WINTER 2002

PROVIDING CUTTING-EDGE KNOWLEDGE TO GOVERNMENT LEADERS

The Business of Government

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The Business of Government is published by IBM Business Consulting Services, 1616 North Fort Myer Drive; Arlington, VA; 22209. For subscription information, call (703) 741-1077. World Wide Web page: www.businessofgovernment.org.

[FROM THE EDITOR'S KEYBOARD]

By Paul Lawrence

There are many ways to learn about leadership and to enhance one's leadership skills. My preferred method is to talk to leaders about leadership. By listening closely, I have learned much from their descriptions of their own experiences leading organizations.

Since we created the Endowment in 1998, I've had the unique opportunity to meet top leaders from across government and listen to them discuss leadership. In our Perspectives on Management seminar series, I've listened to leaders discuss the challenge of leading. Our discussions with three outstanding leaders—Francis Collins, Mitch Daniels, and Charles Rossotti—are presented in this issue. I've also had the opportunity to interview over 100 outstanding leaders on our weekly radio show, *The Business of Government Hour*. From those radio interviews, leadership lessons from Lieutenant General Michael Hayden and Brigadier General Edward M. Harrington stand out in my mind. I always learn something new about leadership from each of our seminars and from each of our radio shows. Since this issue of *The Business of Government* is devoted, in part, to the subject of leadership, I'd like to share with you several of the leadership lessons I have learned over the last four years.

Lesson 1: Leaders develop a shared vision. From Francis Collins, director of the National Human Genome Research Institute at the National Institutes of Health, I learned the importance of a shared vision. When asked how he was able to hold together a consortium of organizations from around the world to map the human genome, Dr. Collins talked about the positive impact of a shared vision. According to Dr. Collins, the project came together and stayed together because of a shared vision—the belief by the group that they were doing something of historical importance by mapping the human genome to improve the world's ability to combat disease and illness. Whenever problems arose—which they frequently did, Collins pointed out—this shared vision always brought them back together and kept them moving toward accomplishing their mission. Thus, a key job of a leader is to articulate a shared vision and to constantly communicate that vision throughout the organization.

Lesson 2: Leaders reach out and touch all the bases. From Charles Rossotti, commissioner of the Internal Revenue Service, I learned the importance of constantly reaching out and communicating to your organization's stakeholders. We all have stakeholders, though they may differ depending on the sector in which you work. Commissioner Rossotti taught me that a leader must constantly work to make sure that the organization and its stakeholders are in alignment. While this outreach is a time-consuming task, it probably saves time in the long run because, as Commissioner Rossotti pointed out, "… it takes a lot more time if you don't tend to it, because then what you have is the unplanned time that you didn't count on [spending]."

Lesson 3: Leaders assign responsibility and hold individuals accountable. From Mitch Daniels, director of the Office of Management and Budget, I learned the importance of assigning responsibility and holding individuals accountable. In describing what he learned from implementing the President's Management Agenda (PMA), Director Daniels described how the President routinely sits down with Cabinet members and discusses their department's scorecard with them. The President, recounted Daniels, clearly makes Cabinet officials accountable for the success of the PMA in their department. When Cabinet Secretaries are made clearly accountable, they then go back to their department and make sure that they have made specific individuals within their own department accountable for making the PMA a success.

Lesson 4: Leaders work to enable their organization. From Lieutenant General Michael Hayden, director of the National Security Agency, I learned that leaders should be "enablers" within their organization. Hayden described how he worked to remove impediments from others in the organization so that they could succeed in their activities. He told us it was his job to make sure that all those in his organization had a clear idea of where he wanted the organization to go. "Then," said Hayden, "get out of the way and let them do their part of the work."

Lesson 5: Leaders must set an example. From Brigadier General Edward M. Harrington, director of the Defense Contract Management Agency, I learned more about the importance of a leader setting an example. Harrington described the values that he feels are necessary for all leaders: leadership, loyalty, duty, honor, integrity, selfless service, personal courage. The leader, stated Harrington, needs to set an example in each of those traits and, more importantly, strive for the traits to be demonstrated collectively by the entire organization. "I have an obligation to set the example for the agency as a whole, and I look to people in the agency to demonstrate that individually and collectively," said Harrington.

This is obviously not a comprehensive list of all the possible lessons about leadership that one can learn from talking to leaders. However, they are five lessons that made a big impression on me and that I have tried to implement within my own organization. There are clearly additional lessons to be learned. One just has to find opportunities to listen to leaders and learn from their experience.

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A Conversation with Dr. Francis S. Collins, Director, National Human Genome Research Institute, National Institutes of Health

(In June 2002, the IBM Endowment for The Business of Government hosted a Perspectives on Management seminar with Dr. Francis Collins to discuss his experiences as the director of the Human Genome Project. Mark Abramson, executive director of the Endowment, and W. Henry Lambright, professor of political science and public administration at Syracuse University, moderated the discussion. Excerpts from the conversation are presented below. The full transcript is available on the Endowment's website: www.businessofgovernment.org.)

On arriving at the National Institutes of Health (NIH)

I left a very happy environment at the University of Michigan, where I was a professor of internal medicine and human genetics—running a research lab, teaching medical students, and taking care of patients and having a wonderful, good time in Ann Arbor—to come and become a federal employee, which was one of those things I thought would never happen to me in my career. But, in fact, here was an opportunity to come and lead a project of this kind of historical significance, and how could you say no to that.

When I arrived in 1993, this was still a very early phase of the project. The first director, Jim Watson—the same Watson as in Watson and Crick—had gotten the project off on a very firm footing in many ways because of the sheer force of his own personality and his broad recognition in the scientific community, Congress, and practically everywhere else.

We had to focus if we were going to reach the very ambitious goal of having the human genome sequenced by 2005. One of the first things I did, therefore, was to look at where we were three years into this effort and to look at our first five-year plan, which had been published in 1990. I decided that it was already looking tattered and obsolete and we'd better write a new one. By drawing on the best and brightest minds that we could find, we put together an even more ambitious proposal of what the genome project should be doing from 1993 to 1998. I went through many workshops to discuss [the plan]. We achieved broad endorsement in the scientific community that these were the right targets. It became very clear to everybody what were the goals, the timetables for achieving them, who were our partners, and how were we going to get this done.

On working with other federal departments

It actually works quite well. Not to say there weren't some bumps in the road, as you can imagine, with a complicated and visible project of this sort. Certainly the Department of Energy [DOE] deserves a huge amount of credit for having initiated the enterprise in the United States, particularly Charles DeLisi, who saw the potential. He saw how the national laboratories that DOE supports could play a critical role, and he got some of the momentum going, which otherwise might have taken a lot longer.

As NIH emerged as the potential lead agency for the genome project, it was clear that there had to be a really good working relationship here, or everybody would suffer. Early on, a memorandum of understanding was drafted up and carefully worded and agreed to by all of the parties so that it was clear that there was a framework for how we would interact and collaborate, but of course that's just a piece of paper. If you really want this to work, it has to work at all the levels, which means scientist to scientist as well as at the level of the funding agencies. And of the time I have been at NIH, I have spent a lot of that effort trying to be sure that we are on the same page as our colleagues at DOE.

I have a very good personal working relationship with Ari Patrinos, who has been the point person at DOE with regards to their genome efforts. It doesn't hurt that Ari and I live in the same townhouse complex, so we can walk down the sidewalk and talk about issues, which we frequently do.… We have always tried to make sure that the parts of the

project that are being done by DOE versus NIH are being done that way because of some rationale that builds upon the strengths of the respective agencies—and for DOE, particularly, that involves building upon the strengths of their national laboratories.

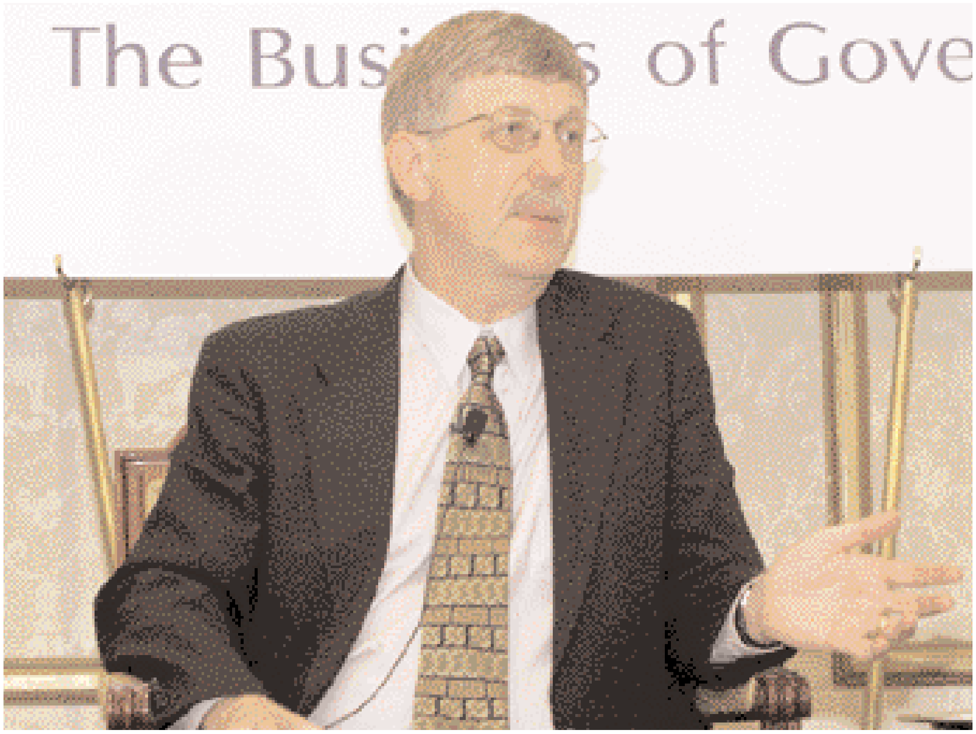
It's a pretty good model. It got us started on the right path, had good personal dynamics to build it up, and brought to the table different strengths that were both really important and essential, so that everybody felt they had contributed something significant and lasting to a project that we were all dedicated to.

On working internationally

The genome project has been international from the start, and I think that is a highly appropriate and meritorious part of the whole endeavor. We were trying to understand the instruction book for human biology—all of human biology in all people—and to have done this in a fashion that was not embracing of other countries' interest and participation would have been unthinkable. At the same time, it greatly complicated the management because there had to be some way of coordinating all of this and pulling it together. And with many countries involved, there was no formal mechanism for having somebody who had line authority over all the participants.

I ended up taking on the role of being the project manager because somebody had to do it, and I enjoyed that enormously and continue to, but it was certainly the case that I couldn't actually pull any financial plugs on a non-performer since, after all, the ones that were not funded by NIH were not under my direct control. At the same time, this project came together and stayed together because of the shared vision of what could be done and its historical importance. The idea of reading the human instruction book—something you only have to do once in all of history—and we had the chance to do that, and we collectively didn't want to foul that up. And so working with colleagues in Japan and China and Germany and France and England was challenging, but I don't think it was ever threatened by the possibility of coming apart, because that just wasn't an option for a project of this magnitude and significance for human health.

My colleagues [in the United Kingdom] at the Wellcome Trust and the Sanger Centre, now the Sanger Institute, were particularly important in all of this, because they had the largest sequencing center outside of the U.S. from the beginning. They could move quickly because they are funded by a private philanthropy, and so they did not have to go through as many steps in terms of deciding to increase the funding or change direction. They had a wonderfully talented group of people.



… for the most part, we worked together as full partners in a very friendly, effective way, but there were moments where we really disagreed fairly strongly about the scientific strategy. Of course, those kinds of arguments should happen in a scientific project where you don't quite know the right thing to do. If you don't have a lot of people along the way arguing and saying, "No, no, that's not my view on how this should be accomplished," then you are probably going to fail, because we had to—as we continue to go through this project—constantly invent new ways to do it better and you had to be open to that.

But ultimately, I think the partnership with the Wellcome Trust, and particularly with their ability to move swiftly and also to be unconstrained in terms of the positions they took on important issues like gene patenting and data release, was a very important part of this complicated dynamic that turned into the international human sequencing consortium.

Ultimately, the sequence of the human genome was obtained by 20 centers in six countries, but most of the work was done by five [centers], which included the Sanger Centre, three of the NIH-funded centers, and the one funded by the Department of Energy, the Joint Genome Institute. Those five, which we referred to as the G-5, met every Friday morning at 11:00 by conference call that I instituted back in 1998. In fact, I don't think I'll ever come to 11:00 on a Friday morning without having the sense of "Oh, my God, I should be on the phone, and is the agenda really ready?"...

On the balance between politics and science

The international interactions probably worked best because they were largely scientist to scientist. If we had had to organize the human genome sequencing part of the project by working through prime ministers and ministers of health, it would have been very difficult to set it up in a fashion that would have worked so easily. This really did begin at the level of the scientists. Ultimately, the ministers of health and the prime ministers got involved, but at that point, we already had the framework. We already had the structure. We already had divided up the goals. We already knew who was responsible for what. And it simply remained for some higher level of endorsement, or perhaps a bit of fine-tuning of that, to legitimize the enterprise.

If you mix too much of the political perspective into a scientific project of this sort, it might be quite difficult. I have often thought that it was actually to the benefit of the Human Genome Project that despite its historic significance, it was very little noticed in its early years. The first five to eight years of the genome project, it was below the radar of the public and of the leaders of most countries, and that gave us a chance to get it scientifically on a firm footing to enable this complicated, challenging international collaboration to be structured in a fashion that was likely to be successful. And only after that did it become more visible, at which point it was well enough on the pathway that it was unlikely to get knocked off track.

On making results public

The public project had as its core set of values that the determination of those three billion base spheres of the human DNA code were something that ought to be placed into the public domain immediately, because we recognized that the point of all this was to benefit human health, and that it was going to take years, decades, to sort out what this meant, and that the people producing the data could in no way keep for themselves that information for even a single day without slowing down that process. And so I think, in what history will regard as a pretty dramatic moment in 1996, the participants, these 20 centers in six countries, agreed that they would start putting their data on the Internet every 24 hours.

THE GENOME PROJECT HAS BEEN INTERNATIONAL FROM THE START, AND I THINK THAT IS A HIGHLY APPROPRIATE AND MERITORIOUS PART OF THE WHOLE ENDEAVOR.

Now, of course, scientists have had a principle that you release your data at the time of publication, but this was dramatically more advanced than that. This was nowhere near any thought of a publication. This was the data that came out of your machine that day will go up on the Internet for anybody who wants to begin to try to sort it out. And we felt that was the way in which this would have the greatest public benefit.

The Celera model that Craig Venter [former president of the private sector company Celera] led had a very different view of the way to achieve public benefit, which was that this was something that could and should be done by the private sector. The data that was generated would be available through a subscription database for which you would have to pay a fee in order to gain access.… It would still be accessible to those who really wanted it, but they would have to come up with some fairly serious dollars—between tens of thousands for universities and millions for companies—in order to support the effort.

These are profoundly different models. It is no wonder, therefore, that these two groups had trouble coming up with a way in which they could merge their efforts and have everybody feel as if they had achieved their goals. Celera's business plan would not have been compatible with this ongoing release of public data. So it set up a classic occasion where you have two groups that are in some ways striving for the same outcome, but actually it's a very different outcome when you look a little deeper. Add to that that the scientific strategies were substantially different between the two enterprises, and you have actually, I think, something that's not the way it was depicted—which was a race to the finish line—but actually two rather different efforts aiming towards two rather different finish lines. Ultimately when the dust settled on this, I think the bottom line would be that this data, the sequence of the human genome, would be public. The idea that you could keep that information restricted in terms of access really flew in the face of scientific principles that most people were comfortable with.

On competing with the private sector

It's become almost accepted that the presence of competition with the private sector sped up the public effort in certain ways. I think that's partially true, but I might say that even before the appearance of this kind of large, organized private sector effort, there was already a lot of movement going on within the public project to speed up the enterprise, because, frankly, we had invested in the technology and done the pilot work to show that we could. We were at the point where we could imagine expanding our own vision of what could be accomplished. Sure, the advent of a private enterprise probably stirred that pot a bit, but in many ways—and Professor Lambright points this out nicely in his report—it made it easier for me as the manager to institute some changes in the strategy that I was already feeling pretty enamored about, because they clearly had the advantage of speeding up the effort and getting the data into the scientists' hands more quickly than we had previously thought possible.

One of the things that disturbed me about the way in which the so-called race to sequence the human genome was portrayed is that it implied that a government-sponsored public effort was in a contentious situation with regard to the private sector, and that really was not the case. We would be nowhere in genomics right now were it not for the private sector's ability to develop technologies, to apply those, to partner up in various ways, and of course to take the basic science discoveries that come out of this and turn them into diagnostics and therapeutics, which is, after all, the point of the whole enterprise.

On "managing" scientific talent

It's certainly true that there were no wallflowers wilting in the corner when it came to our meetings of genome center directors. These are some of the best and brightest of the current generation of scientists, and many of them very successful in other things before they decided to get into this, with diverse and remarkable CVs involving science of all sorts—including mathematics, computer science, and a long list of other capable agendas that they brought to the table—and oftentimes feeling that they were the experts on each one of those. What helps in terms of managing that was the absolutely unquestionable shared commitment to the goal. If I had tried to manage a project where there was uncertainty about the value of what we were trying to do, it would have been very difficult to keep those opinions from gradually beginning to erode the determination of the team to do this together. But that never wavered. There was never a question about whether this was worth doing.

I also had the benefit of an incredible group of advisers who were willing to put a lot of their time into overseeing the effort and giving me advice about whether we were on the right track. We also were much benefited by the NIH system of how you do science, which is: You don't give a lot of money to anybody until they have been peer reviewed. And that gave an opportunity both to nurture the centers that were doing well and were ready to expand, and, frankly, it gave me the clout necessary to shut down the centers that were not performing. And we shut down quite a few. That was a painful part of the enterprise, but you have to do that in a project of this magnitude if you expect to deliver.

On the importance of deadlines

The genome project has benefited from the beginning from having this explicit set of goals—and there was quite a long list of them—and having each of those goals attached to a timetable, a set of intermediate milestones, ways of checking the quality of the data that was being produced, and enforcing that that quality was being maintained, and making sure that costs had been projected and were closely tracked as well. I have been enormously benefited by having a talented staff of Ph.D. scientists who have been involved in all of that tracking, and particularly making sure that we weren't slipping on any of those milestones. And that has helped immeasurably in gaining credibility for a project which, at the beginning, had its doubters in terms of "big science" being applied to biology.

That same mentality needs to be applied to many other aspects of genome research that we support in the next decade, although I should quickly add that is not appropriate for a lot of other medical research that is critically important for the benefits of all this to play out. In the same breath that I am saying we need those milestones for an organized genome-project-style management, we probably don't want them when you are talking about trying to get the investigators in this country to come forward with their best and brightest blue-sky ideas. There, you want to really let their creativity drive the process, which is what most of NIH's research funds are devoted to. But for some parts of the enterprise—and particularly the parts that we are likely to support, whether it's sequencing additional genomes like the chimpanzee, which we are about to embark upon; or whether it's a haplotype map; or whether it's trying to understand how all the genes turn on or off in an organized way instead of just doing it in a cottage-industry fashion—we will continue to be driven by that very managerial approach that sets milestones and timetables. I think everybody is now getting pretty used to that.

THE INTERNATIONAL INTERACTIONS PROBABLY WORKED BEST BECAUSE THEY WERE LARGELY SCIENTIST TO SCIENTIST. IF WE HAD HAD TO ORGANIZE THE HUMAN GENOME SEQUENCING PART OF THE PROJECT BY WORKING THROUGH PRIME MINISTERS AND MINISTERS OF HEALTH, IT WOULD HAVE BEEN VERY DIFFICULT TO SET IT UP IN A FASHION THAT WOULD HAVE WORKED SO EASILY.

On advice to future scientific managers

Initially my instincts were not to try this. Had it not been such a compelling, historical kind of project, I would have said “no.” In fact, I tried to say no, and Bernadine Healy persisted, and she is a very persistent person. This is a real opportunity to play a significant role in science and in medicine, to have the chance to lead such an enterprise. But you need to clearly attach yourself to people who have gone through the experience and try to learn from their bumps and bruises how to avoid some of your own. And I think, increasingly, there are more such people around today than there were 10 years ago, when big biology was sort of non-existent.

… if such folks were to come to me, I would be glad to share my own experience, but I would encourage them also to go and talk to others who have been involved in this kind of enterprise, whether in the private sector or the public sector, and learn everything they could at an early stage, not waiting for some kind of tumult to insist upon it or to have somebody else say “you’d better go to school on that one, you don’t know what you’re doing.” There are probably going to be better ways in the future than there were in the past to become proficient at this kind of management skill.

On the next challenge for the Human Genome Project

It’s clearly the case that the sequencing of the human genome has been the most visible goal of the genome project up to this point. There were a bunch of other goals in our 15-year blueprint, virtually all of which will have been achieved ahead of schedule by next April. The other goals perhaps had less of the ability to electrify the public imagination as did the sequencing of the genome, but, scientifically, they are certainly valuable ones. We are in the midst right now of an 18-month intense period of evaluating what the next research plan should look like for the future of genome research.

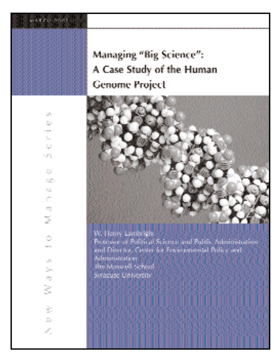
We are not in the “post-genomic” era, though many people are calling it that. We are finally in the “genomic” era. We have the chance now to take this basic text, written in a language that we understand very poorly, and try to figure out how it works. There is both good news and bad news for me as a manager trying to do this goal-succession thing. The good news is there is a considerable list of very exciting scientific projects that we can now do that we couldn’t have dreamed of before, and they are projects that are going to advance the ball significantly in terms of our understanding of human health, which for me as a physician was the point anyway, and I am excited beyond words at the chance to finally get closer to that goal.

The bad news is there is probably no single goal that has the same kind of compelling catching of people’s attention characteristic as did sequencing the human genome. Though, scientifically, all of these other goals will add immeasurably, it may not quite be the above-the-fold story in the morning’s newspaper as what’s come just recently in the last year or two.… The notion that we might lose that momentum or turn down the heat a little bit because we no longer have this one very visible goal, I don’t think is going to happen, and I think it shouldn’t happen, because the moment to really move the ball forward now is so much greater than it could have been five years ago. This is our opportunity.

In April of 2003, we are going to see three very interesting things happen. The sequence of the human genome will be completed in its final, finished form that will stand the test of all time, and that will be a wonderful moment to celebrate. Secondly, it also happens to be the 50th anniversary of Watson and Crick’s paper on the double helix, published in 1953. And thirdly, taking advantage of that timing, we are also targeting that month to be the point at which we unveil the new plan for genome research for the next five to 10 years. ■

TO LEARN MORE

The Endowment report *Managing “Big Science”: A Case Study of the Human Genome Project*, by W. Henry Lambright, provides a case study on the management and leadership of this groundbreaking scientific project.



The report can be obtained:

- In .pdf (Acrobat) format at the Endowment website, www.businessofgovernment.org
- By e-mailing the Endowment at endowment@businessofgovernment.org
- By faxing the Endowment at (703) 741-1076
- By calling the Endowment at (703) 741-1077

A Conversation with Mitchell E. Daniels, Jr., Director, Office of Management and Budget

(In July 2002, the IBM Endowment for The Business of Government and the National Academy of Public Administration (NAPA) hosted a Perspectives on Management seminar with Mitchell E. Daniels to discuss the past year and the administration's progress on the President's Management Agenda. Mark Abramson, executive director of the Endowment, and Robert O'Neill, president of NAPA, moderated the discussion. Excerpts from the conversation are presented below. The full transcript is available on the Endowment's website: www.businessofgovernment.org.)

The President's Management Agenda:
Government-Wide Initiatives

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget and Performance Integration

On the impact of September 11

… September marks the corner for … all of us. If it weren't for September, we would not have found ourselves proposing 10 percent spending increases for this year.

We've also had a lot of uplifting moments. All of us wish those events had never happened, but I saw real statesmanship, genuine bipartisanship, and … grace under pressure from people in public life—in the legislative branch and the executive branch.… I certainly feel a sense of privilege to have been a witness to that at this time.

America's response to September 11

I think Americans should take a lot of heart on a net basis from the way which government responded; how our purposely divided checks-and-balances government responded. I say "on a net basis," because obviously some mistakes were made and some are still in need of correction, but I think the swiftness of response will certainly be looked favorably upon. It wasn't very long from the time we were shocked by that attack until the Taliban was run out of its lair in Afghanistan. That's a very long story in a few words, but people shouldn't take for granted that just any nation could have done what was done. Everybody in the government had a lot to do with that.

