to know and establish trusting relationships with “center of government” personnel and organizations that will help advance your secretary’s agenda. Start by familiarizing yourself with existing processes to determine how you will use them. Key personnel and organizations include:

- White House senior advisers
- Key Office of Management and Budget officials and career staff
- OMB’s deputy director for management, chief financial officer and the Office of Federal Procurement Policy
- Policy and management councils



Prepare to be an active participant in the President’s Management Council, which you are a member of, to gather intelligence, build cross-agency relationships and gain an understanding of government-wide management challenges and the administration’s management agenda.² PMC attendance is critical if you are to fulfill the GPRA Modernization Act requirements that hold you accountable for achieving specific cross-agency priority goals.

² The PMC comprises the chief operating officers of major federal government agencies, primarily deputy secretaries, deputy administrators, and agency heads from GSA and OPM and is chaired by the deputy director of OMB. Further information about the PMC and other management councils can be sourced from GSA (<http://bit.ly/2Imovek>). Historically, the PMC has commenced once the deputy director for management is in place.

APPENDIX B

ACKNOWLEDGEMENTS

The individuals listed below generously offered their input regarding the state of federal management and what chief operating officers can do to improve it. We greatly appreciate their time, effort and counsel. However, the contents of this report do not necessarily reflect their views.

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APPENDIX C

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