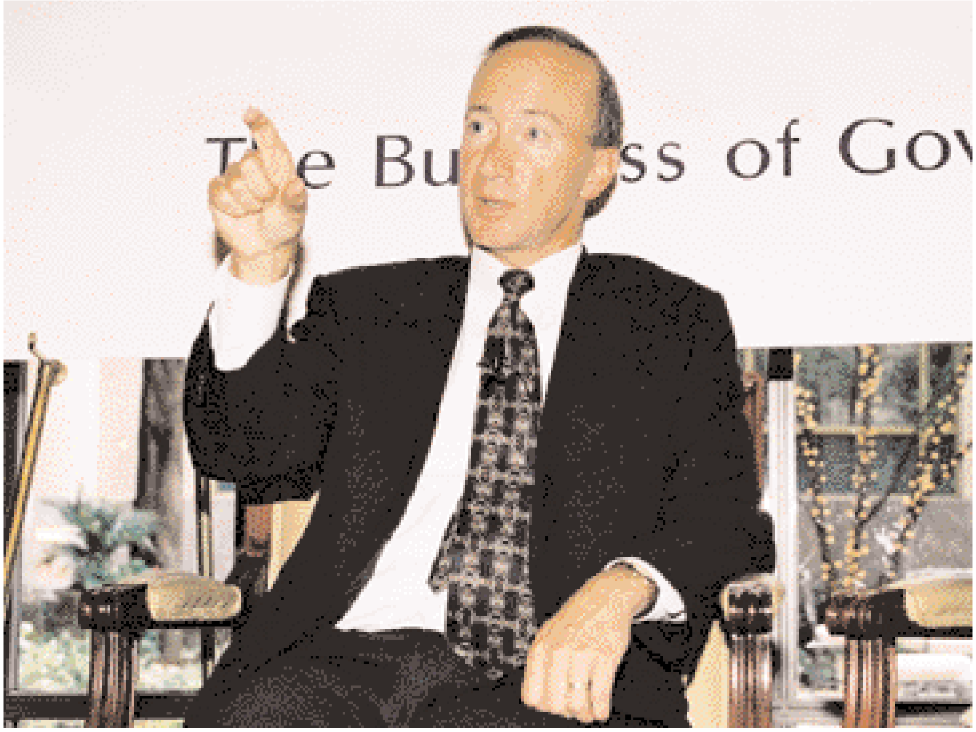
In terms of the recovery in New York City … I think that's going to be a very positive story. The President stepped up with a commitment. The various levels of participants in New York government—state and federal elected officials, local—came together around a plan to clean up … it was done ahead of schedule and under budget. The Pentagon construction was also done ahead of schedule and under budget.

We could have lost the airline industry in the first months, and instead a system of measures were put together under a fairly short timetable … I think it's standing up well. Not everything was perfect. I think that the Transportation Security Administration was created in … too little time [with] too little information.… Americans are much safer today by virtue of that government action than they were before.…

… I think a fair reading of history will reflect well on both branches, both parties, and certainly the individual leaders who stepped up.

On the status of the President's Management Agenda

Like Churchill said, "We are not at the beginning of the end, perhaps [we are] at the end of the beginning." We just issued the midterm progress report. The best news is that, almost without exception, every department and agency has taken this very seriously. This could have been cosmetic; it could have been another program du jour.



The President was very intent on doing something real about this. He impressed on his nominees and appointees that … he's going to hold them accountable for leaving the federal government … in better shape than they found it.

I would just say that if I get invited back in two or three years, I would expect to be expressing ... dissatisfaction with where we are. We're only going to be given a certain number of years to move some very heavy rocks. The five areas, at least the major areas, were chosen not because they were cinches, but because they were the biggest problems the President could identify…. Not one of them is subject to a quick fix…. But we're going to make all the progress we can…. If you read our midsession review, which for the first time deals not just with the budget but has a back half that deals with management, you get a specific report on how we think everyone fared.

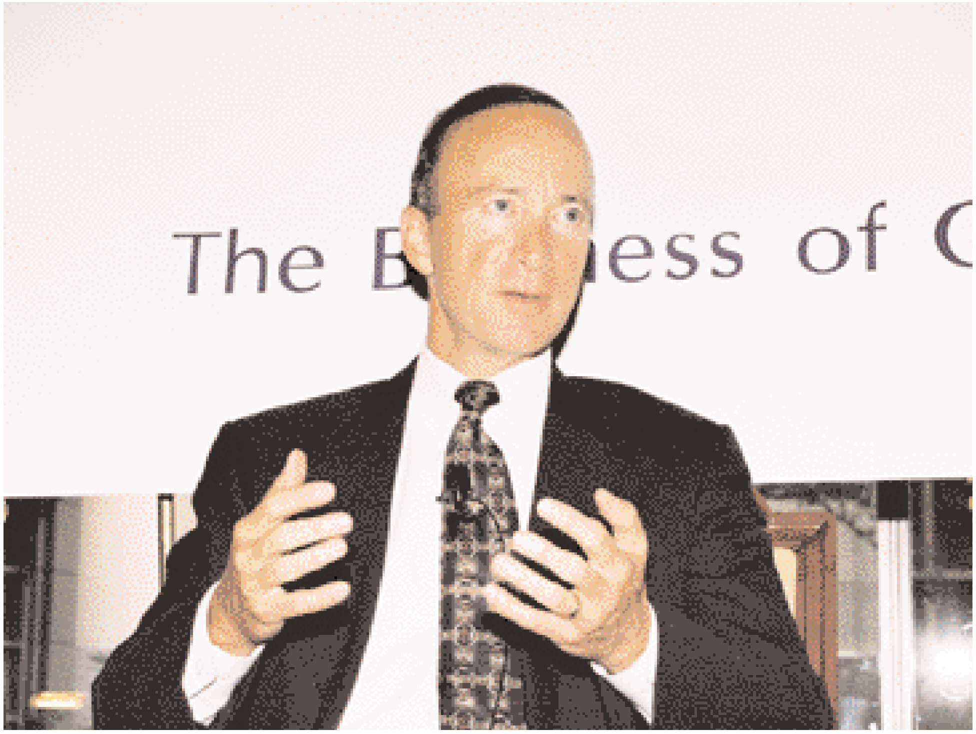
On adding to the President's Management Agenda

I'm convinced that there are no more important problems or no more urgent dilemmas facing the federal government than the five we picked.… there's a very, very long list of [additional] candidates I think we could work on. We expect this to be an evolving dynamic, so we're already looking and trying to think about what will come next. We haven't chosen it yet, but I will say that one candidate is asset management. [It is] something the federal government has a very, very poor job doing … the federal government is sitting on incredible amounts of unutilized or underutilized real estate property....

Lessons on implementing the President's Management Agenda

Two lessons that we draw are that, first and foremost, you have to fix responsibility and accountability. That's why the President routinely—when he sits down with Cabinet members—picks up our scorecards just to make sure everybody realizes that he's watching, too. And within agencies, he is very aware that the ones that got out of the box the fastest were the ones where the Secretaries said, "I'm going to make this happen, I want to be able to tell the President [we succeeded]."

The other aspect that I've come to recently appreciate is … when a department views these things [the President's Management Agenda] not as separate items … [but] looks for the connections and tries to integrate [them]. You really can't have a sensible long-term capital plan if you don't know how many of the jobs today you plan to competitively source.... So the agencies which were the earliest to ... make these connections, I think, were the ones that brought us the best plans.



On erroneous payments

[This] is … a monstrous problem and there are opportunities. Secretary Martinez at HUD [the Department of Housing and Urban Development] is somebody [who is] really driving … HUD historically has had some real problems. We identified it probably as the single agency with the most issues administration-wide. He has worked very hard on ... erroneous grant subsidies....

On integrating budget and performance

I think the people in this crowd recognize this by the lofty buzzwords.… Any of our fellow Americans would describe it as pure common sense. They wonder why this is such a daunting challenge. What it boils down to … is checking on what works and what doesn't. [You should] try to spend more … money on what works and less on what doesn't. It's not that complicated, until you try to apply it to the federal government.…

We did make the first step … when we issued what I would call tentative performance ratings on a variety of programs in every department. In honesty, that was more for shock value. It indicated a signal that we're really in business about it. We're going to do [our] spring reviews [and] review the entire government.… [We will] try to shake down our instrument to standardize rating of programs. And we will apply it … at the next budget round on at least 20 percent of dollar value [of the budget]. So 200 to 250 different programs [will be] rated on the same instrument.

On taking on programs that don't produce

Earlier this year, we created … SWAT teams of some of the very best people at OMB and said, "Your job for this year is to make this happen … we need a system for rating that is credible, that's objective, so people have some confidence in it." And then I said, "Let's try it out in the spring." We made some changes and got some outside advice.

Now we're poised to apply it.… We're at version 2.0.… One of the changes we made, for instance, had to do with what's called the purpose section—what is the purpose of this … federal activity? That's a very important question to ask.… [We] debated whether it belonged in this instrument. In the end, we've taken it out on the basis that the instrument [should] operate in a neutral way on whether something works or doesn't … there's a separate argument about whether we should do it or not. I was … convinced that we ought to separate those.

You can count on this administration to look very critically at programs and ask, "Should we be doing it at all?"… If Congress has decided we're going to do this sort of thing, I would hope that people, whatever their philosophical outlook, would agree it's important to know if it's working or not.

On the Department of Homeland Security

[Right after September 11], there certainly wasn't time to think through a whole department, let alone create one.… It obviously [would not have been] a productive thing to worry about at the time. So we went with the Office of Homeland Security and found the best person we could to [run it] … I think we generally have had pretty good results. As I just said earlier, looking back, a whole lot of things happened in a pretty short time [after September 11].

The idea of a department to pull together these capabilities [had] been around … a lot of good work had been done. There had been commissions and bills on the Hill.… So it wasn't a matter of starting at square one.… in due course, as soon as some of the early essentials have been taken care of, the President directed that we think this through again. [There had been] a lot of discussion … around the border security issue, but that didn't go the distance.

… I think the basic outline that the President ultimately endorsed and sent to Congress is probably going to survive.… I think it's extremely important that it does. We know that Americans are likely to live in perpetuity under some genuine physical threat here.… Two oceans is not enough anymore to keep us totally safe.… It is utterly clear that whatever the right answer is, it's not what we're doing now—which is to spread, diffuse responsibility across literally scores of agencies and departments.

On designing the Department of Homeland Security

[This was] a very rare opportunity [that comes] once in several decades, to actually design anew.

… we ought to design something for the era we're in, not create something from the patterns of the 1970s or 1940s or even before that … to think about what this department is supposed to do. These are literal life and death matters, and there may be some limitations and constraints … that you can afford in other departments that really should not be permitted here. So I think it's a matter of real urgency in … getting this right … this department [should] be set up so they really can do the job of what they're commanded to do for citizens.

IT IS UTTERLY CLEAR THAT WHATEVER THE RIGHT ANSWER IS, IT'S NOT WHAT WE'RE DOING NOW—WHICH IS TO SPREAD, DIFFUSE RESPONSIBILITY ACROSS LITERALLY SCORES OF AGENCIES AND DEPARTMENTS.

… it ought to cause us all to stop and think about ways in which we could make it possible for HUD, VA [Department of Veterans Affairs], and the IRS … and everyone else to do a better job of serving the public. So I know that there are people here that have thought more, written more, and know a lot more about all the details of these problems than I do, but I hope you'll be vocal in this very important effort. Commissioner Charles Rossotti at the Internal Revenue Service has a great deal of flexibility, and he's using it very effectively in terms of personnel and so forth. This new department should have no less. The Transportation Security Administration [also] has broad flexibility.… So I think that there's been a healthy evolution in those discussions in the last few days, and I hope we can get together on something that protects employees fully, but also allows them to succeed in this job we're asking them to do.

On the Office of Homeland Security

I think the office has played an important role in gathering and pulling together some sense of threats.… [It gave us] a sense of what a true future homeland security infrastructure would look like. The President has said there will be an ongoing need for such an office even after there is a department. It will not be the only place where things central to protecting us all against terrorism and related threats reside. The Department of Defense has a very big role … in the event of an attack … the National Guard and Air are [also] protecting bases in the country.…

The Department of Health and Human Services has provided an ongoing, very important role in terms of biological warfare prevention.… There is going to be an ongoing need for some sort of an officer in the White House—just as we have a national security adviser—who works and pulls [things] together from the various departments that have some responsibility for homeland security.

Robert O'Neill, president of the National Academy of Public Administration, interviews Director Daniels.

...I DON'T THINK THERE'S A FINER OR MORE TALENTED, OR CERTAINLY A HARDER WORKING, GROUP ... ANYWHERE IN THE FEDERAL GOVERNMENT. AND I WISH EVERY AMERICAN TAXPAYER COULD MEET THE PEOPLE AT OMB.

On the Freedom to Manage Initiative

The President sent the "Freedom to Manage" legislation [to Congress] well before the attacks.... I have to say in all honesty that it's not met with a very enthusiastic reception. We have begun to believe that maybe the right thing to do is to try it agency by agency and see if we can't create more models, pilots ... maybe some successful examples that will eventually spread....

It does not overreach in terms of the ability of managers to have more discretion over personnel decisions, more flexibility in procurement, for instance, and property management. But a combination of factors makes this something that's just not likely to move without a lot of blood. Congressional careers, I'm sad to say, are not typically built on good government initiatives like this, and plus there's the natural resistance, the fear of change, to overcome.

So going agency by agency and searching for congressional committees and subcommittees that are willing to try and help their agencies to succeed a little better—perhaps using the homeland security example to think about this ... will help us bear a little fruit.

On the future of the President's Management Agenda

I'm cautiously optimistic. Really good things are happening ... though. It ranges from our websites winning all kind of awards.... [This came] out of our e-government initiatives ... citizens will be able to search for benefits for which they're entitled quickly at one stop.... [They will also be able to] apply for grants quickly at one stop and comment on regulations at one stop. These things are real as of now.

So I think we've got a good crew of people driving hard, and we've got some traction. I would say that I tend to look at the problem areas.... [We have not done as well] in the competitive sourcing area.... Not only has progress been spotty department by department, but ... some bills in Congress are really retrograde. [They] take us back. [This is] an area that I'm paying special attention to.

On the Office of Management and Budget

I'm so proud of our 500-plus people.... I tell audiences that I don't think there's a finer or more talented, or certainly a harder working, group ... anywhere in the federal government. And I wish every American taxpayer could meet the people at OMB....

Management—which we've been talking about today—is now part of the job of every person at OMB.... I think everyone understands it that way.... the rivets are popping here and there, and the machine squeaks a little from time to time... I'm just enormously proud of them.

I didn't even mention the extra burden that the September 11th events put on us [and how well] the organization has stood up. OMB has supported Tom Ridge and the Office of Homeland Security.

Every taxpayer should be proud of the folks I get to work with. ■

A Conversation with Charles Rossotti, Commissioner, Internal Revenue Service

(In May 2002, the IBM Endowment for The Business of Government hosted a Perspectives on Management seminar with Charles Rossotti to discuss his experience as commissioner of the Internal Revenue Service. Mark Abramson, executive director of the Endowment, and Barry Bozeman, professor at the Georgia Institute of Technology School of Public Policy, moderated the discussion. Excerpts from the conversation are presented below. The full transcript is available on the Endowment's website: www.businessofgovernment.org.)

On arriving at IRS

The first thing to remember is that because of the confirmation process, you have a long windup period, whether you like it or not. I tried to make best use of that period to … take the lay of the land, meet some people, and read a lot of things.…

I had an interview with a bunch of reporters … and I said it was like coming in from a beautiful fall day and then opening a door and having a blast furnace hit you…. it wasn't so much the blast furnace from inside the IRS, as it was all these blasts coming from everywhere else into the IRS. It was definitely a period of crisis in terms of the agency.

One of the things that was evident to me right off the bat was that the IRS was getting a lot of advice.… there were so many studies that had been done over the years … the Vice President's Reinventing Government had done a study, the Presidential Commission had done a study, and there were any number of GAO [General Accounting Office] reports that had done studies.

I had somebody add up all the recommendations that had been made, and by the time they got to 5,000, I stopped counting. I said, "We're not going to get where we need to go by doing 5,000 line items one at a time.…"

The very first thing that had to be done was to create a sense of stability and say that what we're going to do is sit down and set some priorities … [identifying] some of the things we're going to do—a few things we're going to really do in the short run—to get the place going.

There were a few things that were under way in the problem-solving days … there was a need to have a safety valve to allow people who were coming forward every day and claiming that they were being unable to get their problems resolved, that their lives were being ruined by the IRS. We had to have an outlet for that. There were some other things like that, which had to be done on a short-term basis. Then the other thing—on a longer-term basis—was to set some strategic priorities over what we were going to do to address the more fundamental problems in an organized way.…

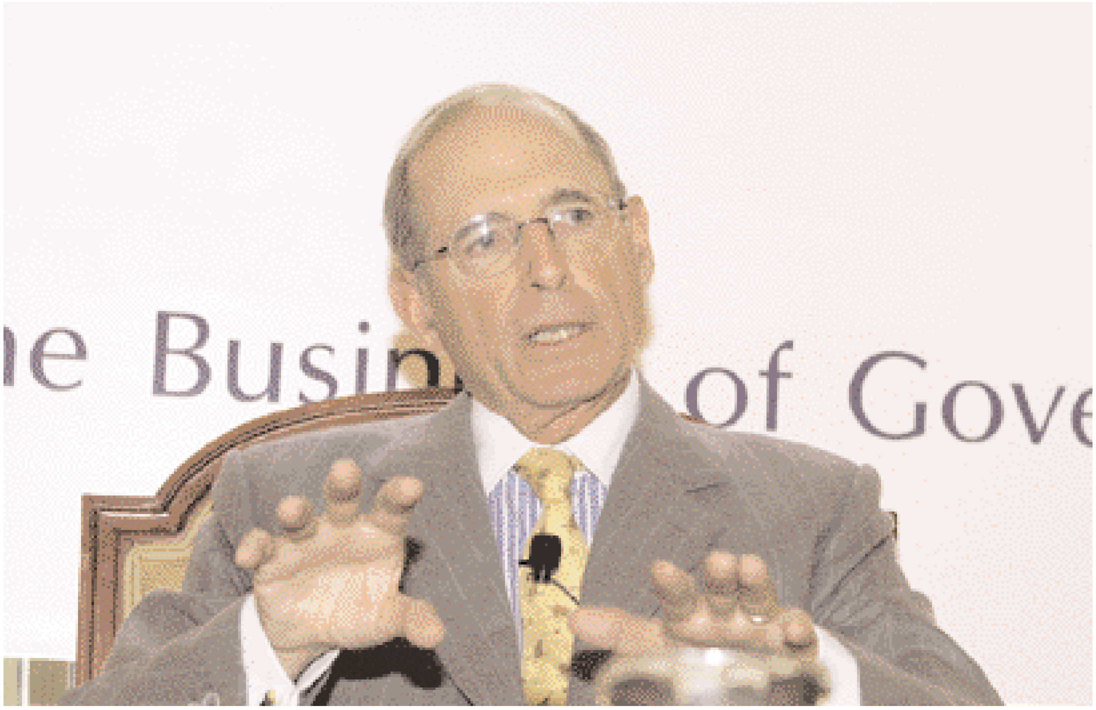
I put it together into a set of priorities of what we needed to do in terms of modernizing the organization, the management structure, and eventually the technology. Those were the initial things: try to get some short-term stability; concentrate on a few things that we could deliver right away; and then try to lay out … a longer-term plan for addressing the bigger issues.

On the need for reorganization

[Reorganization] was a little bit controversial in the sense that it is a pretty expensive, disruptive thing to do and it doesn't immediately deliver any benefits to anybody. The question was, why focus on something like that, which is more internal than external. That was a pretty big choice.

… from what I know today … it was the right decision. One of the reasons I believe previous attempts at modernizing the technology … did not go very well was precisely because they were viewed as a technology program. There are a lot of people in a lot of places, including the government, that make the mistake that you can "modernize the technology" and leave everything else the same.

… there isn't any point in modernizing technology if you leave everything else the same.… If you just keep everything the same and modernize the technology, you have some new disk drives and maybe more reliable computing, but you don't really resolve anything. On the other hand, if you're going to put in technology to improve the way the business works, you can't be isolated in the IT area.…



If nothing else, getting control over the information system resources [was essential] in order to create an appropriate level of standardization and management to set the groundwork for reorganization.… One [reason for modernization] is to have a business owner that was properly aligned to be their customer, the proper customer to be the partner in modernizing the way business is done; and the other being to modernize the IT operations itself so that we had an appropriate management structure to manage it.

On the IRS Restructuring and Reform Act of 1998

…the act was already under way, not only before I took office, but even before my Senate [confirmation] hearings.… this act, which not [only] had a long name, [it was] also a long bill ... [it] had 71 different taxpayer rights provisions alone.…We had a tracking system for … over 1,000 implementing actions that we had to deal with…. [It was] the biggest single thing that affected the IRS since the IRS was created in its current form in 1952….

You have to look [at the law] in two levels. One level is a statement of direction and a mandate for change in the IRS, which was very profound. The basic mandate was that you have to pay more attention to the people that are paying the taxes—the taxpayers—as well as just the money that comes in. That's the way I interpreted it. It was articulated in the bill through a number of things, such as a requirement that we issue a new mission statement and … a customer satisfaction standard in people's performance evaluations.… [the bill] made it clear that … that there is going to be fundamental change at the IRS. In that regard, it was helpful, and I think the direction was correct.

It [also] gave us some important authorities … such as the authority and the direction to reorganize the agency, which would have been much more difficult, if not impossible.… It also gave us considerable flexibility on personnel issues, which were extremely helpful. Without those things, there was really no way that we would have been able to do this.

At the second level, it had a lot of very detailed provisions that were mostly taxpayer rights provisions. Virtually all of them are very appropriate and make a lot of sense in terms of accomplishing the objective of the bill…. had they set more of the objective rather than very, very precise prescriptions as to how certain things should be done, it would [have been] a lot better.

… I would say the bill was absolutely necessary to accomplish the objective of fundamentally reforming the IRS. It had the appropriate direction; it had the appropriate authorities. And I think most of the specific provisions made sense, although … you'd prefer to have the objective laid out and have flexibility as to how to implement it rather than have specific provisions [which required you] to figure out how to conform to it.

On the business systems modernization plan

The business systems modernization plan is a work in progress.… Another small thing that we had to deal with at the time [was] called the Y2K. That was about a $1.3 billion job … at the IRS.… Right now, it seems like that was a slam dunk and it was probably an overblown problem, but it sure didn't feel that way to [us] at the time … people were writing every day about how the tax system was potentially going to collapse. You can imagine that was something that had to get our attention.

We really felt that we had to go slow on this [business systems modernization]. We didn't spend the first dollar on business systems modernization … until June of 1999, but even then the first six months were very, very slow. So we're about two and a half years into it, and it's definitely a long-term program.

… THERE ISN'T ANY POINT IN MODERNIZING TECHNOLOGY IF YOU LEAVE EVERYTHING ELSE THE SAME.… IF YOU JUST KEEP EVERYTHING THE SAME AND MODERNIZE THE TECHNOLOGY, YOU HAVE SOME NEW DISK DRIVES AND MAYBE MORE RELIABLE COMPUTING, BUT YOU DON'T REALLY RESOLVE ANYTHING.

We have done a number of things at this point that are extremely important.… one of the most important things that we've done is to successfully lay out a complete vision of the future and an enterprise architecture that is meaningful and complete. One of the things that GAO and others … have noted [was] that lacking [a vision] was a problem in the previous attempt at modernization. The IRS is so tightly coupled and integrated that you really can't effectively build systems without having architecture like that.

… having been in the business sector for quite a few years, I know that if you want an architecture, give me a week and I'll draw you one, and it's not that hard. But having one that is real is quite different. It took us a great deal of effort on both the side of our senior management team and our consultants. At this point, we have the second version of it now, and it is a very valuable living document, and a statement of how the whole thing fits together and where we're going. That is extremely important.

The second thing that we've done is … laid out some of the foundational elements … that have to be implemented first. And, unfortunately … we are not in the position where we can just put a lot of new applications up on our website and do those really quickly. We're down to the rock foundation, and we're really rebuilding our customer database, our basic security infrastructure and network, because this was never architected and it doesn't exist in the IRS.

… by the end of this year, we hope to put in at least the first increment of three of those important blocks. One is the voice communications network, communicating with customers; the second is the security infrastructure to communicate with customers through the Internet and as well as internally in a secure way …; and the third piece will be the first increment of getting some taxpayers onto a new database off the old master file. Those are the three big blocks that we hope to put at least some pieces in by the end of this year.

On the qualifications for being IRS commissioner

… I don't know if there is anything wrong with being a tax lawyer. I think there are obviously some skills that are needed to run an organization and to effectuate change in an organization … we also have a technology component that we have to deal with. So I think in terms of taking the job on, it probably depends more on what the positive skills that somebody has and needs to bring than whether they are a tax lawyer or not.

I know that the Oversight Board and the Department of Treasury is conducting a search for the next commissioner, and they put out a job announcement [that] stresses management leadership experience more than tax law [experience], and I think that's probably a good thing. But I don't think anybody should hold anything against anybody if they know some tax law.

On the five-year term appointment for the IRS

As far as the five-year term, I think it was helpful. It would have been helpful to anybody, just because it helped to create an expectation that somebody was going to be here long enough to actually see through these changes. Anytime you do change, it takes follow through and it takes time, and people can outwait it and assume it's never going to happen because what this guy says is interesting, but he's going to be gone.… In terms of continuity and implementation of change, it is an important provision, and I think most people believe that and probably would continue that.

On the concept of the five-year term

… one thing about the IRS—not everyone understands this outside of Washington—is that the IRS has no significant policy role. It's strictly an administrative implementation management agency. In other words, we don't have any significant role in recommending what the tax code should be or working on legislative issues with Congress.

… it's quite good that IRS can focus its attention on the administration and the implementation of what the Congress passes. And the Department of the Treasury has a responsibility for all of the legislative and tax issues, which allows for certain separation.…

To the extent that you have an agency that has both a policy role as well as an administrative role, it might be hard … whoever takes over a [new] administration is going to want to have people in that role that are part of their political philosophy. You'd have to look at it agency by agency, but I think it makes sense potentially where you have an operational function. I don't think it would make sense if you had a policy function.

On his role leading IRS

It is different compared to being a CEO in business, because [there] you have to work with investors and securities analysts and the general public and the press, but it's a much smaller factor as compared with your customers and your employees…. in any public agency, especially one like the IRS, we have a multitude of stakeholders, including six congressional committees that oversee us.…

We have, in addition to those governmental stakeholders, an enormous array of stakeholders [in the public]. In fact, everybody in the economy is a stakeholder … [and] they're organized into a lot of different groups. We have numerous practitioner groups like the AICPA [American Institute of Certified Public Accountants] and the CPAs, we have many business groups like small-business groups, large-business groups, industry groups.… People forget that we [also] regulate the tax-exempt sector, which is a whole world unto itself with its own set of issues.

One of the jobs of the commissioner is to try to not only recognize those interests, but to keep people aligned as much as you can; to keep yourself aligned and to keep aligned with them in a way that is constructive, because one thing for sure is that almost any of them can slow you down or stop you in your tracks or really make life difficult if they want to.…

So that is an extremely important role … it's certainly one that takes a lot of time. But I'll say this—it takes a lot more time if you don't tend to it, because then what you have is the unplanned time that you didn't count on.… My view has been to try to get a clear set of messages of what we're trying to do, and basically … we tell the same thing to everybody, because I can't see how you can tell one person one thing and tell somebody something else. If you do that, you're not going to get anywhere.

One of the surprising things to me is how constructive people are … most people that I've encountered from all these stakeholder groups have their own interests, but they're basically trying to be constructive and they have a certain sense of understanding of the fact that you can't accommodate everybody. I don't think it's impossible to keep people reasonably aligned, but you have to work at it.

Lessons learned in tax modernization

I read the report ["Government Management of Information Mega-Technology: Lessons from the Internal Revenue Service's Tax Systems Modernization"], and think Barry [Bozeman] did a great job.… It's probably the best report I've ever seen on the subject; it really gets beyond some of the generalities and the surface kind of things that you have…. It pretty well lays out the story … tax systems modernization was not a total failure.… There were a lot of things that actually were implemented that were very important, but obviously, on the other side, it didn't achieve its most important objective and we were left with a very unsatisfactory systems environment.

Treating [modernization] as predominantly an IT-driven project program was a pretty serious flaw. I think the fragmentation of the organization … was probably an almost insurmountable obstacle that they faced. Apparently … there was a lack of a real architecture and vision. There were documents that were written, but apparently they weren't as effective as they needed to be. And those were some of the things I think everybody has looked at and concluded were lessons.

I do think it's important to note that there were not only some important things that were achieved in the tax systems modernization, but there was some tremendous and important residual learning. Some may have been learning it the hard way. For example, when we got together on Y2K, some of the people who had worked on tax systems modernization had learned some things about what needed to be done and what didn't need to be done in terms of running a project … these were extremely important lessons. So, there was residual value, not only in terms of the systems that were implemented, but also in terms of the management lessons.

On the differences between management in the public and private sectors

I think there are a lot of things that are similar.…There are [also] some things that are different. And one of them, of course, is the public visibility that you have. You really are operating in a fish bowl, and that is something that is a unique management challenge. Because one of the implications of that is the question, "How do you handle mistakes?"… There is never going to be a major systems project, even small systems project, that doesn't have blind alleys and mistakes and false starts, and there just isn't ever going to be one no matter how skilled you are. The kind we're doing at the IRS, which is a rare one where you're sort of replacing the whole infrastructure as well as specific applications, is obviously pretty complex.

So how do you handle mistakes?… In the private sector world, you have them and you react to them and you do whatever you want to do. Here [in government], you've got to deal with them in the environment where you've got everybody watching you and writing about your mistakes while it happens. So, that's a ... challenge that's certainly unique.

Another thing is that you have more rules [in government]. And that's not only true of technical modernization, that's true of everything. You have personnel rules, you have procurement rules, you have budgeting rules. You have rules for just about everything.…

On the other hand, it doesn't mean you can't get things done. It just means you've got to have somebody very close by that understands those rules, that can help figure out how to navigate them. And it may take longer and it may seem a little frustrating at times, but generally speaking, the rules aren't there to totally frustrate you. They can sometimes slow you down and prevent you from doing some things that you may want to do, but generally, if you understand what your objective is and you have somebody that knows the rules, you can figure out how to get it done and still conform to the rules. So the rule-driven nature of the federal government is another [difference].

The budgeting process is the other big [difference], because you have a long appropriation cycle and the whole process of getting funding. In business you have a different issue of funding; you've got to prove you're making money with what you're doing, or you're not going to get the money. On the other hand, if you can prove you're making money, you generally can go out to the capital markets or to the bank or your parent company….

On his contribution to the IRS

… [When I arrived] the public had an extraordinarily negative point of view about the IRS. One survey goes back 20 years, the Roper Survey, which surveys the public's attitude towards a lot of different organizations, both public and private. In 1998, before the congressional hearing, the IRS reached an all-time low that was at 38 percent ... which Roper said was the lowest rating they had ever recorded on any survey that it had done. That in itself is a very bad thing, because if you have an agency that is dealing with more people than any other agency and more hated than anybody else, it's not a good thing and it creates a very negative attitude on everybody's part. It doesn't need to be that way.… [The IRS] ratings have come up significantly … turning around [the negative view] and having the public view the agency as somebody you can do business with in a reasonable way. [This] was very important in terms of the public confidence.

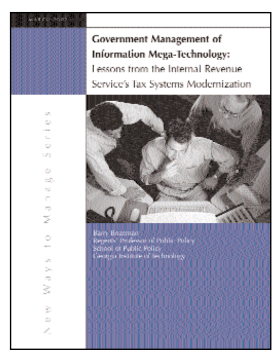
There are a lot of internal management processes that we've also tried to fix, like the strategic planning process, which is fundamental because of resource allocation.... Unless you have some kind of rational basis for doing that, that becomes another major problem.

One of the things that has been very gratifying and has made an enormous difference in the progress we've made is the team of executives that we've been able to assemble.… We've had great success—beyond my wildest expectations—in attracting some really great people, most of whom probably never thought they were ever going to come into the federal government.…

Internally, within the IRS, we've been able to retain some very excellent people … [and] put them in critical positions. Putting that team together is critical, because, obviously, it doesn't make any difference what one person does or what kind of vision you have, if you don't have the leadership team to implement it. We've been able to convince some very talented people to throw in their lot to try to make the IRS work better. ■

TO LEARN MORE

The Endowment report *Government Management of Information Mega-Technology: Lessons from the Internal Revenue Service's Tax Systems Modernization*, by Barry Bozeman, outlines what the IRS learned from its modernization experiences.



The report can be obtained:

- In .pdf (Acrobat) format at the Endowment website, www.businessofgovernment.org
- By e-mailing the Endowment at endowment@businessofgovernment.org
- By faxing the Endowment at (703) 741-1076
- By calling the Endowment at (703) 741-1077

The Imperative of Developing Global Leaders

By Dana Brower, Terry Newell, and Peter Ronayne

Introduction

Throughout U.S. history, the domestic and foreign policy arenas have been viewed as mostly separate and distinct spheres of action. Government executives who worked in domestic agencies felt they needed to know little about other countries and seldom interacted with them, if at all. In recent years, this view has begun to change. The combined and accelerating forces of globalization and technology have forged an interconnected world in which change—and the need to anticipate and respond to it—is both faster and more complex and where the international and the domestic are inextricably linked. The United States' economic, military, and cultural power and influence make it a global actor by default, and therefore federal organizations and the people who lead them find themselves increasingly thrust into the global context.

As countless observers have noted and as individual experience tells us, with each passing day the public policy agenda is increasingly both international and domestic, or "intermestic." Indeed, "global" is the word of the new century, filling newspapers, journals, and books on current events. The new century brings with it accelerated globalization, complete with a proliferation of international agreements, institutions, and mechanisms for consultation and partnership. The events of September 11th, 2001, further these developments and remind us of the United States' role in and connection to the world.

With these thoughts in mind, the U.S. Office of Personnel Management (OPM) Federal Executive Institute (FEI), a residential executive education center for senior career government leaders, hosted a colloquium in November 2001. The colloquium, attended by over 40 leaders from the United States and other nations' governments, the private sector, academe, and the nonprofit sector, focused on the evolving global leadership role of government executives and the competencies needed to succeed in international work. This article reports on the colloquium and the implications of its findings for developing global leaders.

Colloquium at the Federal Executive Institute, November 2001.

Whether due to the importance of building bilateral relationships or international coalitions, the heightened priority of improving homeland defense, or the simple realization that the domestic and international arenas are intricately connected, colloquium participants concluded that it is imperative that government executives lead in a global context. "So many of the issues that we deal with now, such as organized crime, are transnational in nature. We need to continually build coalitions and dialogue with leaders of all countries to address these matters in a global manner," said Jean M. Christensen, district director for the Immigration and Naturalization Service's Asia District, a colloquium participant. "We must develop leaders to work globally who fully understand the issues, possess diplomatic skills and cultural sensitivity, and can speak on behalf of the U.S. government in a multinational environment."

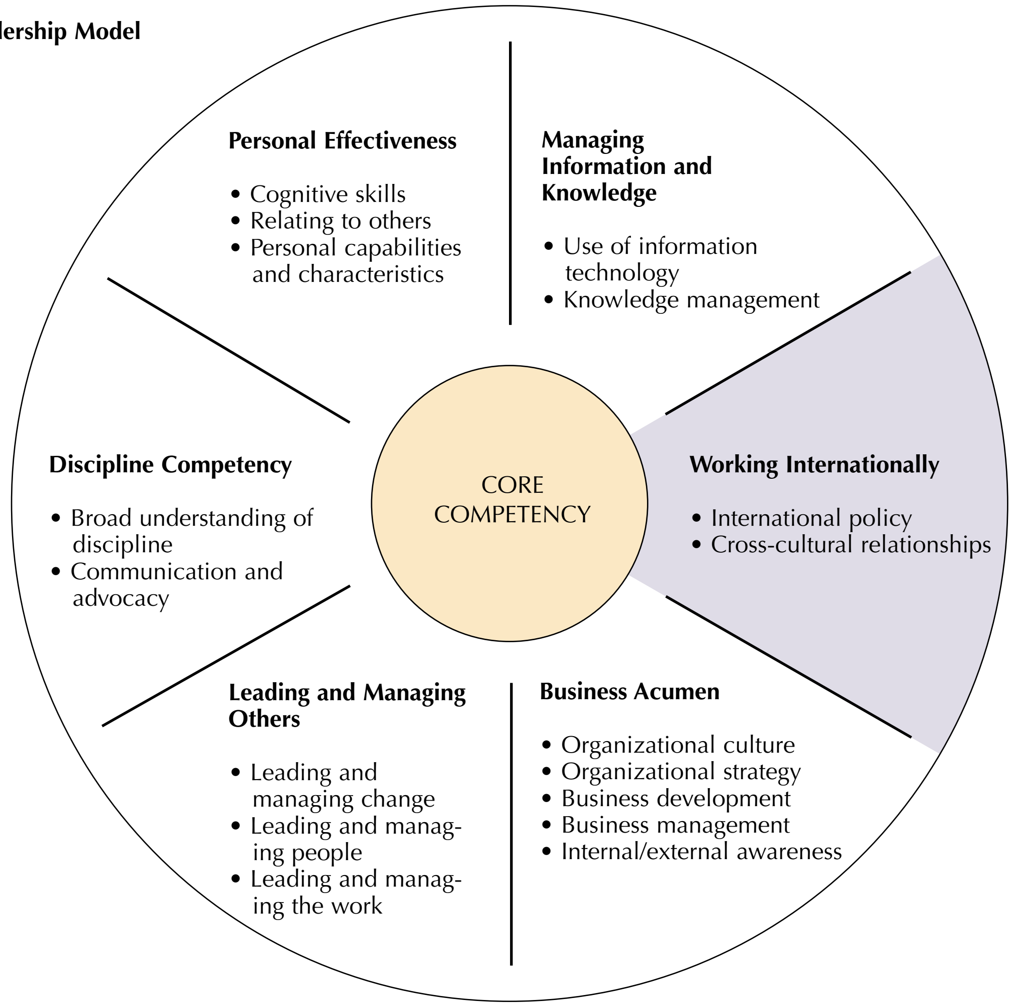
Like their private-sector counterparts, a considerable and growing number of federal agencies are involved in international work in this networked world. The Social Security Administration, for example, has bilateral agreements with

18 nations. The Environmental Protection Agency works with foreign counterparts to implement the Montreal Protocol, designed to protect the ozone layer from chlorofluorocarbons. The promise of agricultural biotechnology depends in large part on the U.S. Department of Agriculture and its work to ensure that biotech products can access markets abroad. The U.S. Customs Service works to combat money laundering, a transnational threat estimated at a minimum of $600 million annually. The U.S. Geological Survey faces international challenges ranging from protecting diverse biological resources to identifying the world's remaining energy resources.

The imperative of global leadership is felt particularly at the National Aeronautics and Space Administration (NASA), which has more than 3,000 international agreements with over 130 countries. NASA's approach to leadership development includes emphasis on several international competencies (Figure 1). "Global competencies are critical in today's ever changing world, from an understanding of the political, social, and economic environment to cross-cultural relationships and international partnerships and alliances," explains Jan Moore, program manager for NASA's Leadership and Management Development. "At NASA," explains Moore, "international cooperation and an understanding of working in a global environment are critical to organizational success. Understanding and cooperation create access to unique capabilities and expertise, provide access to locations outside the United States, and open new avenues for discovery."

A 2001 State Department working paper observed, "Currently, there are approximately 42 different U.S. federal agencies in more than 160 countries performing a variety of functions that serve the national interest and help assure national security. These functions have significant impact on our domestic economy as well as on U.S. world relations. U.S. government personnel, regardless of agency, performing these core functions at home and abroad face significant challenges as they struggle to keep pace with world events and represent the U.S. from an informed position." Similarly, in a report on the future of human capital in the federal workforce, the General

Figure 1: NASA Leadership Model



Accounting Office emphasized that "government organizations must undergo a cultural transformation allowing them to work better with other governmental organizations, non-governmental organizations, and the private sector, *both domestically and internationally* [emphasis added], to achieve results."

Mirroring federal agency trends, a significant number of federal executives are involved in international work. Overall, the federal government has more than 50,000 employees stationed overseas. It is important to keep in mind, however, that global leadership does not require travel abroad. Many federal executives act and lead in a global context from the confines of their offices in the United States.

Recent surveys by the FEI help illustrate the extensive international roles filled by today's executives. Although only about 3 percent of the career federal executives (GS-15s and Senior Executive Service) who attend FEI are actually stationed abroad, a much higher percentage is involved in international work. For example, 37 percent report collaborating with other agencies or organizations on international projects, 37 percent report traveling abroad for work, and 20 percent report managing programs that provide goods or services to other nations. (See Table 1.)

Table 1: Types of International Work Reported by Federal Executives

- Collaborating with other agencies/organizations on international projects (37%)
- Travel abroad (37%)
- Managing programs that provide goods/services to other nations (20%)
- International negotiations (16%)
- International policy development (14%)
- Managing programs that receive/inspect people, goods, and services from other nations (10%)
- Supervising government workers/contractors abroad (8%)
- Living abroad (3%)

Source: 2001–2002 Survey by Federal Executive Institute

"Going Global" Requires Globally Competent Leaders

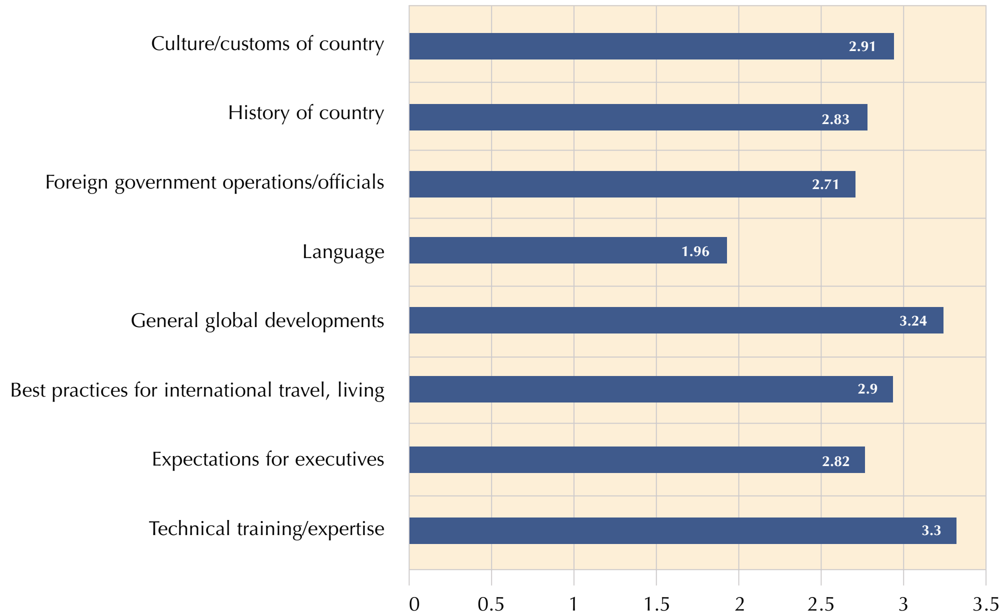
Although executives' roles overseas are expanding, their preparation for success in international work may not be keeping pace. The State Department's Overseas Presence Advisory Panel (OPAP), established in the wake of the 1998 terrorist bombings of U.S. embassies in Nairobi and Dar es Salaam, looked at the readiness of State Department personnel to succeed internationally. The OPAP report cited human resource issues in overseas posts as a major concern, stating that "there was universal agreement that more training was needed in languages, leadership and management, and new issues." The report also estimated that "up to one-half of Department personnel who took assignments abroad last year did so without appropriate training. In addition, the training available was truncated or ignored." Finally, the OPAP report recommended "that the Department and other agencies mandate that all employees undergo security training and area studies before going overseas."

If the State Department recognizes a need to augment its training programs for employees assigned overseas, it seems logical that other domestic agencies might also have work to do in training their employees for international work. A series of leadership development surveys conducted by FEI in 2001–2002 bear this out. The surveys found that 57 percent of executives reported that their responsibilities included some type of international work. Yet among those executives involved in international work, almost 60 percent received no formal preparation for their assignments. Over two-thirds (68 percent) of federal executives surveyed reported that they spoke no language other than English, and executives rated their own proficiency for international work below the midpoint of a five-point scale on six of eight key topics. (See Figure 2.)

The President's Management Agenda (PMA) calls for establishing a "right-sized" U.S. overseas presence, which includes better coordination among federal agencies to ensure that the right number of people with the right talents are deployed internationally. President Bush's call for better strategic management of human capital also supports the notion that all personnel involved in international work should be recruited, selected, trained, and managed effectively. Without sufficient attention to developing the global leadership competence of U.S. government executives, it will be difficult to achieve these PMA goals and effectively serve the interests of the United States in an age of globalization. Patricia McGinnis, president and CEO of the Council for Excellence in Government, underscores this point: "The Council believes that career federal executives must be able to lead for results in all aspects of their work. Today, an increasing number of career public servants outside the federal government's traditional foreign affairs community have responsibilities with an international dimension. Improving their ability as leaders in a global context has therefore become a very important goal."

Figure 2: Executives' Perceived Proficiency in Working Internationally

Where 1 = poor and 5 = excellent



The World of Global Competencies

Although no concrete consensus or definitive work exists on exactly what skills and attitudes federal executives need to succeed as global leaders, experts echo common themes and elements. Lists of critical global competencies invariably include emphasis on the need for effective intercultural communication skills and broader knowledge of world affairs and trends, combined with the ability to represent U.S. interests effectively.

The Centre for Intercultural Learning of the Canadian Foreign Service Institute recently conducted a major research project on intercultural effectiveness. Their Year 2000 report identified nine critical competencies, including understanding the concept of culture, intercultural communication, and an attitude of modesty and respect. All nine competencies are outlined in Table 2.

In his research on global leadership effectiveness in the private sector, Dr. Robert Rosen of Healthy Companies International found four broad areas of competence critical to global leadership success. In his book *Global Literacies*, he labels these as personal literacy (understanding and valuing yourself), social literacy (engaging and challenging others), business literacy (focusing and mobilizing your organization), and cultural literacy (valuing and leveraging cultural differences).

Explains Rosen: "To thrive, all companies must adopt a global-centric approach to business. They must develop a multicultural perspective, an international knowledge base, and a global imagination—in other words, a cultural literacy." While Rosen's work focused on the private sector, he finds the lessons equally applicable, indeed perhaps even more essential, for the public sector. "The public sector faces the same trends—namely the new context of interconnectedness and globalization—that are influencing the private sector. These trends are likewise transforming the roles of federal, state, and local government in a global society." And, adds Rosen, "America's role as the sole superpower requires that government executives be prepared for global responsibility."

The frameworks offered by Rosen and the Canadian Foreign Service Institute have much in common, including the strong emphasis on learning other languages—not only to be able to communicate but also to appreciate another's culture. Those gathered at FEI's global leadership colloquium validated and stressed these frameworks. Given the unique role of U.S. government executives in representing not only their agencies and their missions but also the United States and its Constitution, additional global leadership competencies were identified:

- Understanding the history of U.S. foreign relations, its constitutional history, and how both are understood and examined by the rest of the world

Table 2: The Interculturally Effective Person

In 1995, the Centre for Intercultural Learning at the Canadian Foreign Service Institute began a project to more fully understand executive effectiveness in a global context. According to the Centre's findings, globally effective executives possess the following nine competencies:

1. Adaptation skills—the ability to cope personally, professionally, and in one's family context with the conditions and challenges of living and working in another culture.
2. An Attitude of Modesty and Respect—demonstrating modesty about one's own culture's answers to problems, a respect for the ways of the local culture, a willingness to learn from and consult with locals before coming to conclusions.
3. An Understanding of the Concept of Culture—and the pervasive influence it will have on life and work abroad.
4. Knowledge of the Host Country and Culture—and trying constantly to expand that knowledge.
5. Relationship-Building Skills—both social/personal and professional.
6. Self-Knowledge—one's own background, motivations, strengths, and weaknesses.
7. Intercultural Communication—the ability to convey thoughts and expectations in ways that are understandable and culturally sensitive, without fear of participating in the local culture and language, and that empathize with how locals see the world.
8. Organizational Skills—improving organizational structures, processes, and morale in ways that balance one's own and the host culture's values.
9. Personal and Professional Commitment—to the intercultural assignment and the life experience in another culture.

- Understanding U.S. business, global economics, and key U.S. government domestic and international goals and policies and how they interact with each other—sometimes in consistent and reinforcing ways and sometimes in ways that make the nation's international agenda more challenging to implement
- Understanding the evolving structure of international relationships, including regional and international organizations and alliances and how these influence U.S. policies and agencies
- Strong negotiation skills
- Security consciousness

These competencies are critical for government executive leadership in international work *whether or not* an executive actually travels or works overseas. It is a potentially costly myth that a government executive sitting in an office in the United States can succeed internationally by relying solely on technical competence.

A Food and Drug Administration Experience

Of course, models and lists of competencies only go so far in communicating what executives must know and be able to do in their international work. The presentation by one of the colloquium participants, Naomi Kawin, put the competencies in context. As the associate director for International Agreements of the Office of International Programs of the Food and Drug Administration (FDA), Kawin's job involves no less than helping ensure the safety of foods and medical products coming to the United States from abroad. Although she travels overseas only occasionally in her work, she interacts extensively with other nations. To succeed, she and her FDA colleagues must wear at least three hats: regulator, diplomat, and leader. Reflecting on her work, Kawin offered a set of competencies for federal executives drawn from her experience.

Kawin's comments and suggestions bear a striking resemblance to the global literacies identified by Rosen and the critical skills identified by the Canadian government. The benefit and importance of global leadership competencies have strong domestic connections as well. Many of the skills essential for leadership in a global context, especially those related to understanding and working with people from other cultures, are increasingly important to government executive effectiveness *within* U.S. society. U.S. Census Bureau data and projections demonstrate that our society is already very culturally diverse and will become more so. California, for example, no longer has an ethnic group that constitutes more than half of the population. Successful domestic programs

Lessons from the Food and Drug Administration

International work takes several forms in the FDA. Inspectors travel to other countries to examine industry and government practices. Scientists work on international issues, including the development of international standards. And FDA staff work on negotiating international agreements and other collaborative international ventures.

Whether or not they travel overseas, all these staff need an awareness of cultural differences including how another's culture can affect regulation and product safety. In light of the September 11th attacks, personal security awareness is critical. Another set of skills—"International Survival 101"—includes protocol, diplomatic sensibilities, how to work with American embassies and interpreters, and being cognizant of ethical issues. In terms of effective leadership in a global context, federal executives across government need to possess a fuller understanding of international organizations, trade agreements and regional blocs, prominent global trends, and the influence of all of these on the United States. Also needed is openness both to collaboration and to new ways of doing business, supported in turn by knowledge of negotiation skills—even for seemingly non-negotiating contexts.

thus demand leadership from executives knowledgeable about and comfortable working across the cultures that define not only the world but also U.S. society in the 21st century.

Developing Global Leaders

Although we may know what competencies government leaders need for effective global leadership, we do not excel at providing them. A few agencies, including the State Department and OPM, have programs to address some of the essential skills and attitudes.

Agencies are clearly at various stages in implementing development programs focused on global leadership. At OPM's FEI, the four-week long *Leadership for a Democratic Society* experience includes a central "global perspectives" theme as part of FEI's ongoing work to prepare senior civil servants for leadership in a global context. The sessions and courses on this curriculum theme provide an opportunity for executives to examine critical global developments and their implications for U.S. society and government. In addition, FEI works to foster global perspectives by periodically hosting international executives as participants in the program.

The State Department has long stood at the forefront of international and multi-cultural development in the federal sector. The Foreign Service Institute (FSI) is the U.S. government's primary training institution for officers and support personnel of the U.S. foreign affairs community, preparing U.S. diplomats and other professionals to advance U.S. foreign affairs interests overseas and in Washington, D.C. At the National Foreign Affairs Training Center, the FSI provides more than 400 courses, including some 60 foreign languages, to more than 30,000 enrollees a year from the State Department and to more than 40 other government agencies and the military service branches.

More recently, the State Department has placed renewed focus on leadership issues and competency development with the establishment of FSI's School of Leadership and Management. Inaugurated in June 2000, the School of Leadership and Management offers a competency-based curriculum with classes that emphasize valuing diversity, creativity, flexibility, ethical behavior, strategic thinking, transparency, and effective communication. The School's first dean, Ambassador Aurelia E. Brazeal, stressed the importance of its mission: "Clearly, the challenges to American global leadership are unprecedented. FSI's School of Leadership and Management is committed to bringing innovative, world-class leadership development programs to professionals in our foreign affairs community. Our curriculum is designed to foster leadership qualities that are, in my view, essential to effectiveness in our rapidly changing world." These and similar programs play an important role in fostering global leadership competencies in the federal executive corps. However, the U.S. government has no comprehensive approach or system in place to deliberately and carefully develop public-sector leaders for success in their critical "intermestic" work. An unwavering federal commitment to *this type* of global leadership training needed by government executives will be a requisite first step in developing such a system of executive development.

Participants in the November colloquium called for just this type of comprehensive, systemic approach in which training would play a key role but by no means the only role in developing government leaders to succeed in their international assignments.

The colloquium identified seven specific recommendations aimed toward building this comprehensive development system for our nation's global leaders.

Recommendation 1: Build the business case for global leadership competence. Without a shared understanding of how and where effective global leadership matters to government agencies, it will be hard to enlist support for developing global leaders. The consensus at the colloquium was that there is a need but that need has not been well documented in business terms.

Recommendation 2: Build support for developing global leaders in government among government agencies and in the broader society. Although a documented business case may serve the needs of policy makers, more broad-based support is needed within agencies and from the public. Public events, speeches, and other means are needed to demonstrate that effective global leadership is as important in building a healthy food supply as it is in building foreign policy.

Recommendation 3: Develop a model of global leadership competence. The colloquium participants urged that specific competencies be identified and communicated to illustrate what effective global leaders do. What skills, knowledge, and attitudes do they need to be competent internationally? The colloquium concluded that the competencies government executives need, for example, can be thought of as falling into three broad groups:

- **Broad-based leadership knowledge**—for example, U.S. and foreign government operations, U.S. foreign and domestic policies, and global economics
- **Generic leadership skills**—for example, self-knowledge, communication, cultural sensitivity, security consciousness, and negotiation skills
- **Agency-, sector-, or country-specific knowledge and skills**—for example, international trading blocs, intellectual property protection, international labor agreements, global environmental issues, and Chinese history and politics

The third group is important for executives working in specific areas or countries. The first and second skill areas can reasonably be delivered to a more diverse government audience.

Recommendation 4: Integrate global competencies into leadership selection and development programs. Identifying needed competencies is necessary but not sufficient for leadership development. The colloquium urged that these competencies be integrated into OPM's Executive Core Qualifications and that they be used to help select, develop, and appraise leaders with significant international responsibilities.

Recommendation 5: Strengthen interagency and public/private partnerships to provide for global leadership development. Global leadership in government depends on a collaborative partnership among the public, private, and nonprofit sectors. So too should the *development* of global leaders in government. There was consensus at the colloquium that the three sectors working collaboratively could produce more innovative and effective models of developing leaders for the "intermestic" world than just relying on government to do it alone.

Recommendation 6: Create certification programs for developing global leaders in government. Such programs would draw attention to this important area and ensure the sufficient depth and breadth of coverage needed to go beyond "awareness" to skill mastery.

Recommendation 7: Develop a center of excellence—a place or consortium that could gather, offer, and spread the best programs, tools, and resources for developing global leaders in government. The colloquium recognized that many innovative training and development resources already exist within and outside the United States, while others need to be created. But it is nearly impossible for a busy government worker to find and access what is available, much less what needs to be created. Until such resources become easy to access, global leadership development remains a promise, not a program.

The development of public-sector leaders prepared for success in a dynamic global context is a long-term journey that members of the federal community must travel together. U.S. leadership on the world stage requires individual leaders prepared for the international context in which they operate. Overall, a commitment to a globally savvy leadership corps represents a farsighted vision of leadership development: one that provides government executives with a greater perspective with which to lead organizations and design public policy in the global context of the 21st century. ■

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Developing Leaders: A Case Study of the Defense Leadership and Management Program

By Joseph A. Ferrara

(This article is adapted from Joseph A. Ferrara and Mark C. Rom, The Defense Leadership and Management Program: Taking Career Development Seriously *[Arlington, Va.: IBM Endowment for The Business of Government, 2002].)*

Introduction

The last decade has seen substantial growth in the number of executive development programs in both the public and private sectors. A growing number of federal agencies and departments have created their own executive development programs. In addition, many other agencies send their future leaders to participate in executive development programs run by nonprofits and universities across the nation.

While each of these programs contains a different curriculum and approach to developing participants, the goal of each is to enhance the capabilities of their mid-career participants prior to assuming future leadership positions in their organizations. Over the next several years, it is my hope that researchers will study these programs more and begin to compare their effectiveness in developing leadership capabilities and executive skills and knowledge. In many ways, we now have a series of experiments under way across the nation in the public and private sectors as to how future leaders can be developed. I hope that researchers will use these "experiments" to learn more about how leaders are developed and executive skills enhanced. The research community clearly needs to continue to develop indicators of leadership qualities and behavior that can begin to tell us which types of executive development programs have the greatest impact.

My colleague Mark Rom and I had the opportunity to study one of the many executive development programs that have sprung up throughout the federal government in recent years, the Department of Defense Leadership and Management Program (DLAMP). DLAMP is probably the largest executive development program in government, with an annual budget of $35 million and over 1,200 individuals currently participating in the program. In addition to teaching in the program, we received a grant from the IBM Endowment for The Business of Government that provided us with an opportunity to intensively study and interview participants and Department of Defense (DOD) staff involved in oversight of the program. In this article, I describe DLAMP's program components and share our findings and recommendations on the program.

Components of DLAMP

There are three major program components of DLAMP—professional military education, rotational assignments, and graduate education.

Professional Military Education (PME)

One of the educational components of the program is PME. DLAMP participants are required to successfully complete a senior-level course in PME, with an emphasis on national security decision making.

There are various ways that DLAMP participants can achieve this requirement. For example, the National Defense University (NDU) offers a three-month PME course specially designed for DLAMP participants. Or participants can attend the traditional 10-month programs offered by the military service schools and NDU. The special three-month alternative was designed as a way to open more PME slots to DLAMP participants because space tends to be much more limited in the traditional programs, whose main customer base consists of military officers from the various branches of the armed services.

There are seven senior PME institutions within DoD. Although the mission of each PME institution is somewhat different, they all share the primary objective of preparing future military and civilian leaders for high-level policy, command, and staff responsibilities. The PME curriculum focuses on five key components:

- *National Security Strategy* provides the participant with an understanding of how to develop, apply, and coordinate policy objectives to ensure national security goals are met.

- *National Planning Systems and Processes* provides the participant with an understanding of the systems and processes used to determine national policy.
- *National Military Strategy and Organization* focuses on the importance of developing, deploying, employing, and sustaining military resources, in concert with other elements of national power, to meet national security goals.
- *Theater Strategy and Campaigning* emphasizes how joint operations and multinational campaigns support national objectives, and the relationships between national strategic, theater strategic, and operational levels of war.
- *Systems Integration in the 21st Century Battlespace* examines the integration of joint and military service systems responsible for supporting military operations during war.

The process for fulfilling the PME part of the program works roughly as follows. Each year, the DLAMP Office provides PME quotas to the Component boards. Quotas are allocated among the DoD Components based on the number of eligible participants requiring PME. "DoD Components" refers to major sub-departments and agencies of the Department of Defense, including military departments, defense agencies, and major staff organizations. The time commitments and start dates vary for each institution. The Center for DLAMP at NDU provides for three-month programs starting in January, May, and September of each year. The Army War College runs from July to June, while the other senior service schools run from August to June.

According to interviews with Component administrators, DLAMP participants tend to rank PME first of the three program elements in terms of their perception of its overall value. In particular, participants often mentioned the high quality of the PME curriculum and the opportunity for joint, civilian-military interaction.

The Industrial College of the Armed Forces (ICAF) and the National War College (NWC) at the National Defense University tend to get the most participation from DLAMP, while the Center for DLAMP at NDU gets the least. In interviews, participants explained that ICAF and NWC grant degrees, but the Center for DLAMP does not. Also, because it is conducted in a three-month time frame, the Center for DLAMP is considered by many participants to be too intensive.

Rotational Assignments

The second major component of the program is the rotational assignment. The DLAMP directive calls for participants to complete a rotational assignment outside their home organization lasting at least 12 consecutive months. This is one of the most innovative aspects of DLAMP, and it is an explicit attempt to mirror the military practice of rotating personnel through successive assignments to increase the breadth and depth of their professional experiences.

A key objective of the rotational assignment is to enhance the participant's potential to function as an executive within the department in support of joint warfighting capability. Based on principles outlined both in the Goldwater-Nichols Act and OPM's Executive Core Qualifications, the rotational assignment is specially designed to enhance the participant's capacity to build coalitions, communicate effectively, and understand the real value of a joint, integrated approach to accomplishing the organizational mission.

Not all DLAMP participants will require a rotational assignment to round out their experience. Some participants, based on their extensive prior professional experience, including moving through numerous organizations, may be able to waive the requirement. Notwithstanding prior assignments, individual DLAMP participants, in consultation with their supervisor and mentor, may still decide that a rotational assignment will be useful for their overall career development, particularly if they have been in their current positions for quite some time.

Generally, DLAMP participants identify opportunities for rotational assignments on their own. They may talk to trusted colleagues, ask their supervisors about opportunities, or consult with their mentors. In addition, the DLAMP Office maintains a central database of available assignment openings and posts this list on its website. Assignments may be completed in another DoD office or in an external organization that works on defense-related issues (e.g., the Department of State, the National Security Council, or the Senate Armed Services Committee).

Another innovative aspect of DLAMP has been the establishment of funding to finance "backfills" (employees who replace the DLAMP participant at the home office while he or she is completing the rotational assignment) and travel and transportation expenses associated with the rotational assignment. This funding is limited and by no means covers 100 percent of the demand, but it represents a major step in addressing what has historically been a significant disincentive for federal employees to complete rotational assignments.

According to interviews with Component administrators, DLAMP participants tend to rank rotational assignments second in value of the three program elements, behind PME and ahead of graduate education. Interviews show that participants focus on a few key criteria when assessing a potential rotational assignment, including its location, joint perspective, and whether it will give them an opportunity to work outside of their functional specialties. At this point, only about a quarter of all active DLAMP participants have completed their rotational assignments (or had them waived due to prior experience).

Graduate Education
A key element of DLAMP is the successful completion of graduate-level courses. The general curriculum requirements are to complete 10 advanced courses in eight key areas.

The graduate education component of DLAMP was conceived as an important complement to the PME and rotational assignment pieces of the program. The basic notion has been to establish the DLAMP graduate courses as a "defense MBA" curriculum, emphasizing management and leadership skills, along with technical tools, to achieve important mission objectives. Thus the curriculum includes not only policy-oriented courses such as *The Roots of Strategy* and *Political and Legal Influences on National Defense Policy,* but also technical "tools-oriented" courses such as *Strategic Staffing and Workforce Management, Management Information Systems,* and *Management Accounting in Government Organizations*. The graduate coursework culminates in a senior seminar that all DLAMP participants must take entitled *Development of National Defense Policy.*

The DLAMP graduate courses were developed through a rigorous process involving outside universities (that would go on to teach the courses) and subject matter experts from within the department. Each course is offered over a two-week period to a class not exceeding 20 students from across DoD. The two-week period means that the typical DLAMP course involves 80 classroom hours, or the equivalent of a semester-long course in a traditional graduate program. But because they are offered over a two-week intensive period, DLAMP participants can complete more courses in one year than if the courses were offered in the traditional, once-a-week setting. A two-week period is long enough to achieve the 80-classroom-hour standard but not so long as to impose a burden on the student and his or her supervisor.

DLAMP graduate courses have been taught at five universities —George Mason University, the University of Massachusetts, the University of Connecticut, Georgetown University, and George Washington University—in two main locations, a conference facility in Sturbridge, Massachusetts, and at the School of Management facility on the campus of George Mason University.

ONE END-STATE TO AIM FOR IS A TWO-TRACK SYSTEM THAT PERMITS EMPLOYEES TO CHOOSE BETWEEN A LOCAL TRACK—WHERE SECURITY AND STABILITY ARE PARAMOUNT BUT PROMOTION POTENTIAL IS SEVERELY LIMITED—AND A LEADERSHIP TRACK....

DLAMP participants receive books and reading materials before the courses convene so they can get a head start and make the most out of the two-week course period. The courses combine classroom lectures, guest speakers, and student group projects to optimize the educational experience.

A large majority of active DLAMP participants—about 80 percent—have begun their graduate coursework. But very few have finished this part of the program, including taking the senior capstone seminar. According to interviews with Component administrators, DLAMP participants tend to rank this program element last in value. The major concerns are the following:

- For those who do not already possess a master's degree, there is no degree offered through the DLAMP graduate program.
- For those who already possess a master's (or higher) degree, the graduate courses represent a potentially significant time investment whose value seems dubious given that they already possess an advanced degree.

An Assessment of DLAMP
DLAMP enjoys a positive reputation among all its key stakeholder groups, including the participants themselves as well as their mentors and supervisors. Participants, mentors, and supervisors all believe that DLAMP is important to career advancement. DLAMP compares favorably with other career development programs in the federal government.

As it enters its sixth year, DLAMP is clearly a program in transition. The Bush administration, while stating its strong support for the program and desire to carry it forward, is at the same time implementing major changes, mostly in the area of graduate education.

DLAMP is part of a larger trend in executive development, a field that has experienced rapid growth during the last 10 years, and not just in the government. Private firms, non-profit organizations, and public-sector agencies alike are all encouraging—and, in many cases, requiring—their executives to participate in leadership development programs. Indeed, executive development programs have become a major component of the overall organizational strategic plan. And individual managers themselves have come to view such programs as one piece of a continuous learning strategy. Learning no longer ends with the attainment of a college degree or even a master's degree in a professional field such as business administration or public policy.

A KEY INNOVATION FROM THE DLAMP EXPERIENCE IS THE DEVELOPMENT OF A DEPARTMENT-WIDE FOCUS ON TRAINING AND DEVELOPMENT THAT AT ONCE TRANSCENDS INDIVIDUAL AGENCY EFFORTS (E.G., AT THE ARMY OR NAVY LEVEL) BUT ALSO RETAINS SOME LEVEL OF INDIVIDUAL COMPONENT-LEVEL TRAINING....

Findings

Based on our research, we found:

1. DLAMP is a comprehensive and systematic program of career development. The combination of rotational assignments, graduate education, and professional military education makes DLAMP a unique program in the federal government. Few if any other federal agencies offer such a comprehensive program.
2. The management structure for DLAMP facilitates a joint, integrated, agency-wide approach to career development. Because the DLAMP Council comprises the department's senior leadership and is supported by a full-time DLAMP Office with corresponding offices in each DoD Component, there is a strong sense of shared ownership and investment in the DLAMP concept.
3. DLAMP, while centralized in its policy guidelines and overall conception, is decentralized in its execution. This provides for a light touch concerning program management and encourages the DoD Components to pursue the program as they see fit, but within broad guidelines.
4. The DLAMP participant population is broadly representative of the DoD target audience, but more effort is needed to ensure that the program focuses on the GS-13 pool, which represents the next leadership generation.
5. Key DLAMP stakeholders—participants, supervisors, and mentors—view the program very favorably, although there are reservations about specific program components, mostly in the area of graduate education and the length of time it takes to complete the program.
6. To address these reservations, DoD is now refocusing DLAMP for the future. The key change is to move from internally provided graduate courses to providing fellowships for participants to attend local degree-granting universities.

Criteria for Evaluating the Success of DLAMP

What criteria should be used to evaluate the success of DLAMP to date? To identify lessons learned and formulate recommendations, we developed the following evaluative criteria by examining the original purposes of DLAMP.

Does DLAMP give its participants a "solid grasp of national security issues"? In fact, DLAMP does do this in each of its major program components. First, the civilian graduate education curriculum has provided coursework that explicitly addresses national security issues, including *Political and Legal Influences on National Defense Policy* and *National Security Policy and Intelligence*. Second, through their participation in the PME component of the program, DLAMP participants study alongside senior military officers in programs designed to focus on key defense management and policy issues. And finally, to some extent, the rotational assignment also provides participants additional exposure to national security issues by giving them an opportunity to work on defense management issues from a new organizational perspective.

Does DLAMP provide participants the "depth and breadth of education and experience [necessary] to meet increasingly difficult challenges"? The answer here is mixed—not a definite yes, but not a definite no. With regard to education, DLAMP certainly does provide a depth and breadth of resources. Participants have the opportunity for civilian graduate education (including, under the refocused program, scholarships for master's degrees) as well as professional military education at respected DoD institutions.

With regard to experience, however, it is less clear whether DLAMP is successful. There is a rotational assignment piece, but even under the old system, where some funding was available for backfills, most DLAMP participants had not completed, much less begun, their rotational assignments. Given the overall length of the program, many participants—and their supervisors—are reluctant to spend even more time away from their home office doing rotational assignments. Given this reality, DLAMP for most participants is largely based on education and training, not experience in actual assignments.

Does DLAMP establish a "systematic approach to developing tomorrow's leaders"? The answer here is also mixed. On the one hand, it is clear that DLAMP is systematic. The program is well organized, well managed, and rigorous, and the published guidelines provided to participants, managers, mentors, and other program stakeholders are clear and comprehensive.

But on the other hand, DLAMP seems to have more of an implicit—not explicit—focus on leadership. It is implicit because, other than some of the PME curricula and perhaps the senior seminar on the development of national defense policy, there is no DLAMP coursework primarily devoted to discussing and instilling the characteristics of personal leadership. Granted, leadership is a difficult and elusive concept to pin down, and it is not at all clear how "teachable" a concept it is, but it must be noted that other career development programs do incorporate a more explicit focus on leadership than DLAMP. At the Federal Executive Institute in Charlottesville, Virginia, for example, federal managers take courses on leadership, are assigned leadership coaches, use the Myers-Briggs test instrument as a way of gauging their leadership styles, and are given the opportunity to lead in mock management scenarios.

Recommendations

Based on these findings and criteria, we make the following recommendations in our report:

Recommendation 1: The DLAMP Office should work with the DoD Components to achieve a department-wide agreement on how DLAMP graduates will be treated in the selection process for DoD positions.

Recommendation 2: DoD should follow through on its current refocusing effort to encourage (and fund) participants to attend local degree-granting colleges and universities. The establishment of Master's Degree Fellowships is a good idea and should be expanded. Finally, DoD should consider retaining the senior capstone seminar as an in-house course that all DLAMP participants should take, regardless of their degree status.

Recommendation 3: As part of the current refocusing effort, DoD should reexamine the DLAMP schedule. Eliminating the graduate curriculum at Sturbridge will address this issue in part, but even under a new approach, without further streamlining, the program could still be too lengthy.

Recommendation 4: DoD should incorporate an explicit leadership component into DLAMP. This can be done in a number of ways, including requiring participation in leadership seminars or professional certificate programs on leadership; requiring that rotational assignments include a leadership component; and/or incorporating a more rigorous self-assessment component that engages participants in an honest and thorough examination of their own leadership attributes and deficiencies.

Recommendation 5: Reassess participant selection procedures to ensure that GS-13s and GS-14s are not underrepresented. Ensure that supervisor and DoD Component board nominations are focused on this critical cohort and that managers are not nominating GS-15s who already hold senior positions and/or are within two to three years of retirement eligibility.

Recommendation 6: The DLAMP Office should work with the DoD Components to conduct a review of all existing DoD training and development programs, with the objective being to keep DoD Component programs focused on specific organizational and occupational needs while DLAMP serves as the principal department-wide leadership development program.

Recommendation 7: DoD should work with Office of Personnel Management (OPM) and other federal agencies to conduct a review of the career development process. Despite the substantial investment in training and development opportunities made by DoD, OPM, and other agencies, the basic system for career progression in the federal government has not changed. The existing system still does not build in progressively senior assignments in different offices and locations, nor does it centralize personnel management in such a way as to ensure that there is an agency-wide system for rotating employees in and out of new assignments. One end-state to aim for is a two-track system that permits employees to choose between a local track—where security and stability are paramount but promotion potential is severely limited—and a leadership track—where the emphasis is on: 1) holding successively more responsible assignments, 2) moving from job to job (and, yes, from city to city), 3) obtaining occupation-specific training and career-enhancing education as part of the defined career path, and 4) achieving a series of challenging positions within the upper reaches of the federal bureaucracy.

Recommendation 8: As part of the ongoing restructuring of DLAMP, DoD should consider adding a distance learning component to the program. This component could be particularly useful for continuous learning and refresher coursework, even after participants graduate from DLAMP and move forward in their careers.

Exporting the DLAMP Model

Is the DLAMP model exportable beyond the Defense Department to other federal agencies? The short answer is yes. Most other federal agencies already incorporate some level of leadership and management training into their overall human resources strategy. Indeed, DoD built DLAMP upon the foundation of training programs that already existed in the various Components.

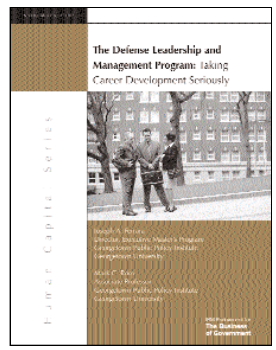
Other federal agencies could follow this lead. In particular, this might be important for other federal Cabinet departments that are large and decentralized, such as Justice, Veterans Affairs, and Treasury. In such large departments, training (and many other) activities get delegated down to the agency and bureau level. The result is often an uneven approach to training and development.

A key innovation from the DLAMP experience is the development of a department-wide focus on training and development that at once transcends individual agency efforts (e.g., at the Army or Navy level) but also retains some level of individual Component-level training so that DoD Components can tailor training and development solutions as appropriate. By establishing a DLAMP Council consisting of senior leaders from all DoD Components, Defense ensured that its new career development program would be conducted jointly.

In summary, the DLAMP model is exportable, and other federal agencies should consider adopting it. In particular, there are two key attributes that deserve particular attention. First is the department-wide focus that has been a hallmark of DLAMP. Second is the systematic approach that combines general graduate education, specialized professional military education, rotational assignments, and Component-level training to produce an integrated, comprehensive approach to career development. ■

TO LEARN MORE

For a detailed assessment of DLAMP, read the recent Endowment report *The Defense Leadership and Management Program: Taking Career Development Seriously*, by Joseph A. Ferrara and Mark C. Rom.



The report can be obtained:
- In .pdf (Acrobat) format at the Endowment website, www.businessofgovernment.org
- By e-mailing the Endowment at endowment@businessofgovernment.org
- By faxing the Endowment at (703) 741-1076
- By calling the Endowment at (703) 741-1077

Leadership on National Goals: Lessons from the Bureau of Primary Health Care

By John W. Scanlon

(This article is adapted from a forthcoming Endowment report.)

From 1998 to 2001, I had the unique opportunity to work with a small group of managers in a federal agency who actually created a national movement. They produced results that are much different from the results that agencies usually achieve. They produced results that far exceeded the reach of their agency programs alone. If the expected results produced by an agency can be called reasonable and ordinary, what they accomplished by assuming a unique kind of leadership role was extraordinary.

I learned a lot about a new form of leadership in which agency managers actually pursue a "national goal." A national goal is bigger than those of individual programs or any one agency. This article presents what I learned about this new form of leadership and addresses these questions:

- What does leadership on a national goal look like?
- What does it take for this kind of leadership to surface in an organization?
- What does it take to nurture this kind of leadership in an organization?
- What are the activities to be undertaken to work toward national goals?

Background

In 1998, an informal team of managers in the Bureau of Primary Health Care (BPHC) in the Department of Health and Human Services launched what they called the 100% Access/0 Health Disparities Campaign. The goal was to have every community in America provide 100 percent of its residents access to quality health care. Every community would be eliminating health-status disparities, the severe and pervasive gaps in health status that show up in a community when vulnerable populations are compared with affluent populations.

The Bureau consists of categorical programs that contribute health service assets to needy communities, including programs such as the community health center grant program and the National Health Service Corps. The agency's mission is "assuring access to preventive and primary care for vulnerable populations." Its programs provide health care to the neediest but reach only about 10 to 20 percent of the 45 million uninsured and vulnerable. From this perspective, the 100%/0 leadership team saw the potential of a community-based solution to the uninsured problem. Their experiences told them that communities could provide access to 100 percent of their residents by restructuring the assets already in the community. The key was to create an integrated delivery system that placed the uninsured and vulnerable in "medical homes," shifting them from using wildly expensive emergency rooms to participating in a cost-effective primary care system.

The team set a goal of all communities in America having 100% Access/0 Health Disparities delivery systems in place. Its campaign goal was to have 500 of the 3,000 existing communities from throughout the nation enrolled in three years—by 2001. After enrolling in the program, the progress of these 500 communities toward achieving the 100%/0 goal would be measured and reported.

Federal staff with other full-time management responsibilities were able, in a three-year period, to launch a self-organizing, self-sustaining movement. That movement now has multiple networks of leadership at the national, state, and local levels aligned in pursuit of a common vision with measurable goals.

What does leadership on a national goal look like?

The core leadership group that created the 100%/0 campaign consisted of 10 people who were seasoned and relatively senior in position:

Dr. Marilyn Gaston, Director, Bureau of Primary Health Care
Mary Lou Andersen, Deputy Director, Bureau of Primary Health Care
Jim Macrae, Director, Office of State and National Programs
Chuck Van Anden, Branch Chief, National Health Service Corps

10 Leadership Lessons from the BPHC 100% Access/0 Health Disparities Campaign

1. Pursuing a national goal is all “collaboration.”
2. Executives and managers have access to powerful but hidden assets that can be revealed and accessed by articulating a bold campaign goal.
3. Seeding the team with an outside expert and perspective and having a central coordinator can have a big unifying and productivity effect.
4. Around many federal programs, there are national goals beyond the reach of categorical programs that can be achieved by launching leadership campaigns with these programs as “platforms.”
5. The leadership for national goal campaigns is already there, ready to be surfaced and focused.
6. The leadership team has to see organizational resistance as natural and legitimate, and not hear it as a veto.
7. The leadership team must avoid the creation of internal bureaucracy and the tendency to create special projects.
8. The leadership team should spend most of its time with people who are ready to play and be respectful of those who are not ready.
9. Leaders tell leadership stories and, in doing so, cause others to make commitments.
10. “Leadership on National Goals” is a calling and a discipline that is available to all federal executives.

Dennis Wagner, Special Assistant to the Office of Director
Donald Coleman, Director, Media Center
Rich Wilk, Regional Field Staff, Chicago Office
Regan Crump, Director, Division of Special Populations
Dr. Eric Baumgartner, Director, Community Assistance Program
John Scanlon, JSEA, Inc., Consultant to the Office of the Director

With two exceptions, the leadership team all had full-time job responsibilities in managing ongoing BPHC programs and activities. These eight leaders continued to carry out their full-time jobs throughout the campaign. The two exceptions were Dennis Wagner and myself. Wagner was brought to the BPHC on detail from the Environmental Protection Agency as an expert in “social marketing.” He came to develop the national partnerships that would ultimately take over the campaign. Wagner was, in effect, the full-time coordinator of the campaign. I served as a consultant to Dr. Gaston on her strategic agenda and helped her translate her strategic intent into actionable projects. I also served as a coach to and member of the team that self-organized to create the 100%/0 program.

This leadership team was, in essence, a group of peers who all saw the world and events from the perspective of a grand mission that they were carrying out. They met weekly and interacted frequently. The meetings were meetings of a self-directed leadership team. Everyone at the table was proactive and ready to make commitments. There was no single person “in charge.”

Dr. Marilyn Gaston and Mary Lou Andersen—the Bureau’s director and deputy director—participated as team members, not acting in their roles as BPHC executives. As BPHC’s top leaders, they did play an important, special role. They brokered the alignment of the campaign mission and campaign work to the agency mission and legislative charter. They kept the campaign work within the discretion allowed by law, rule, and regulation.

The team did essentially two things. First, they articulated a campaign game plan to achieve a national goal. They asserted that local communities could transform their health care systems and declared the “impossible” campaign goal of enrolling 500 of 3,000 communities into the campaign within three years. Second, they continuously brainstormed on how events and processes that were going to happen anyway could be used to sign up community leaders in 100%/0 and to accelerate their progress. With both activities, they were training themselves to see the “opportunities that were already in place.”

Three lessons emerged from watching this unique team in action:

- **Lesson 1: Pursuing a national goal is all “collaboration.”** For those seeking to pursue national goals, “space” needs to be created where hierarchy can be set aside. Agency executives became part of the team, rather than traditional hierarchical managers. The "price of admission" to participate on the team was the willingness to make "commitments" to act. The interactions of the team felt qualitatively different from the manager-supervisor-employee dynamics of traditional work meetings and special project teams.

- **Lesson 2: Executives and managers have access to powerful but hidden assets that can be revealed by articulating a bold campaign goal.** The routine work of running federal programs creates assets for federal managers that are often hidden. These "hidden" assets are access, influence, and credibility. The assets are revealed by the articulation of a grand mission that one is truly committed to achieving. The campaign team referred to this phenomenon as the "abundance principle."

- **Lesson 3: Seeding the team with an outside expert and perspective and having a central coordinator can have a big unifying and productivity effect.** Bringing in Dennis Wagner, an expert in social marketing campaigns, emboldened and energized the team. It also brought a set of skills and experiences that the team did not have access to. It rounded out the skill set of the team. His full-time role gave the work a center to turn to.

What does it take for this kind of leadership to surface in an organization?

In retrospect, it seemed like the campaign was already there to happen. The institution just had to let it happen.

The sequence of events that created this effort began with an assistant challenging the deputy director on the strategic goals of the Bureau. The assistant told Mary Lou Andersen, "These draft goals are only for what our existing programs can do. Something is missing. Our mission means we are responsible for all of the 45 million uninsured nationwide, not just the 9 million our programs can reach. Our goal should be 100% access." That kind of "impossible" goal would be rejected, and even ridiculed, in just about every organization. But three things came together to give that vision life in BPHC:

- Career-long commitments to improving access to health care
- Professionals seeking additional "meaning" in their positions
- A campaign aligned with a larger mission context

No one person showed up with the leadership vision for the campaign. Instead, all team members came with a clear "direction" to their careers and present positions. Those who joined the team had a clear career-long commitment to the 100%/0 national goals. Dr. Gaston, for example, came to the Bureau with more than a management agenda. She was an advocate for measuring and eliminating health-status disparities. She talked about the "safety net we need vs. the safety net we have." She wanted to describe that gap and put it into the policy development processes. Others on the team had similar, unrealized mission intentions. These ambitions were held in check somewhat because they called for engaging processes, organizations, and leaders outside the Bureau and outside the federal government. This leadership direction among many in the Bureau was cultivated through conversations that evolved into a common leadership vision and goal.

There were many professionals in the Bureau eager to give meaning to the roles and jobs in which they found themselves. Regarding their programs, they constantly asked: "Why am I doing this?" and "What does it mean?" This attitude led many to be drawn to the campaign. It helped them seek a "higher meaning" from their jobs. It also gave them greater purpose to what they were doing. Regan Crump described it as the opportunity to be part of a movement:

> "I never had to be convinced. 100% is such a moral imperative that we don't have to agree that 'it can be done,' it was about 'it must be done.'… I was excited about the idea of the campaign. First it was huge. It had the big, bodacious goals that Dr. Gaston was always asking for. Second, it called for us to bring in so many other organizations because we can't do it alone. Third, it required people to work across sectors—government, private sector, charity—and to go beyond health. And fourth, 100% access for everyone is so moral, so ethical, so right. It's like the civil rights movement. It's proactive, creative."

The challenge facing the 100%/0 leadership team was to find a larger mission context than their existing categorical programs and agency organizational units could provide. This larger context would serve to legitimize a campaign on national goals. For the Bureau, there was the context of *Healthy People 2010*, the official prevention agenda for the nation. It is a statement of national health objectives designed to identify the most significant preventable threats to health and to establish national goals to reduce these threats. *Healthy People 2010* set forth a number of goals and focus areas, two of which are:

- Improve access to comprehensive, high-quality health care services
- Eliminate health disparities

There was, however, no federally funded program to achieve these goals. Instead *Healthy People 2010* served as national goals and inspiration for all those involved in health care. The intent of *Healthy People 2010* is for the agenda to be used by many different key actors, such as states, communities, professional organizations, and others, to help them develop programs to improve health. 100%/0 was one way that BPHC managers and staff could articulate and pursue "official" national health goals.

Two lessons emerged from how the "work" of the 100%/0 program surfaced in the Bureau:

- **Lesson 4: Around many federal programs, there are national goals beyond the reach of categorical programs that can be achieved by launching leadership campaigns with these programs as "platforms."** The mission and policy context of a categorical program and an agency can be used to legitimize and empower a leadership campaign on national goals. This program "platform" will shape the framing of the goal statement, the measures of the performance, and the game plan. It provides the networks, access, and events through which others can be enrolled in the campaign as partners.

- **Lesson 5: The leadership for national goal campaigns is already there, ready to be surfaced and focused.** Agencies must be ready to listen for the leadership already within their organization but frequently below the surface. A "safe space" must be created for this leadership to surface. Once it does surface, the first challenge is to put it into "action." The second challenge is to take the problem or concern and transform it into a big, ambitious, impossible goal that gives meaning to all those involved.

What does it take to nurture this kind of leadership inside an organization?

As the leadership team stepped out into this work, it found that the nurturing of the team had to come from the engagements it had with others and how the team reacted to them. There was no mentor or boss to turn to. The team had to mentor itself.

As the 100%/0 team described the campaign to those outside the Bureau and outside the federal government, they were greeted with enthusiasm and support. An external meeting was almost always energizing, creative, and productive. This validation and affirmation was a market test of the campaign. It was the primary source of energy and high morale for the team.

Inside the Bureau, the response was not always so affirming or positive. It was clearly a major challenge to launch a campaign like this within an organization that did not have clearly "assigned" responsibility for the national goal. Legitimate and natural forces resisted. These reactions had to be managed, or the team would become discouraged.

Resistance showed up in two ways: criticism from colleagues within the Bureau and volunteer anxiety. In 1999, the team scheduled a briefing with each member of Dr. Gaston's executive team to enroll the agency's other managers in the effort. The meeting was to explore ways that the work of the entire Bureau could be used as a platform for enrolling communities and finding models that worked. The response ranged from mild support from a few to harsh rejection from most.

There were many negative emotions and criticisms that hit the team. They heard statements that sounded critical:

- "As stewards of the federal dollars, we shouldn't be putting money or staff resources into anything but direct service delivery grants. Everything should be directed to serving patients."
- "This campaign is not in my job description. It looks like and feels like more work. There is no reason for me to take it on."
- "That is not our mission or role or responsibility."
- "Hogwash! I do not believe it is doable. Communities can't do it. We don't know how to show communities to do it."
- "This campaign work is a criticism of the effectiveness of our programs and it is inappropriate."
- "We are about health centers and health corps placement. Period."

Team members remember this as an unpleasant exercise:

> "At that time many of the other managers saw us as quacks, as out-of-control entrepreneurs." — JIM MACRAE
>
> "I was frustrated at their reaction. Not that they didn't get it, but that they resisted trying to get it. It was the unwillingness to even entertain it. They had great security in the status quo. I could see where the investment would have a big payoff, but they didn't see the possibility. It took the wind out of our sail … but we regrouped and repackaged the message." — REGAN CRUMP

The experience created important leadership values for the team and the campaign. They heard the criticism, but did not take it as a veto. They heard a “no” to their request for help and support, but they did not get defensive and they remained open to working with those who made critical comments.

Many staff, however, stepped forward to help. They were bright, highly educated, serious people ready to work, to lend a hand. In return, they wanted to be told what tasks to do and to be given the resources to do it. Task activity began to grow:

- “We need forms to fill out whenever any staff person engages a community.”
- “We need someone to collect the data and produce reports.”
- “We need to set up a committee to define what a community is.”
- “We need to define what 100% access is so we can tell the communities.”
- “We need a list of technical assistance we can offer communities. We need a technical assistance tool kit.”

The campaign created anxiety among the volunteer staff: “How does this relate to my performance plan? What is the budget?” The leadership team found itself under great pressure to organize all kinds of special projects that gave this work legitimacy and resources. The staff challenged them: “If you are serious, then let’s build a very well-defined system and put the resources we need into it.” As the activities proliferated and project resources failed to arrive, volunteer staff began to withdraw. One team member commented: “The staff retreated. They wanted to be helpful. They were initially interested, but this was not their primary jobs or their ‘real’ work. They were not committed to 100% access. And it was not their style.”

At first, the requests and offers from the volunteer staff seemed reasonable and logical. But soon the team saw that creating more task and project work would sink the campaign.

> “This campaign could not be accomplished in formal structure and rules. And we know government has structure and rules. This was a proactive, fluid movement. We went way beyond what we were legally required to do. It is part of our higher mission, but it could not be done within the structure in place to run programs.”
>
> “The campaign was the most exciting and interesting kind of work. It’s all about an idea, a vision, and getting people excited about it. It’s not related to a program. It’s not a program. It’s not contingent on having dollars to spend. If it’s approached as a program, it crashes. It’s getting people to just do something. It’s about commitments. That is the beauty of it.”

Three more lessons emerged during this phase:

- **Lesson 6: The leadership team has to see organizational resistance as natural and legitimate, and not hear it as a veto.** Leadership teams must manage the resistance they run into. Expressions of indifference, rejection, hostility, and cynicism will be voiced and will trigger anger and defensiveness in the team. The leadership team must create a mind-set that hears this as an expression of the need of staff to fulfill other existing commitments, rather than an attack on the team.

- **Lesson 7: The leadership team must avoid the creation of internal bureaucracy and the tendency to create special projects.** Without legislative and budget authority, more formal structures and special projects are not appropriate or sustainable. Progress is made instead by the leadership team changing how it does things that it would be doing anyway as part of its ongoing program responsibilities.

- **Lesson 8: The leadership team should spend most of its time with people who are ready to play and be respectful of those who are not ready.** Energy and morale came from positive conversations with people who, in turn, are excited about something. Most of these conversations will happen outside the organization. By definition, the resources needed to achieve the goals of the campaign are outside the Bureau.

What are the activities to be undertaken to work toward national goals?

A member of the original team described the work of the campaign as simple and easy:

> “This was easy. All we did was uncover what was already going on and put a spotlight on it! We didn’t create it or do it. We found people doing it, said ‘great job,’ showed it to others, and saw others start doing it. Shining a spotlight, encouraging those doing it, and giving courage to others to try it. People said, ‘Wow, it can be done.’ ”

As the campaign team developed its confidence and approach, it came to see its work and activities as different from traditional policy development, program management, or administrative work. Most work in organizations is

planned, with a certain level of resources committed to activities designed to produce a known result. Managers know how to get the results they want from these traditional activities. They know what they don't know and can secure the expertise that will cover those areas. Traditional work requires managers to be in control of sequential work processes. It's linear, convergent, and predictable.
The work of national goal campaigns is not like that. The goals are way beyond the resources at hand. It's about developing relationships to deploy other organizations' resources. The team doesn't know what it doesn't know. It's about generating possibilities and opportunities. The work is not linear. It is seeking multiple outcomes from activity and geometric leveraging. It's about divergent activity and paths. Finally, it is about having a bold goal, bold enough to contain all the divergent activities and paths and bring them back together.

This kind of work is not difficult to do. In fact, it turns out to be playful, improvisational, and fun. But until one gets used to it, this work can be very unsettling. It calls for the leadership team to step into a void where possibilities exist but at first cannot be sensed or seen. As the 100%/0 team did this, they began to develop a style and method.

The team campaign "method" that evolved had five important activities:

- **Developing networks:** Building partnerships to reach communities and deliver assistance.
- **Generating and managing commitments through requests and offers:** Creating action and movement with every encounter.
- **Seeking and deploying exemplars, models that work:** Providing blueprints for action that inspire and guide.
- **Sponsoring "call to action" events:** Creating events that contain "breakthroughs" in enrollment and progress and strengthen the networks working on the campaign.
- **Creating a signature style:** Engaging people in a way that generates commitments and makes things happen.

These five elements describe the nature and structure of the campaign. The strength and success of the campaign stems from the networks that join. The vision is conveyed by the exemplary communities showcased. The "call to action" events broadcast the campaign. The signature style is a way to be effective while doing the work of generating commitments through requests and offers. The methods of the campaign were all about a way of speaking that created action on the future envisioned by the national goal.

The experience with the five campaign activities was that it was easier and more fun than one might have expected. A major lesson emerged here about the campaign:

- **Lesson 9: Leaders tell leadership stories and, in doing so, cause others to make commitments.** Leadership campaigns to achieve national goals work when team members are telling their personal leadership stories and sharing the leadership stories of others. These stories are a celebration of "models that work." With these stories, they stand for the national goal as a possibility and, in that stand, cause opportunities to appear. These opportunities are seized in the moment by making requests and offers to generate commitments.

Conclusion

Based on my experience observing the leadership team at the Bureau of Primary Health Care in action over a three-year period, I became convinced that the leadership model of working toward a national goal is clearly applicable to leaders in many other departments and agencies throughout government. The final lesson that emerged is:

- **Lesson 10: "Leadership on National Goals" is a calling and a discipline that is available to all federal executives.** From 1998 to 2001, a small group of managers in one federal agency created a national movement. They produced results on national goals generally felt to be unobtainable. Their goal seemed beyond reach because it required intergovernmental and public/private sector collaborations. The BPHC experience shows how categorical programs can be platforms to create a critical mass of collaboration.

I believe that "Leadership on National Goals" is a kind of leadership that can be deployed by career and political executives throughout government. The potential leadership team is already just "below the surface" in many organizations, and existing programs have already generated the "hidden assets" that can be mobilized and deployed. The methods to use, while somewhat counterintuitive to an administrative or management culture, are available and teachable. National goal campaigns can deliver a high return on investments already made. ■

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New Perspectives on Leadership

By Mark A. Abramson

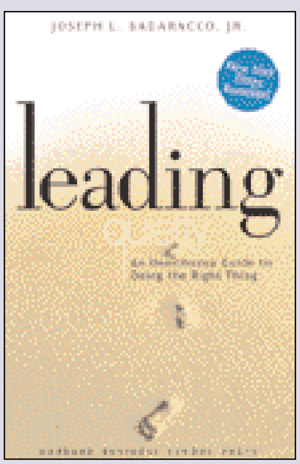
Each era develops its own unique view of leadership. The 1980s and 1990s tended to glamorize the leader at the top. Books by business leaders who turned around organizations were especially popular. Lee Iacocca's autobiography, *Iacocca*, was one of the best-selling books of the 1980s. The tradition of best-selling books by business leaders continues with Jack Welch's *Jack*. Books setting forth leadership lessons from history's great leaders—including Elizabeth I, Gandhi, Churchill, and Lincoln—populate bookstore shelves across the nation.

As we move into the 21st century, a new perspective on leadership is now evolving. In this perspective, leadership is hard work performed by people who are presented with opportunities to lead every day in their organization. It is not just the "leader at the top" who leads, but also individuals at all levels throughout organizations who are presented daily with opportunities to make a difference.

This new view is clearly presented in a series of recent books, all published in 2002. In *Leadership on the Line*, Ronald Heifetz and Marty Linsky argue that every day the opportunity for leadership stands before individuals. "Each day," write Heifetz and Linsky, "brings you opportunities to raise important questions, speak to higher values, and surface unresolved conflicts. Every day you have a chance to make a difference in the lives of people around you."

But leadership, write Heifetz and Linsky, is not easy. It can often be perilous, even dangerous, to one's career and well-being. Their book offers practical advice to individuals who put themselves "on the line" in the course of doing their everyday job. A major lesson from this book, as well as the other books cited, is that leaders have to think hard and creatively about difficult situations in which they may find themselves. In leading, strategies and tactics need to be developed to achieve desired outcomes. Heifetz and Linsky

READING ABOUT LEADERSHIP



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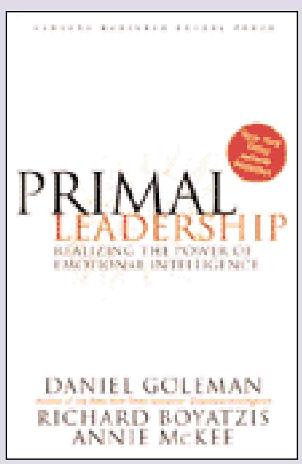

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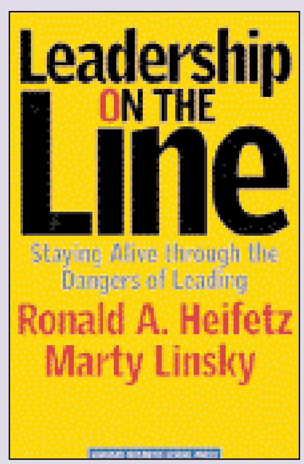
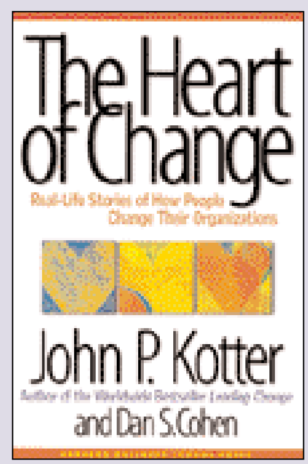
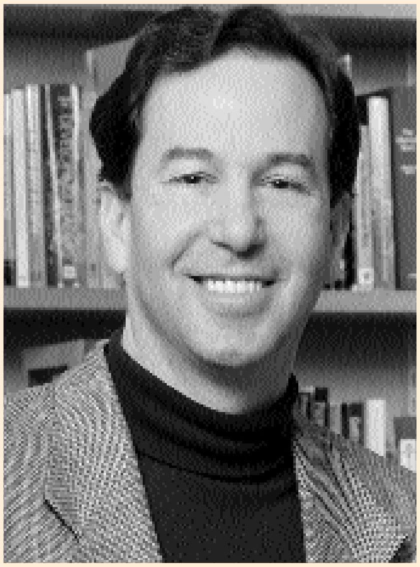


Ronald A. Heifetz and Marty Linsky, *Leadership on the Line: Staying Alive through the Dangers of Leading* (Harvard Business School Press, 2002)



John P. Kotter and Dan S. Cohen, *The Heart of Change: Real-Life Stories of How People Change Their Organizations* (Harvard Business School Press, 2002)

A Conversation with Ronald A. Heifetz Co-Author of *Leadership on the Line*



Mark Abramson: What are the key leadership lessons from *Leadership on the Line*?

Ron Heifetz: I think there are three major lessons. First, leaders must treat adaptive challenges differently than technical problems. The most common failure of leaders is to treat adaptive challenges as technical problems. With an adaptive challenge, people are the problem. If they don't change, there is no solution and no progress.

Second, leaders must recognize that leadership is an improvisation that requires ongoing midcourse correction in relation to the environment. Being a visionary is the easy part of leadership. Getting the politics of adaptive work is the hard part. The third key lesson is at the personal and diagnostic level. It is important to distinguish self from role. Leaders should not take personally issues and conflicts even when they may appear to be personal.

> **Technical Problems:** Problems for which people have the necessary know-how and procedures. These are amenable to authoritative expertise or standard operating procedures.
>
> **Adaptive challenges:** Challenges that require experiments, new discoveries, and adjustments from numerous places in the organization or community. These challenges require learning new ways—changing attitudes, values, and behaviors.

Mark Abramson: What are the unique challenges that people in the public sector face?

Ron Heifetz: The book was written to be applicable to leaders in all sectors. We wanted it to apply to leaders in the public, private, and nonprofit sectors. We believe it can even apply to people in their family life. But I do believe that people in political authority face special leadership challenges.

In the public sector, leaders need to juggle multiple conflicting objectives that can't be netted into a bottom line. That makes most government work adaptive, not technical. Government leaders must come up with adaptive solutions that parcel out the gains, losses, and changes among the various stakeholders of government—each of whom represent legitimate competing perspectives. I believe that government-work is an order of magnitude more challenging than much business work.

Mark Abramson: Why don't we see more leadership in organizations?

Ron Heifetz: Many leaders fail to lead because they intuitively sense that it may be too dangerous. The heart of danger is that change often involves losses. When leaders are asking people to engage in losses—even on behalf of potential gains—they fight back. There is danger involved in mobilizing people for adaptive change that makes leadership a much less common activity than we need.

Mark Abramson: What can career civil servants learn from the book?

Ron Heifetz: The book was written with careerists in mind. In the book, we talk about taking action that goes beyond people's formal authority. Anyone at the top of the civil service knows that there are important initiatives that require that they exercise leadership upward and across boundaries. This is in addition to leading downward in their organization. The book was written to help them think strategically about leading with and without formal authority. I hope people will decide that leadership is worth taking the risks they will encounter. In the book, we were trying to provide ways for people to navigate organizational waters in order to increase the odds for their survival.

place much importance on the need for leaders to consciously build effective personal relationships. When facing a difficult situation, they advise that those seeking to lead find partners, keep their opposition "close," and accept responsibility and acknowledge losses when necessary. Equally important, leaders must "orchestrate" conflicts by "controlling the temperature" and pacing the new work to be done. In giving advice on "holding steady," Heifetz and Linsky recommend taking the heat when appropriate, while always trying to focus attention on the major issue at hand.

Joseph Badaracco in *Leading Quietly* focuses on "ordinary" leaders rather than the "heroic" leader. These are individuals within organizations who move patiently, carefully, and incrementally. "They do what is right—for their organizations, for the people around them, and for themselves—inconspicuously and without casualties," writes Badaracco. "I have come to call these people *quiet leaders* because their modesty and restraint are in large measure responsible for their impressive achievements. And since many big problems can only be resolved by a long series of small efforts, quiet leadership, despite its seemingly slow place, often turns out to be the quickest way to make an organization—and the world—a better place."

After describing quiet leadership, Badaracco provides a "tool kit" of approaches that quiet leaders can take in resolving difficult situations in organizations. Instead of taking bold and swift action, Badaracco recommends a go-slow approach to problem resolution. He provides case studies of quiet leaders who consistently sought to "buy time" and "drill down" to uncover more information. His recommended approach is to "nudge, test, and escalate gradually." The hallmark of quiet leadership is to seek compromises, not total victories. While one can disagree with some of Badaracco's advice, his book is thought provoking and is clearly applicable to many leaders in organizations who are not necessarily at the top of their organization chart.

The "work" of leading and change management is also described by John Kotter and Dan Cohen in *The Heart of Change*. This book is a sequel to Kotter's *Leading Change*. In the new book, Kotter and Cohen present advice on what works and what does not work in bringing about change in organizations. The book includes 34 "stories" that serve as examples of tactics that can be used to bring about change. Those familiar with *Leading Change* will recognize the eight steps for successful large-scale change: increase urgency; build the guiding team; get the vision right; communicate for buy-in; empower action; create short-term wins; don't let up; and make change stick. The message of *The Heart of Change* is that leaders must move from an "analysis-think-change" approach to change to a "see-feel-change" approach. People do not change, argue Kotter and Cohen, based on persuasive analytical arguments. They change because they have been "emotionally" reached by dramatic visualizations of problems or solutions. It is emotionally charged ideas, not dry analysis, which change behavior or reinforce changed behavior.

Kotter and Cohen provide numerous examples of how to "emotionally" reach those in large organizations. They provide several examples of the use of video presentations to provide "dramatic evidence" that change is needed. In describing the job of the change leader, Kotter and Cohen write, "They show with a vehicle you can see, hear, or touch. This means a demonstration with gloves rather than a report on gloves. Change leaders make their points in ways that are emotionally engaging and compelling as possible.… They provide a means for the show to live on with physical objects that people see each day … or with vivid stories that are told and retold. But whatever the method, they supply valid ideas that go deeper than the conscious and analytic part of our brains—ideas with emotional impact."

The emotional side of leadership is the subject of *Primal Leadership* by Daniel Goleman, Richard Boyatzis, and Annie McKee. In building on Goleman's work on emotional intelligence, the three authors write that leadership works through emotions. They argue that a major task of leaders throughout modern organizations is to drive collective emotions in a positive direction and to reduce the smog created by "toxic emotions."

Goleman, Boyatzis, and McKee describe six leadership styles: visionary, coaching, affiliative, democratic, pacesetting, and commanding. The first four styles tend to build a positive emotional environment within organizations, while the last two all too frequently create a negative environment. The challenge for leaders today is to be aware of each style and the emotional consequences of the behaviors associated with each.

We have clearly come a long way from the heroic leadership model exemplified by historical leaders and "turnaround" business leaders. In the future, we are likely to see leaders emerging at all levels of an organization who act in a more thoughtful, sensitive manner than many of their predecessors. ■

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Anita J. Bizzotto

Chief Marketing Officer and Senior Vice President United States Postal Service

How many businesses can consider each and every household in the nation to be their customers? The United States Postal Service (USPS) is one the few organizations that can actually make that claim.

As chief marketing officer and senior vice president, Anita Bizzotto directs the marketing efforts at the Postal Service. When asked about the role of the marketing group within the organization, she described it as "establishing and maintaining relationships with our customers and growing the revenue to support the infrastructure that provides universal service." Improving relationships with customers is a key goal of the USPS, especially while the organization is trying to increase revenue to improve its financial situation. To do this, the USPS is taking a businesslike approach to better understand its customers and is using technology to improve products based on customer needs.

Gaining a better understanding of customers began with aligning the customer-facing parts of the organization. In the fall of 2001, a restructuring of the Postal Service brought together the marketing and sales functions under one line of service, allowing an integration of all the activities that serve customers. "Our service and market development folks and our sales folks know the customers, they understand the customer needs," says Bizzotto of the various responsibilities within the group. "They translate that back to the product folks who build the products to support those needs. The pricing people and the classification people build the product lines through the classification work to deal in the regulatory environment. The advertising folks go out and sell and make sure that folks are aware of the services. So it really is an integrated activity, and every point in that process is an important one to ensuring success."

One attribute of USPS customers is that they are not all alike and their needs are quite varied. From individuals who mail a few letters every now and then, to large companies with a million or more pieces per month, the Postal Service nonetheless has to fit the needs of the entire spectrum of mailers. "With a broad customer base, we have to spend a lot of time understanding them in ways that provide avenues for action as opposed to pieces of information," says Bizzotto. To do this, the USPS has divided customers into broad segments: individuals, small and mid market customers, and two levels of managed accounts called premier and national, which are comprised of the largest mailers in the country.

To address the different needs of these customer segments, the Postal Service relies increasingly on technology. Bizzotto speaks about the need "to move towards more customization of products and services for customers." A "one-size-fits-all" approach is no longer adequate, so the USPS is looking at ways to tailor its product offerings to specific customer needs. "We are looking for ways to broaden customers' access to our products and services and, at the same time, lower the cost of providing that access and providing those services," comments Bizzotto. Already, individuals can participate in activities such as paying bills online through the USPS website (http://www.usps.com/paymentservices/psconsum.htm). Another service currently being considered is allowing customers to print postage labels directly from their computers. Both of these services allow individuals a choice in how they use the Postal Service to take care of their needs, either by going to a post office window to conduct transactions or by going to the Postal website through their computers.

The Postal Service website, www.usps.com, is unique within the federal government because of its commercial "dot-com" extension, though it can also be accessed using ".gov." Why did the USPS decide to take this approach? Bizzotto explains that because of its transactional nature, the website "was looking more like a business, where folks could come buy stamps, pay bills, send mail, and '.com' was the way most people thought of reaching someone on the web."

The Internet is not the only use of technology by the Postal Service. Bizzotto explains how technological innovations allow the USPS to create more intelligent mail. "We're looking to technology as a way to add value to the mail and make mail more valuable to potential users of the mail," she says. "Technology provides us [an] opportunity to make the mail smarter and to add value to mail pieces, which we hope will drive additional volume and new customers." For example, a new service called Confirm would allow mid- and large-size

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[USPS MARKETING MUST CONTINUE TO] "FIND WAYS TO ADD VALUE TO THE MAIL; TO TURN FROM A WORLD WHERE WE RELY ON VOLUME TO ONE WHERE WE RELY ON ADDING VALUE TO THE MAIL AS THE FUEL FOR ADDITIONAL REVENUE OR ADDITIONAL VOLUME."

Radio Interview Excerpts

Anita J. Bizzotto
Chief Marketing Officer and Senior Vice President
United States Postal Service

LEADERSHIP

Good leaders know how to manage change. They surround themselves with the right people. They're not afraid to surround themselves with people that are better than they are in certain things. They fill their own gaps; they focus on a few things and make sure that they're done well.

POSTAL SERVICE MARKETING

On the role of marketing

The marketing group is all about establishing and maintaining relationships with our customers and growing the revenue to support the infrastructure that provides universal service.

We have to understand our customers' needs. We sometimes have to understand what they're going to need in the future and anticipate those needs. We have to develop the products and solutions to meet the customers' needs. We have to price those products and services correctly. And we have to make sure that folks know that they exist so that we can sell them. So marketing in the Postal Service is very much like marketing in any business. We have to acquire customers, retain customers, and look for new opportunities to generate revenue.

On the USPS cycling team marketing campaign

We've had a relationship with the U.S. Postal Service's cycling team since 1995. Lance [Armstrong] came to the team in 1998. Our research shows that the Postal Service and Lance actually share attributes that make him a really good spokesperson for the Postal Service. He's seen as being determined, he's seen as working very hard, he's being seen as someone who works to get the job done. Those are a lot of the same attributes that research shows folks think about when they think about Postal Service employees. So we think it's an incredible match.

We use Lance internally for inspiration, particularly around teamwork, but we think he's a great image for the Postal Service and we're really excited about the team.

On the Postal Service website

You can get to the Postal Service website using ".com" or ".gov." A few years ago, we decided to go with .com, for a couple of reasons. The website was becoming more of a transactional website. When we first put up our website ... it was primarily informational in nature. We quickly saw that there were opportunities to move more transactional work to the web. In that way, we were looking more like a business, where folks could come buy stamps, pay bills, send mail, and .com was the way most people thought of reaching someone on the web. So we thought it moved us towards a more businesslike model and actually made it easier for some customers to find us if they didn't know about the .gov extension.

FUTURE OF THE POSTAL SERVICE

On the move to electronic mail

That's always kind of tricky, and there are other situations like that as well that we deal with, but the fact is, customers are going to [make] a decision about how they [want] to do business. And if customers make a decision that they want to do business with their supplier, with their biller, or with their recipient using electronic means, they're going to make that decision on their own. We think it's best that we position ourselves in a way that we can capture that business and continue to serve that customer as we have for a couple of hundred years.

On the transformation plan

The transformation plan is all about ensuring the continued ability of the Postal Service to serve the American public, to provide universal mail service to every American regardless of where they live, what they do. It's all about ensuring that we can continue delivery to everyone, everywhere, six days a week. We're the only service that does that.

But if we don't do something now, given our current financial situation and the way the world has changed since the Postal Service was created back in the early 1970s, we're concerned about our ability to continue to provide that service and we're

"WE HAVE TO DEVELOP THE PRODUCTS AND SOLUTIONS TO MEET THE CUSTOMERS' NEEDS. WE HAVE TO PRICE THOSE PRODUCTS AND SERVICES CORRECTLY. AND WE HAVE TO MAKE SURE THAT FOLKS KNOW THAT THEY EXIST SO THAT WE CAN SELL THEM."

afraid that it would be in jeopardy. Today's model … we don't think it will continue to work in today's rapidly changing business environment. Mail growth is decreasing. For years, the Postal Service relied on continued increases in mail volume to fuel the business, and we've seen that start to change over the last couple of years, for any number of reasons. At the same time that mail volumes are declining, every year we continue to add about 1.6 or 1.7 million new addresses to the network. So the infrastructure is growing, and yet the mail volume on which we rely to support the continued growing infrastructure has started to slow. So we think that we need to look to another model for the Postal Service for the future, and that's really what the transformation plan is all about.

On measuring success

It's not as simple as it was when I was supervising in mail processing when, at the end of the day, if the mail was gone, you were successful, and if there was still mail on the floor, you were not. Certainly, we look at things like our market share, we look at revenue and volume as measures of our success, and customer satisfaction. So there are a number of measures of success.

Frankly, some of the work that we're doing now with the new marketing organization, we're working with a number of folks to take what had been success measures in different parts of the organization and build a set of success measures strictly for the marketing organization. But in the end, it's all about whether the volume and revenue is coming in, and if our customers are satisfied.

The Business of Government Hour's interview with Anita Bizzotto is available via Real Audio on the Endowment's website at www.businessofgovernment.org

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mailers to track mail they send via a special bar code placed on each piece. This type of service can be very useful in logistics and inventory planning.

The Postal Service does face challenges as it applies a businesslike approach to fostering customer relationships. "In many ways, we stop being much like a private concern when you start talking about going to market quickly with products or services, or pricing our products in a way that we can react quickly to the marketplace," she explains. While in many businesses, product pricing normally goes hand in hand with marketing and development, the Postal Service is subject to a lengthy rate-changing process in which even its competitors can have a say in the prices it charges. Bizzotto describes it as a "delicate balance" to work with all interested parties, sometimes resulting in a decision not to enter the market with a particular product or service that was planned.

The marketing group plays a key role in the USPS transformation plan, which outlines the short-term and long-term agendas for continuing a viable mail delivery service throughout the nation. USPS marketing must continue to "find ways to add value to the mail; to turn from a world where we rely on volume to one where we rely on adding value to the mail as the fuel for additional revenue or additional volume," says Bizzotto. The Postal Service's approach is now to enhance products through technology and to tailor products and services to multiple customer segments. ■

Anne H. Chasser

Commissioner for Trademarks
U.S. Patent and Trademark Office

The mission of the United States Patent and Trademark Office (USPTO) is "to ensure that the intellectual property system contributes to a strong global economy, encourages investment in innovation, fosters entrepreneurial spirit, and enhances the quality of life for everyone." The USPTO administers patent and trademark laws and advises the executive branch of the government on intellectual property protection issues. As commissioner for trademarks, Anne Chasser sits at the helm of the trademark organization within the USPTO. "Intellectual property is the economic capital of the United States," she says. "It's very important to protect the innovation for those that have developed the intellectual property." Innovation is certainly a key requirement for patent and trademark submissions. And to make the trademark application process smoother, the USPTO is also using some innovative concepts as it protects the country's intellectual assets.

If you're thinking about applying for a trademark, chances are you've already visited the USPTO website to find out how you can process a trademark application electronically. The Trademark Electronic Application System (TEAS) is an innovative, Internet-based system that has transformed the way the USPTO conducts business. The program was implemented in 1998 after being successfully tested as a pilot program, and it has been improving service to customers ever since. The key to success over the past four years, Chasser believes, is that customers have convenient access to the system through a website. "And so, because it's based on the Internet, it's a continuously improving process," she says. "We get feedback from our customers about different aspects of the application system, and we're able to make adjustments and changes fairly quickly.… The beauty of our system is the simplicity, as it's Internet-based. We heard loud and clear from our customers that we needed to make it a simple process."

The use of an electronic application system presents a significant departure from the way the agency used to operate. Maintaining the paper files of the past is still a challenge, especially with the Patent and Trademark Office preparing to move its headquarters to a new location in Alexandria, Virginia. For customers, too, the new process can be an adjustment. While the "early adopters" are eager to try out new technologies, other customers are cautious when it comes to using new processes, especially through the Internet. "I think one of the biggest challenges is that we're asking our customers to do business differently and to change their behavior," comments Chasser. To accustom new users to the electronic process, the USPTO has held information sessions for its customer base. In conjunction with the Patent and Trademark Depository Libraries located across the country, the USPTO has been promoting the use of electronic services by holding presentations for customers to explain how the new services can assist them.

While customers benefit from innovative solutions such as TEAS, employees also benefit from innovation within the organization. One innovative management program proving to be popular is the work-from-home program. The federal government has been encouraging agencies to allow working from home—or telecommuting, as it is known more broadly—for at least two years, and the USPTO is one of the agencies taking the lead to implement this initiative.

Chasser estimates that as of the end of 2002, over 40 percent of the examining attorneys in the trademark organization will be participating in the program, and more are eager to be approved. "Trademark examiners want to work at home because of lifestyle issues … also working at home actually provides more time to get the job done, because you're not sitting there in traffic." Chasser knows that the program is achieving positive results: "We are able to measure the work being done, because … we are an operation that has a deliverable."

To enable telecommuting, the USPTO sets up a desktop workstation at the employee's home, allowing the employee to perform many of the day-to-day responsibilities without coming to the office. Though the system is designed to meet the needs of employees working remotely, they are required to visit the office for at least a few hours each week for meetings and administrative responsibilities. While telecommuting may not be the answer for everyone, it does add to the menu of choices that employees have at the USPTO.

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"THE BEAUTY OF OUR SYSTEM IS THE SIMPLICITY, AS IT'S INTERNET-BASED. WE HEARD LOUD AND CLEAR FROM OUR CUSTOMERS THAT WE NEEDED TO MAKE IT A SIMPLE PROCESS."

Radio Interview Excerpts

Anne H. Chasser
Commissioner for Trademarks
U.S. Patent and Trademark Office

HER CAREER

On her background

My background is very unique. I came to the Patent and Trademark Office as a former customer of the Patent and Trademark Office. I knew firsthand the value of a valid trademark registration. My most recent position … was with The Ohio State University. I was the director of trademarks and licensing … and developed the collegiate trademark licensing program for Ohio State, which was one of the first schools in the country to register its trademarks.

On her role

I think that I have the distinct, unique opportunity of being one of the first commissioners who is not a lawyer. I think of myself as a businessperson because my job is … running a business. The skills that I learned in building a business from the ground up at an institution for higher education have come to serve me well in this role as chief operating officer for the trademark operation.

… with the implementation of the American Inventor Protection Act, my position as commissioner of trademarks changed from a presidential Senate-confirmed position to a five-year term position under an employment agreement with the Secretary of Commerce.

THE ORGANIZATION

On the workforce

We have a very, very interesting workforce at the United States Patent and Trademark Office. Our employees are highly trained, well educated, and number about 6,000. We have scientists, Ph.D.'s, engineers, and MBA's in our patent side of the house. And on the trademark side of the house, we have a staff of about 700 employees, 250 of which are examining attorneys, who have law degrees.

On USPTO milestones

In June [2001] we celebrated the 100,000th trademark application received electronically through our award-winning Trademark Electronic Application System application. And the recipient of that "award" was General Electric. In September 2002, we received over 50 percent of all new trademark applications electronically. That is a huge milestone for us to receive more applications electronically through the USPTO website than in paper.

On developing leadership

It's very important for leaders of any organization to be identifying and working with future leaders of the organization.… I personally try to identify those that have the spark and the passion, and you can just sense when someone is going to go places, and find challenging opportunities and experiences so they can grow and learn from successes and failures. I think you learn a lot through failure because oftentimes failure occurs when you're reaching outside the comfort zone and taking risks.

THE FLOW OF BUSINESS

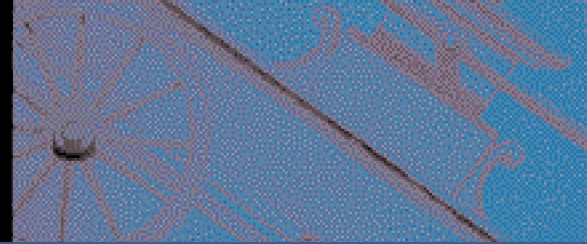
On trends

… we found that we reflect the economy. We did a tracking, and we saw that the trend lines in trademark application filings mirrored the NASDAQ from the 1990s. So as you can imagine the NASDAQ graph and the bubble in 1999 and 2000, we experienced that bubble where we saw unprecedented growth of 27 percent compounded two years in a row now. Can you imagine running a business that grew with that kind of a rate?

What we saw in 2001 as the bubble burst, we saw that happened to our trademark applications as well. Last year we experienced a 21 percent decline in trademark application filings over the previous year. Again in 2002, we saw a continuing decline of about 13 percent.

On adapting

When we saw the initial decline in filing and after we eliminated our backlogs, we redirected some of our highly trained



“OUR WEBSITE IS THE PORTAL TO OUR CUSTOMERS’ INTERACTION WITH THE UNITED STATES PATENT AND TRADEMARK OFFICE. OUR CUSTOMERS CAN CHECK THE STATUS OF THEIR PENDING TRADEMARK APPLICATION. THEY CAN … SEARCH FOR MARKS THAT ARE USED IN COMMERCE THROUGH OUR WEBSITE.”

examining attorneys to other areas within the trademark business that we haven’t been able to pay attention to these last several years, because we’ve been so focused on getting the work out the door. We’re working on infrastructure activities. We have detailed our examiners to the Office of General Counsel, to various offices that the trademark user’s fees support within the USPTO. It appears to be working well. We’re monitoring this very, very closely. We are communicating very closely with our examiners and our employees, because our employees are our most valuable assets, and it’s very important that we keep the lines of communication open. But it's difficult. Unfortunately, the filing levels continued to decline, and since we did not have the workload to support the previous staffing levels, we conducted a reduction in force at the end of September 2002.

COMMUNICATING WITH CUSTOMERS

Doing business electronically is very different than doing business in a paper-based process.… Our website is the portal to our customers’ interaction with the United States Patent and Trademark Office. Our customers can check the status of their pending trademark application. They can ... search for marks that are used in commerce through our website. Every week the trademark operation … publishes an Official Gazette, which is a publication that lists all marks that are subject to registration as a trademark. It provides an opportunity for public notice for those that believe that the mark may be confusingly similar with the trademark owned by an individual so that they can challenge that potential registration.

We believe that working through the website will enhance your experience of working with the Patent and Trademark Office. And we’re very pleased with the USPTO website. It’s an award-winning website, recognized by *Yahoo!* magazine as one of the best government websites available. In 2002, an Endowment report recognized the USPTO as the number one website in the federal government. We are pleased and proud to be on the cutting edge of e-government.

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Along with its work-at-home program, the USPTO stands out from other federal agencies because of its designation as a “performance-based organization.” In fact, the USPTO was only the second agency in the federal government to be named as such. A performance-based organization (PBO) has an organizational structure that allows for human resource and procurement flexibilities and that permits the organization to operate more like the private sector does. With those flexibilities, PBOs also have the responsibility of being held accountable to specific performance objectives.

One indicator of good performance is customer satisfaction, which is an important metric for the agency. For the past several years, the USPTO has issued a customer satisfaction survey, and as Chasser explains, “we’re very specific with our customers in terms of key drivers and what leads to customer satisfaction.” She describes it as an informative way to evaluate how well the agency is doing business.

“The capability of examining [applications] and dealing with customers electronically is all made possible thanks to the innovations in our office,” Chasser observes. Innovative Internet capabilities such as TEAS, as well as unique offerings for employees like the work-at-home program, are now helping the trademark office of the USPTO to better serve its customers. ■

The Business of Government Hour’s interview with Anne Chasser is available via Real Audio on the Endowment’s website at www.businessofgovernment.org.

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Mark Forman

Associate Director for Information Technology and E-Government Office of Management and Budget

Expanding electronic government is one of the five government-wide initiatives in the President's Management Agenda. And no one knows more about e-government than Mark Forman, the associate director for information technology and e-government at the Office of Management and Budget (OMB). In his role, Forman not only is responsible for expanding e-government across the federal sector, but also for overseeing all federal IT spending and serving as chair of the Chief Information Officers (CIO) Council.

Forman's office faces the challenge of overseeing federal agency approaches to e-government. One thing Forman quickly realized was that agencies had already started investing in e-government before the President's Management Agenda or the OMB scorecard existed. "We had more than 22,000 websites, 33 million-plus web pages," Forman says. "We're already online. That's not the problem. The problem is: How smart are we doing that? Are we doing it in a way to drive productivity?"

Part of the responsibility of Forman's office is to make sure that government agencies are proceeding in the right direction with electronic initiatives. Forman explains that the goal is to "simplify and unify" government services through electronic means. "At the end of the day, it's got to be simpler for a citizen to get service, to get their results, or to see their results," he explains. "And that means that we've got to operate in a way that unifies our investments.… So we're driving that within agencies, across agencies. We're evaluating how agencies are doing on a quarterly basis in both categories.…"

The vision for government, as Forman describes it, is "to become citizen centered and not agency centered. And the government has to focus on producing results." To help develop a strategy for realizing this vision, OMB created a task force to pick priority projects in four major areas: government-to-citizen, government-to-business, government-to-government, and internal efficiency and effectiveness. The task force later added a fifth category that addressed barriers to e-government.

Reducing a field comprised of hundreds of potential projects to 24 was a significant undertaking. Forman explains that the task force looked at several criteria in choosing the projects, including, first, "did it have a large impact in terms of how it affected the citizens and how many citizens it impacted? Second, did it save us in redundant IT investments? Third, did it free up government resources?" Other criteria the task force used to evaluate were a reduction in the paperwork and filing burden required for customers, the ability to carry out the plan in three-month increments so that it could be put in place quickly, and, lastly, a manageable level of risk.

A major focus was put on improving the government-to-business space, because of the large amount of interaction between businesses and government. When asked about the Business Compliance One-Stop project, Forman describes the critical "collect once, use many" approach. The government's paper-based processes cost businesses hundreds of billions of dollars in reporting requirements, of which many are redundant. If these thousands of transactions were merely to be moved online, the redundancies would still cause an expensive reporting burden. So, the Business Compliance One-Stop simplifies the interaction between businesses and government by using technology to collect information and then using it in multiple ways. "E-business is all about collecting once and using many; making it easier for citizens to apply, or businesses, small businesses, to apply, to comply with, to get service from the federal government. So the Business One-Stop really leverages a collect once, use many [approach]," says Forman.

Ultimately, there are some key indicators of success that Forman would like to see coming out of the projects. For one, response time ought to decrease. "You know, in the past, even for benefits, it typically took the federal government months," Forman says. "We want to get that cycle time down to days or hours." This is especially important for homeland security and other public safety issues, where decisions must be made in a rapid manner. Another indicator is that the initiative delivers an improvement in program productivity. Whether across agencies or within one agency, the initiative must link back to program performance.

In the end, Forman says, "my objective in how I measure the performance of my direct reports is in getting the federal agencies to green for that e-government score on their scorecard." Currently, the progress scores show an abundance of green, indicating that e-government is proceeding in the right direction. ■

"E-BUSINESS IS ALL ABOUT COLLECTING ONCE AND USING MANY; MAKING IT EASIER FOR CITIZENS TO APPLY, OR BUSINESSES, SMALL BUSINESSES, TO APPLY, TO COMPLY WITH, TO GET SERVICE FROM THE FEDERAL GOVERNMENT."

Radio Interview Excerpts

Mark Forman
Associate Director for Information Technology and E-Government
Office of Management and Budget

CAREER

I got my master's in public policy. I was going to stay and get a Ph.D. and do tax policy, and come back to the government and do tax and other economic policy. I went to school at the University of Chicago, and while I was there, it was laid out very clearly in the economics training that you had to really want to get a Ph.D. Economically, it was not a good use of your time. You had to do it because that's what you really wanted for your career. I instead went more on an operations research track.

When I finished up at grad school, I was lucky enough to be offered a spot in the Presidential Management Intern Program. And I went into the General Accounting Office [GAO] as one of the National Security Division Presidential Management Interns. That program gives you three-to-six-month projects, and you rotate through, generally at a relatively high level. During that time, I worked on a number of major government planning acquisition reform-type studies. I stayed there for a little over two years. I left to go to a company called TASC.

At TASC, I was doing professional services operations research for the Defense Department. From there, I went to another Defense contractor.… In 1990, peace was breaking out all over the world. And through my contacts from when I was at GAO, the Senate Governmental Affairs Committee, and the senior Republican, Senator Roth, was looking for someone who understood performance-based management concepts and understood it in a defense environment.

So for the next seven years, that's what I did on the Hill. I went out into industry to help implement a number of management reform laws related to the Clinger-Cohen Act, also called the Information Technology Management Reform Act, the Federal Acquisition Streamlining Act—a number of other bits and pieces of performance-based management concepts.

While I was at IBM, the e-business wave hit the public sector. So I led that for the public sector at IBM. I spent a few months at UNYSIS doing a very similar thing for them, when I got the call from the White House to come over and take this role.

CURRENT POSITION

On OMB's focus

In this administration, largely because of the President's background and Mitch Daniels's background as the director of OMB, we've inverted [the focus]. The policy priorities are set. We figure out how to manage that priority, and then we figure out how much money we need to manage that priority successfully. So, OMB management is now surfacing as the primary function—management of the budget. And, of course, that does carry the traditional budgetary functions with it. Basically, we're focusing on driving results. Productivity is my key focus on the management side.

On his job

This was a once-in-a-lifetime opportunity for any good government reformer.… The opportunity to have a senior policy-making position, to oversee and drive a lot of those reforms, is a once-in-a-lifetime opportunity. This is a new job. I'm the first person in it.

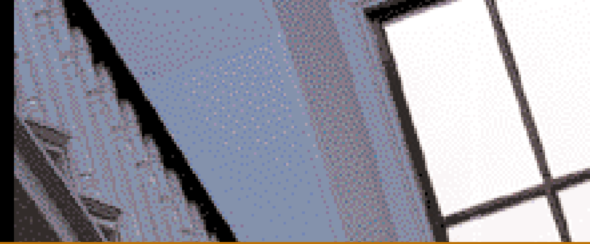
E-GOVERNMENT

On the definition

Our definition [of e-government] is the use of digital technologies to transform government operations in a way that improves effectiveness, efficiency, and service delivery quality.

On the goals

I use the moniker of "simplify and unify" to describe what we're driving. At the end of the day, it's got to be simpler for a citizen to get service, to get their results or to see their results. And that means that we've got to operate in a way that unifies our investments—some of us say "consolidate" our investments—around the citizen. So we're driving that within



"AT THE END OF THE DAY, IT'S GOT TO BE SIMPLER FOR A CITIZEN TO GET SERVICE, TO GET THEIR RESULTS OR TO SEE THEIR RESULTS. AND THAT MEANS THAT WE'VE GOT TO OPERATE IN A WAY THAT UNIFIES OUR INVESTMENTS ... AROUND THE CITIZEN."

agencies, across agencies. We're evaluating how agencies are doing on a quarterly basis in both categories, and we're reporting that to the President, and then he discusses it at the Cabinet meetings.

On internal efficiency and effectiveness

Internal efficiency and effectiveness is where we see the leverage between, for example, financial management, human capital, performance-based budgeting, and performance integration initiatives in e-government. If you take those as a whole, that's enterprise resource management, or ERP in the private sector. In the federal government, agencies are investing in ERP. But it works this way: The human resources directors buy a copy of the ERP, the financial managers buy a copy of the ERP, the payroll processing centers buy a copy of the ERP. We're buying enterprise resource management, but we're not doing it.

What that means for somebody working in the program, or somebody working in one of these back-office operations in the federal government, is that it's just as hard to do their work as it was in the old paper world. It came out very clearly in the task force that federal employees want a modern work environment. They want to be knowledge workers. They are knowledge workers, but the infrastructure doesn't support them. So these internal efficiency and effectiveness projects really provide for that human capital management, the modern ways people do their work. And it starts from their recruitment process, how they come into government, through how they're doing work. Just simple things like getting reimbursed for travel.… These internal efficiency and effectiveness projects all are simplifying that and making it easier for the employees to do their work, giving them that modern knowledge worker environment.

On making government more citizen-centric

We rely on state and local government to actually build that interface with the citizen. So we have to work with them much better than we have in the past. And this is one of the things that's new about the Bush administration.… Part of being citizen centered is that delivery channel.

The other part, though, is how we deal directly with the citizens.… Of course, in being citizen centered, you have to look at what the citizens want. So we rely on survey data and studies for that, web analytics and so forth. It's turned out that there's a tremendous demand for citizens to see the regulations, the rules that are being promulgated and to get control over that.…

Citizens want to drive accountability in government by actually seeing, being able to comment, being heard on their comments as it relates to proposed rules and regulations, and the processes of government. The Pew Internet report that came out a couple of months ago said, indeed, 42 million Americans have gone online to look at proposed rules and regulations. Twenty-three million Americans actually have commented on those.… Sixty-five million Americans last year downloaded documents from the Federal Register. Now, compare that to about five years ago, 1995 or 1996. Twenty thousand people got that information by ordering a copy of the Federal Register.… There were over three and a half million people in 1995 and 1996 who were buying copies of the Code of Federal Regulations, physical copies. That dropped to a million last year.… [There were] a hundred million downloads of the Code of Federal Regulations from the Internet. The people are online, and they are using that free democracy.

The Business of Government Hour's interview with Mark Forman is available via Real Audio on the Endowment's website at www.businessofgovernment.org.

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Major General James T. Jackson

Commanding General, Military District of Washington
U.S. Army, Department of Defense

Major General James Jackson is the Commanding General for the Military District of Washington (MDW). People familiar with MDW may know the organization as the keeper of Arlington National Cemetery and may have seen official public ceremonies or other events that MDW conducts.

Besides ceremonial responsibilities, another aspect of MDW's mission is to respond to disasters or crises within the Washington, D.C. area. That mission was tested on the morning of September 11, 2001, when terrorists flew a plane into the Pentagon. MDW quickly supplied troops to the area to support the disaster efforts. Describing the scene, Jackson recalls, "Well, we got there, and it was somewhat chaotic. And there were a lot of people moving about. There were some people who were trying to apply some coherency to the situation. And they were gathering up volunteers to assist in handling any casualties if they found them.

"The initial operation on the site was to apply some degree of coherency to what's going on, and the troops came in to backfill the volunteers. The volunteers weren't dressed properly, and their organization was rather loose, as you might imagine.…" MDW's involvement freed the Pentagon volunteers to make phone calls, go to their homes, see family members, and return to other responsibilities. The major general also pointed out that none of the military functions performed by the Pentagon stopped during the crisis.

Positive prior working relationships between MDW and other organizations on the scene certainly helped the efforts at the Pentagon to move forward. MDW operated closely with the Arlington County Fire Department and the Federal Bureau of Investigation (FBI) during this time. This collaboration was helped by the fact that MDW often works together with these groups and others, and the relationships that have developed are extremely important. "The value of … the interdepartmental and interagency work that we did was manifested by our relationship that we have established over time, because we live in the city, we work in the city, we know these people. We talk to them, we review our plans together, and we have a relationship," comments Jackson.

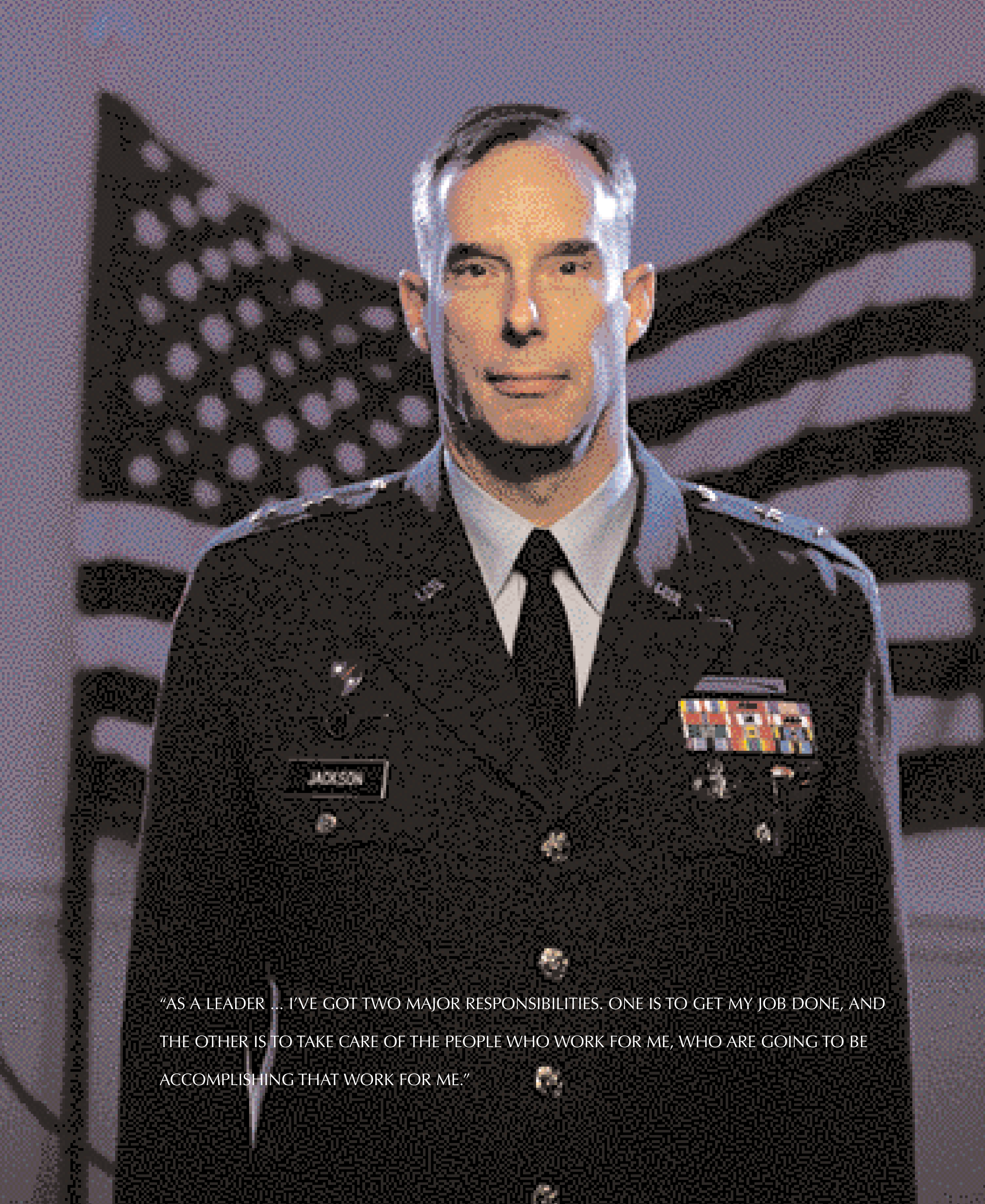
The Military District of Washington consists of about 7,000 personnel, with both military and civilian members. Jackson says it is working with these individuals that makes his job so fulfilling. "When you work with people, you are always surprised, because people do so many different things," he says. "I have found working with people to be a really exciting part of the job." Jackson also downplays the difference between civilian and military personnel. The most important characteristics are capability and dedication, along with the desire to do a good job. When those characteristics exist, he maintains, the cultural difference between the two groups is not a barrier to success.

Involvement with people is very important to the major general. In fact, taking care of the people in his charge is one of the responsibilities of effective leadership that he named. "First of all, as a leader … I've got two major responsibilities. One is to get my job done, and the other is to take care of the people who work with me," he said. Another important characteristic, he notes, is the ability to change. Leaders are able to adapt smoothly from one situation to another, which is especially vital in light of the changes in the way we live in this country after September 11.

Like any leader, Jackson faces management challenges unique to his organization's role and mission. In its role overseeing Arlington National Cemetery, MDW runs operations and coordinates ceremonial events, such as funerals. The cemetery can have as many as 28 funerals occurring in one day. In Jackson's view, the biggest challenge is the diminishing space within the cemetery. For this reason, long-term planning is vital.

Again, the people are one of the reasons Jackson cites to explain why events at the cemetery run so smoothly. The dedication and seriousness of the soldiers who participate are most important. "[E]very time I've witnessed a funeral, I've never seen anything but a tremendous sense of dedication and desire on the part of everybody to render those honors properly," he says. With the high emotional level of the families who participate in funerals there, the dedication required to ensure everything happens properly is very important, he observes.

After 30 years in the Army, Jackson encourages young people to keep learning and to be prepared for new challenges. With that in mind, he notes, the experience is sure to be rewarding, as it has been for him. ■



"AS A LEADER ... I'VE GOT TWO MAJOR RESPONSIBILITIES. ONE IS TO GET MY JOB DONE, AND THE OTHER IS TO TAKE CARE OF THE PEOPLE WHO WORK FOR ME, WHO ARE GOING TO BE ACCOMPLISHING THAT WORK FOR ME."

Radio Interview Excerpts

Major General James T. Jackson
Commanding General, Military District of Washington
U.S. Army, Department of Defense

BACKGROUND AND DUTIES

On his career

I come from a military family. My father served 33 years, World War II, Korea…. I respond to people who ask me where's my hometown, that I really don't have one. I've been all over the country.

I've served 30 years. Started out after graduation from college serving in the 82nd Airborne Division, and then continued to multiple assignments with some Special Operations units and some with the Airborne forces, primarily in the light infantry side.

A variety of different command and staff positions have ultimately brought me to here. I've served overseas in Korea twice, across the United States in multiple different locations. I was checking the other day and reminded myself that in 20 years of marriage with my wife, we've moved 13 times. So we tend to move a lot. And I have in the meantime been able to raise three daughters that are great kids.

On the organizational mission

I have three major missions. The first one deals with something we saw during 9/11, which is to respond to any crisis or disaster or any kind of special security operation inside what we call the National Capital Region, which is just roughly a big goose-egg in and around Washington, D.C., Arlington, and the surrounding territory.

The second one deals with providing base operations support for five different installations that work for me, ranging as far away as Fort Hamilton, New York, in Brooklyn, and as far down south as A. P. Hill, Virginia.

And then the last one is … the official ceremonial part of our business and public events.

MANAGEMENT IN THE MILITARY

On effective leadership

I would come back to things that have always stuck with me. And, first of all, as a leader, I've always carried with me—I've got two major responsibilities. One is to get my job done, and the other is to take care of the people who work for me, who are going to be accomplishing that work for me. And if you think about those two things in the way you deal with people, you really can't go wrong. And I guess the third thing I would tell you, I label … the character trait of the ability to adapt to change as being the most significant.

On change and learning

And how do you adapt to change in your environment? 9/11 brought some changes to the way we live in this country. The question is: How do we adapt to deal with that change? Good leaders, great leaders can do that.

From a management perspective, you're growing every day. If you aren't improving and growing and learning in everything you do, then you have no business being where you are. And I think any major CEO or CEO of any organization would tell you the same thing: He's learning every day.

On interagency relationships

The value of the interdepartmental and interagency work that we do was manifested by our relationship that we have established over time, because we live in the city, we work in the city, we know these people. We talk to them, we review our plans together, and we have a relationship.

That relationship is built on trust and on capability. We understand what each of us brings to the fray, and what things we should be able to do. And we don't look at doing someone else's job; we do what we can do best. And in this case, it worked out exceptionally well. The people that we worked with on 9/11 were just wonderful folks, and great leaders and great people in their communities.

"THE U.S. ARMY IS GOOD AT MANY THINGS. BUT SOME THINGS WE'RE NOT AS GOOD AT AS THE PRIVATE INDUSTRY. AND SO THE DESIRE IS TO GET THE EXPERTS TO DO THE THINGS THAT THEY'RE GOOD AT, AND LET US GO BACK TO DOING THE THINGS WE'RE GOOD AT."

The interesting thing is the relationships that we built have just increased in significance, in that we still talk to each other, go see each other, and spend time together. And that's what makes things work, is that interrelationship that we've built.

NEW CHALLENGES

On security

Well, the most significant [adjustment] that we're dealing with right now is the added security that we've established on all our installations. In fact, we started drifting towards that back in August 2001, with the attempt to get back to controlling access to our installations, because they do house a lot of people and some sensitive assets that need to be protected.

So we were well on our way. And so, since September 11th, we have just continued on that and remained at the high level of alert that we're at.

The other thing that I would offer is more of a broad-brush approach, and that is to deal with change in itself. Obviously, since 9/11, lots of things have changed. And so as those things change, they cause other changes. And we have to deal with those on a day-to-day basis.

And those kinds of things are happening. Not just the security on bases, but other things that we've become more attuned to—for example, cyber security. We're talking about reviewing all our contingency plans, taking a look at them, seeing if we can improve some of our communications capabilities, and the other things that we might be able to do to make our response to something like this, or something similar to this in the future, go better.

On private sector partnerships

… the U.S. Army is good at many things. But some things we're not as good at as the private industry. And so the desire is to get the experts to do the things that they're good at, and let us go back to doing the things we're good at.

Running installations and providing utilities to an installation is not something you learn about in the Army. We ought to go out and find those experts. So that's what we're doing. We're trying to bring them in—all with the stated goal of being more efficient and effective with the dollars that the taxpayers give us.

… the Army decided the best way to do that [improve base housing infrastructure] is to partner with private firms who build houses. We [will] pay for them by using the housing allowance that we receive—if you own a house and you're living off the installation, you forfeit that when you move into government quarters.

Well, in this case, we won't forfeit it anymore. We will take that money and pay the private contractor who has built the house. And they're contracting to do this, or building this partnership for [the] long term. The one up at Fort Meade is … tied in for 50 years right now.… The novel approach here is that we have an American business that is not necessarily concerned with instantaneous gratification or profit. The [private contractor] is building his program to make money over 50 years. And he's partnering with the military to do that.

We are going to get newer houses, better-maintained houses, while he gets a long-term return on his investment. This is novel.

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Terence H. Lutes

Director of Electronic Tax Administration
Internal Revenue Service

For an agency like the Internal Revenue Service, the shift from paper- to electronic-based forms of processing means a substantial change in the way business is conducted. But, clearly, the change has already arrived, as indicated by the growing number of tax returns filed electronically every year. In 2001, over 40 million files were submitted electronically, and in 2002 the figure grew to about 46 million, according to Terence Lutes, director of Electronic Tax Administration at the Internal Revenue Service (IRS).

The Electronic Tax Administration's role within the IRS is to develop and operate electronic products used by citizens and tax professionals. "We had a study at IRS that made the determination that this really appeared to be the future, and was going to appear to be what people wanted to do and the way they would interact their business with government, using this new thing called the Internet," explains Lutes.

Though a public desire for electronic filing seems to be growing, Lutes points out that often agencies tend to see electronic possibilities merely as a way to cut costs, not necessarily as a way to please customers. "A lot of times, a government agency … focuses on, 'What can we get out of it?' " While this approach may achieve some results, it is not necessarily the best driver for change.

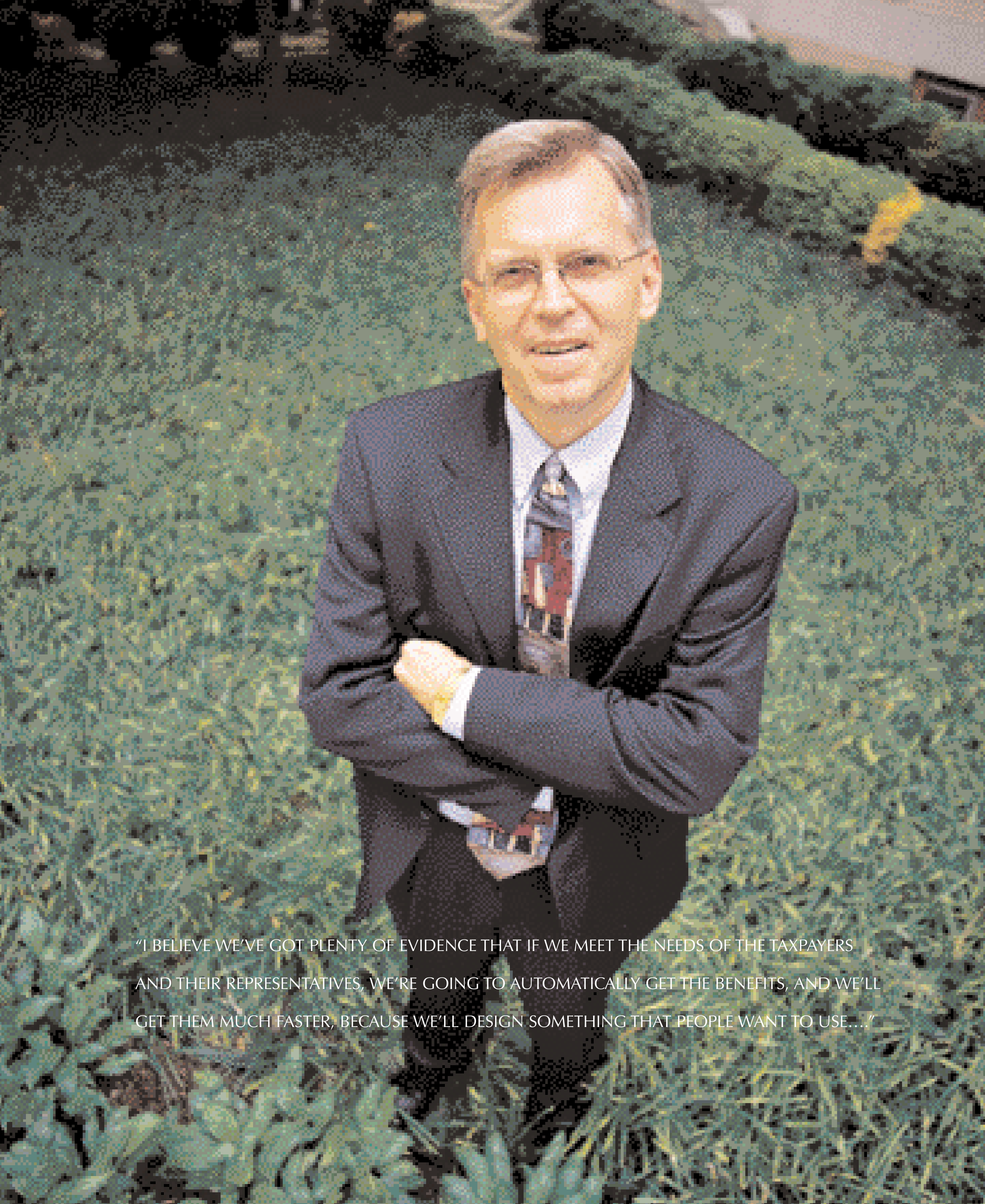
Lutes stresses the importance of first starting with the customer perspective, understanding what the customers want, and then working on how to create the right processes to achieve those goals. Ultimately, both customers and the IRS benefit from this approach. Says Lutes, "I believe we've got plenty of evidence that if we meet the needs of the taxpayers and their representatives, we're going to automatically get the benefits, and we'll get them much faster, because we'll design something that people want to use.… If you design it right, if something is good enough, people will steal it from you, you don't have to ram it down their throats, and so we're trying to take that approach."

Taxpayers want an e-file system that is understandable and easy to use, so that the tax filing process becomes quicker, easier, and closer to error-free. For the IRS, in turn, this means less processing work and data entry are required because fewer errors occur. Furthermore, the IRS does not need to spend energy touting the benefits, because the benefits are immediately recognizable.

The challenge, according to Lutes, is not to take the paper process and convert it directly to an electronic one. "You've got to be willing to reinvent the way you do business, because it's not very efficient to try to do the web in a paper way," he says. In the paper world, the IRS has three forms for individual filers to choose from, depending on the complexity of the tax return. But in the electronic world, there is no need for three separate forms, since the information entered is simply captured as electronic data. "Many of the software packages, even if you do it yourself, you answer a series of interim questions, you don't even realize you're doing a tax return, and at the end of the process you've got the data that creates a return," notes Lutes. The need for customers to pick the correct form they need to use no longer exists. This is an example of the rethinking of current processes that is needed to achieve successful electronic conversion.

While the number of taxpayers and tax preparers submitting electronic tax returns continues to grow, not everyone has begun to file electronically just yet. This means that the IRS must continue to run both electronic and paper processes in the interim. But Lutes says providing the dual process hasn't presented a huge problem for the IRS: "We actually process the electronic returns through the same system that the paper returns are processed, and we just get it all done faster," he explains. The main difference between the processing of the two types of returns is that a fewer number of employees handle error resolution for the electronic returns. What helps the IRS to be successful in this area is that employees know that providing improved electronic services is a key component to the agency's vision. "They understand the importance of this to the future of the organization," Lutes says of the employees.

Despite the challenges of shifting away from old paper-based systems and moving into the electronic era, the IRS has achieved much success in electronic tax filing thus far. With regard to electronic filing, the IRS is creating and working toward a vision of what it wants to achieve for itself and for its customers. ■



"I BELIEVE WE'VE GOT PLENTY OF EVIDENCE THAT IF WE MEET THE NEEDS OF THE TAXPAYERS AND THEIR REPRESENTATIVES, WE'RE GOING TO AUTOMATICALLY GET THE BENEFITS, AND WE'LL GET THEM MUCH FASTER, BECAUSE WE'LL DESIGN SOMETHING THAT PEOPLE WANT TO USE...."

Radio Interview Excerpts

Terence H. Lutes
Director of Electronic Tax Administration
Internal Revenue Service

HISTORY OF THE ORGANIZATION

We created the Electronic Tax Administration to create an organizational focus on [the Internet]. We did this in 1997, and the program has grown fairly significantly. We went from about 50 employees in the beginning of the organization to around 200 at our peak, and now … have about 150 people remaining. But the timeline for this transition is rather significant because we've had to take a look at: How do you do e-government? How do you do e-business?

SERVING CUSTOMERS BETTER

On determining customer needs

We've done a number of things. Let me just give you a couple of examples. On the individual taxpayer side, we have been doing a lot of market research since 1987. We have a marketing firm; we have an internal research organization; we are continually doing customer surveys about what they like, what they don't like, what improvements, what keeps them from e-filing, why do they e-file. And that's how we've been improving the 1040 [tax filing form]. On the business side, we've been developing a new program.… Before we've even had one line of code written in terms of how this is going to work, we've visited with corporate taxpayers. I've personally spent time in the tax department of one of the largest corporations in this country, trying to understand their processes.

On customer reaction

If taxpayers are trying to file a return electronically, or the practitioner is, and it rejects and the system goes down, if it were to go down for two days … they're just going to file paper, and they may not even come back and try next year. One of the things about the e-government and the electronic world is the customer expectations are so different here than they are in the paper world.

On the relationship between the IRS and its customers

It's a challenge for us to keep up with the [customers'] expectations, because they expect "if I can do this with my credit card company, if I can do this with my bank, then why can't I do this with my government agency?" Whether it be IRS or anyone else. And so I think we've really had a challenge to stay ahead of those expectations. One of the things I keep saying: How do we get to the point that we never allow the kids growing up today to even learn how to do a paper return ... in the first place? So they will automatically look to do things electronically.

On rebates and other incentives to e-file

That's a political decision, but I think there are a number of things that we can continue to do to make the program grow aside from that. One interesting side point is … you would assume that price is a major determiner, but we have some indication that price elasticity in terms of impact of price on how taxpayers make decisions is not that great. For example, you would think that people who pay $300 to a tax professional, once they can buy $30 software to do the same thing would go to the $30 software. That's not what happens. People either choose to go to a professional, or they say, "I'm going to do it using software," "I'm going to do it at my kitchen table." And so what we're looking at is the … private-sector-type research. What are the things that would incentivize people, what would encourage them, what are the marketing messages that sway the day? And we think reducing tax burden, faster refunds, and the administration's proposal to extend the due date for balance due taxpayers so they can hold their money longer are the kinds of things that will probably have more impact than a rebate, which is probably relatively small.

INNOVATION AT IRS

On the agency's e-government initiatives

[There are two e-government] initiatives, one of which was originally called STARS, which was essentially an acronym for an office that was trying to simplify employment taxes. We've changed the name of that to Expanding Electronic Tax Products for business to encompass the initiatives we've got not only for the employment tax responsibility that business

"HOW DO WE GET TO THE POINT THAT WE NEVER ALLOW THE KIDS GROWING UP TODAY TO EVEN LEARN HOW TO DO A PAPER RETURN ... IN THE FIRST PLACE? SO THEY WILL AUTOMATICALLY LOOK TO DO THINGS ELECTRONICALLY."

have, but the basic filing requirements, their corporate returns.… We're really talking about the broader need to meet the needs of business. We started with the 1040, which are individual taxpayers, although many of those are small businesses that file 1040s also, but now we need to move that same success into the arena of the business filer. So it encompasses a range of initiatives that we already had under way when the Quicksilver projects were announced.

The second project is what's called EZ tax filing, and the initial concept there was to enable taxpayers to be able to file on the web for free. There was some thought initially … that IRS ought to have its own software on the web that you just pick forms up there, and with some wizards, this would be very usable.… [But] that's not really a business that we have a strong desire to go into. What we're actually doing is working with the software companies—who, to their credit, for a number of years have offered free Internet filing to a significant number of taxpayers—to expand those offerings to cover a wider range of taxpayers.… But that initiative is really to expand that offering.

On competing with the private sector

In essence, if you view the tax professional community, ranging from CPAs to enrolled agents that are licensed to practice before IRS, or to people who just simply put up a sign and they prepare tax returns, every time we print a form or mail out a tax package or provide them in the post office, we're competing with the private sector.…

I think the concern around this issue has been, since the software industry already exists in this country, and since it was to a large extent encouraged by IRS—because in the early days of e-filing we couldn't do it without them— … that we should not enter [the market] and have our own software product, because then we would be competing [with the private sector].… But, of course, other people say, "This is new technology, it provides new tools, it doesn't make sense for the government not to take advantage of it." So what we're trying to do is work with industry in partnership. The objective is to make e-filing readily available to everybody in this country. We're trying to find ways to do that and to do that without becoming a software company.

On future services

We talk about a couple of things. We talk about ultimately a virtual office or cradle-to-grave tax processes being on the Internet. The technology exists to do anything you'd have to do with the IRS … on the web, and give you the choice of the web, the telephone, the office mail, and create those choices. In order to get to that ultimate vision, there are a lot of building blocks that have to occur. Next filing season, we will have the very first taxpayers on our modernized CADE, Customer Account Data Engine, where we will process tax returns straight into the new master file and be able to issue refunds much faster, update accounts real time so that our customer service folks can see and can answer questions, saying this is exactly the state of your account and can actually update it online as opposed to waiting for some weekly batch process to occur.

Later this year, we anticipate offering the first non-filing services. Taxpayers will be able to go on the Internet and check on the status of whether we have their return and the status of their refund. Later this year, we will be able to provide transcripts of taxpayers' returns that they request, and will actually be able to do secure e-mail with tax professionals who have power of attorney to represent their client so they can interact by e-mail. That's the first of a whole series of interactions that we will ultimately make available via the web.

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Gloria R. Parker

Chief Technology Officer
Department of Housing and Urban Development

At the Department of Housing and Urban Development (HUD), one of the main goals for Chief Technology Officer Gloria Parker is making sure that HUD customers benefit from electronic government. “E-government supports the fulfillment of HUD’s mission by leveraging electronic commerce to promote healthy homes and viable communities,” says Parker. “E-government enables HUD to provide value-added services while empowering its citizens, its business partners, and its employees to transact business with the department in a virtual environment.”

Parker sees little difference between e-government in the public sector and e-commerce in the business world. According to her, both involve the “ability to move products, values, and services in an electronic manner.” When it comes to e-commerce, Parker knows what she is talking about. Parker began her career in systems engineering with the IBM Corporation and played a part in the rollout of some of the first ATMs in the banking industry. At IBM, she later became a marketing manager and account executive. Parker’s first government experience was serving as the chief information officer at the Department of Education, before joining HUD.

HUD’s strategic plan for e-government within the department closely mirrors the government-wide initiatives set forth by the Office of Management and Budget. The HUD plan centers around serving the needs of three groups: citizens, business partners, and HUD employees. One program developed under the plan is a physical assessment inspection that enables the department to receive electronic data on the appraisal of single-family homes. Another e-government initiative allows HUD partners to apply for benefits to revitalize urban and economically deprived areas. HUD also has in place a travel management system, which is being used as a best-practice model for a government-wide electronic travel initiative.

One challenge faced by HUD, and many other agencies, is overcoming barriers to e-government faced by some of its customers. Parker asserts that HUD has been attuned to this concern. In 1995 the Neighborhood Networks program was put into place, which supports community technology centers throughout the country. “Today in urban centers and rural towns across America, more than 1,000 Neighborhood Network centers are putting the power of technology in the hands of all people,” she says. HUD also performs outreach efforts such as focus groups and surveys that help identify which information channels will allow the department to reach the most people.

Parker says that the feedback from HUD stakeholders indicates their excitement about being able to conduct business with HUD online. As an example, she notes that public housing residents now can look up information on public housing authorities before they apply. In addition, HUD lenders and mortgage companies are benefiting from loan insurance processes that now take hours instead of days. “Our partners are ecstatic about those kinds of initiatives that have helped us to enhance our processing time and promote efficiencies in delivering our services,” she says.

Throughout the federal sector, Parker sees good customer relationship management, as well as good leadership, as best practices in the expansion of e-government. “Valuing and acting on the needs of customers is key to moving e-government forward, and executive leadership in support of e-government initiatives is also a critical success factor,” she says. Parker’s current management focus is on making her office more customer-centric. This means orienting her office to focus on customer needs and develop initiatives from there.

Besides leading the department’s e-government initiatives, the chief technology officer plays a lead role in improving internal technology systems that allow HUD to fulfill its mission. To improve its technology-driven internal processes, HUD is implementing commercial-off-the-shelf (COTS) package systems in several areas, instead of building systems from scratch. “The reason we implement these packages is because government is moving away from feeling that we have to sit down and develop code for all these large systems,” Parker explains, noting that it does not always make sense for agencies to build their own systems because of the expense.

Furthermore, the department has come to realize that not all of its processes are unique enough to justify building their

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"THOSE MUNDANE, DAY-TO-DAY OPERATIONS, TECHNOLOGY CAN DO THAT. LET TECHNOLOGY DO WHAT TECHNOLOGY DOES BEST AND SAVE THE HUMAN BRAIN TO CREATE THE VISIONS, OVERSEE THE ACTIVITIES, AND FOCUS ON GETTING THE RESULTS."

Radio Interview Excerpts

Gloria R. Parker
Chief Technology Officer
Department of Housing and Urban Development

BEING A LEADER

On becoming a change agent

If you don't change in the private sector, you are not able to keep up with the market, you can't keep your margins, and you can't keep your market share. You're constantly changing and competing.… Just about everybody in the private sector eventually becomes a change agent, whether they want to be one or not. The public sector is not quite that fluid. So coming into the public sector for me was really an opportunity to literally see my own efforts causing major and significant change, as opposed to the constant change that, in my opinion, goes on in the private sector, typically put in place by the corporation itself or just the market itself forcing change.

On achieving a vision

There's not a lot of marketing that goes on in the public sector. I believe that my ability to market to the principals in the agencies where I've been and help them to understand the overall benefits of the investments in technology and the changes and the vision that I have put in place helped me to gain their support and to begin to move my vision forward.

E-GOVERNMENT

On its definition

E-government is the interchange of value, including products, services, and information, through an electronic medium. It includes interactions and relationships of government to citizen, government to business, government to government, and internal efficiencies—government to employees.

On its benefits

As part of the e-government strategic plan, we talked about efficiencies and being able to reengineer our business processes to make those more efficient and have a much better operation to increase or enhance our productivity. Today, we are beginning to see a serious reduction in [the] paperwork burden. We are meeting our paperwork reduction requirements. The only way you can do that is to implement e-government strategies within HUD so that employees are moving more from paper-based functions to more electronic functions.

We have put a lot of information out on our website that our citizens can read themselves and understand themselves. We put it out in kiosks so people in the neighborhoods that we serve the most can go right up to the kiosk and get their information. That reduces the number of phone calls and correspondence between HUD employees and the citizens. As a result of that, it frees up the HUD employees to focus more on the mission of HUD and to put even better programs in place rather than to do things that the technology can do.

TECHNOLOGY

On commercial-off-the-shelf systems

In the past, I think government felt that they had to always build their own systems from scratch because they felt that they were so unique that nobody else ever did what they did. It only makes sense to understand that everybody does human resources and everybody does finance, and somebody has taken the time to build these systems. It's a lot less expensive, a lot more efficient and productive for us to utilize those systems that are already out there.

We focus very heavily on utilizing COTS [commercial-off-the-shelf] packages to the extent possible. In fact, a person at HUD will get grilled if they come in saying that they have to build a system from scratch. We ... look for solutions that already exist so that we can save time and money and increase our productivity....

I am very excited about our efforts, particularly in our capital planning and IT investment processes, where we've looked at reducing and eliminating duplication of systems, going to COTS packages, looking at opportunities to bring all of our organizations together and share data resources.…

"WE ... LOOK FOR SOLUTIONS THAT ALREADY EXIST SO THAT WE CAN SAVE TIME AND MONEY AND INCREASE OUR PRODUCTIVITY ...

On change

I believe [the problem is] that age-old, "well, we've always done it that way." Well, it's time to change, because now we're no longer looking at what we've always done, we're looking at cost and efficiencies. In looking at projects from that angle, you have to reengineer your processes and you have to change the way you do business. So we're teaching, we're negotiating, working through working sessions and getting people to sell themselves on the fact that maybe what they're doing is not that different from what everybody else is doing.

On measuring success

The most important thing that we can measure right now is how IT actually impacts our ability to meet our mission. When you're measuring whether the systems are up or how long they're up or what the throughput was, that really doesn't measure the impact that those systems have had on the mission of HUD.

What we're doing right now is putting IT performance metrics in place that really look at the before—what were the issues that we were dealing with before—and then we put the new technology in place. And then we go back and measure after what impact has that technology had on the problem that the technology was put in place to fix.… That means that any waste, fraud, or abuse in those programs will be extremely minimized and hopefully go away as a result of the system.

If we measure that, then we can show a clear impact on our ability to meet the mission of HUD and to handle our programs, and we know exactly what the impact technology has had on our ability to meet that result.

The Business of Government Hour's interview with Gloria Parker is available via Real Audio on the Endowment's website at www.businessofgovernment.org

To read the full transcript of *The Business of Government Hour's* interview with Gloria Parker, visit the Endowment's website at www.businessofgovernment.org

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own systems. "It only makes sense to understand that everybody does human resources and everybody does finance, and somebody has taken the time to build these systems.… We use COTS packages so that we can achieve the financial gains from utilizing something that already exists, and we are implementing these new systems so that we not only take care of those items that are out front—those projects or systems that are out front getting attention—but also those in the background behind the scenes," she says.

Parker mentions security as being one of the top technology challenges facing the federal government over the next few years. However, she also has seen with e-commerce that people are overcoming their concerns about sending confidential information over the Internet. "As people become more and more sophisticated with computer technology, they begin to understand that security is a very important aspect of doing online processing, but also they come to understand that a good, strong IT organization has put the right measures in place to ensure security as well as to ensure privacy." Despite this confidence, HUD is still placing considerable attention on developing and maintaining adequate security measures.

Overall, a major benefit of technology is that it enables everyone to accomplish more work in less time. Paper-based functions are decreasing, allowing employees to focus more on the department's mission while technology takes care of the rest. Citizens can get the information they need directly from HUD themselves, and without hassle.

After a career in the technology field, Parker has her own philosophy: "People are there to come up with creative ideas, to be change agents, to provide a vision, and then oversee and implement that vision to make the operations better. Those mundane, day-to-day operations, technology can do that. Let technology do what technology does best and save the human brain to create the visions, oversee the activities, and focus on getting the results." ■

Stephen A. Perry

Administrator
General Services Administration

When he was appointed to be the 17th administrator of the General Services Administration (GSA) by President George W. Bush a year and a half ago, Stephen Perry already had many years of private-sector experience behind him. However, he was not completely unfamiliar with government work. In 1991, he had been asked by George Voinovich, then governor of Ohio, to "get involved in his administration running a GSA-type organization, … at the state level, which was called the Department of Administrative Services for the state of Ohio...." This proved to be only the beginning of public service for Perry.

Perry heads an agency whose mission is defined as "helping federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies." When the General Services Administration was created by Congress in 1949, "the purpose was to improve the efficiency of government by taking the procurement and property management activities, which were then occurring in several different agencies, and consolidating much of it into one agency," Perry explains. The consolidation brought about efficiency and eliminated duplication, allowing GSA to offer the best value to its customer agencies.

Performance management is a major focus for Perry. Effective performance management begins by "having a broad understanding in the organization of what our agency's mission, values, and goals are." The role of the administrator is to ensure that these elements are clear throughout the organization. After making sure the correct organizational capability exists, the next step, as Perry describes it, is that "you execute the action plan, you work on measuring your performance so that you can know where you're achieving your goals and where you're falling short. You take corrective action as necessary to keep yourself on track. Then, at the end of the day, you assess your performance and reward and recognize people accordingly."

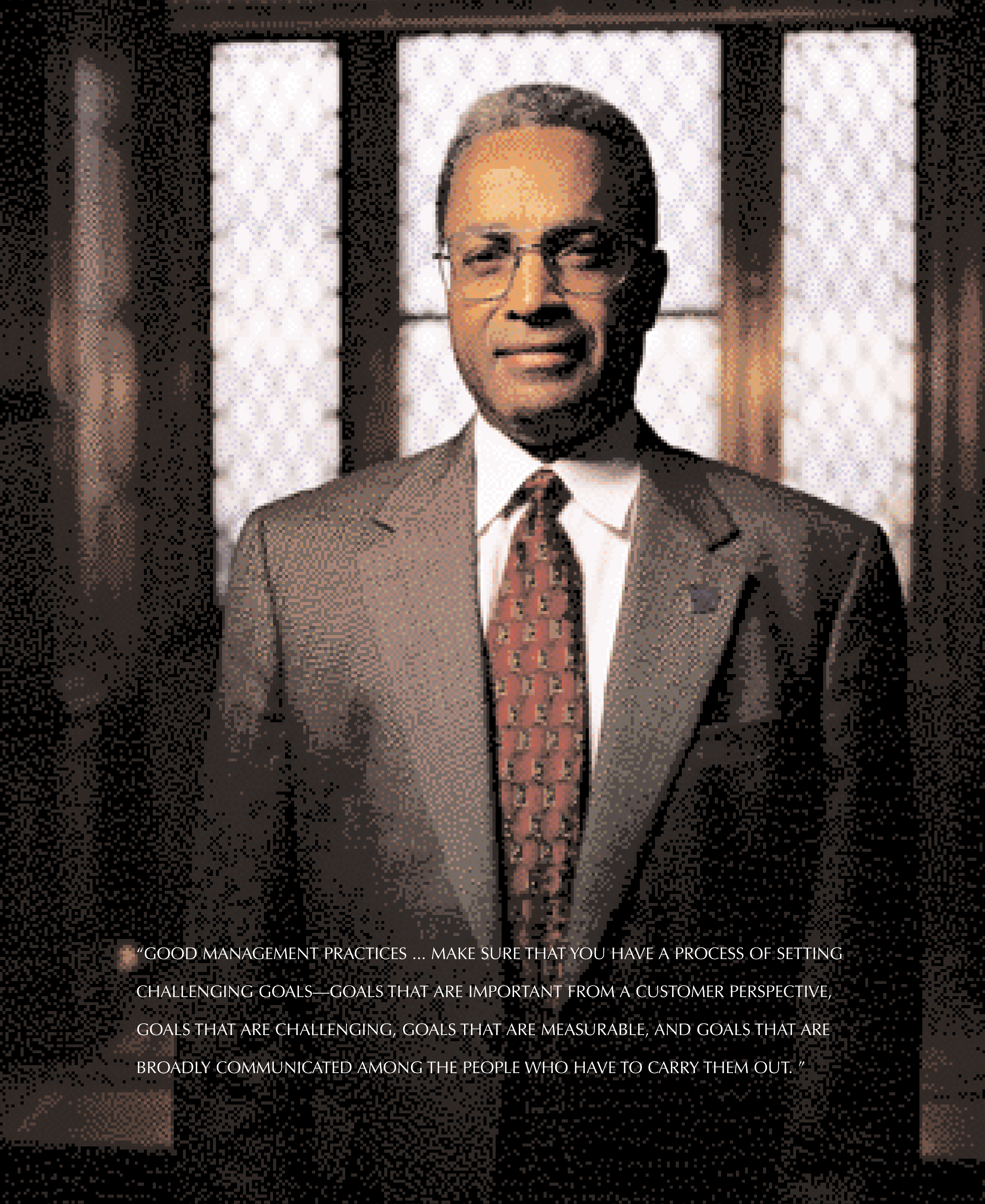
In addition to its acquisition and property management roles, GSA plays an important part in the e-government arena. The agency oversees FirstGov, a one-stop, easy-to-use website providing access to all online government services. Perry describes the need for FirstGov, saying, "What we want to do now in keeping with one of President Bush's management agenda items is to expand the use of electronic government, and [FirstGov] is part of that. So the FirstGov.gov website will be the portal through which people will come, and then that will link to other agency database files or web files so that information could be pulled through that portal or transactions could be completed through that portal."

Besides the service to citizens that FirstGov provides, referred to as USA Services, GSA leads four other initiatives, which include developing websites for federal asset sales, integrated acquisitions, e-travel, and further developing e-authentication. The federal asset sales project will allow businesses and other customers to find, bid on, and purchase federal assets up for sale through a single point of access on the Internet. Two others, integrated acquisitions and e-travel, are both designed to improve government's internal effectiveness. Efficiencies will be realized, for example, with the "consistent and uniform approach" that e-travel will provide in authorizing travel, paying reimbursements, and keeping records.

Lastly, the e-authentication initiative is one that is required for the government to reach its full online potential, because it allows the establishment of secure online identities. As Perry explains, "It's the development of the process by which individuals or businesses who interact with the government over the web will be able to have a confidential interaction, to protect privacy and confidentiality on both sides of that transaction."

GSA does not handle all of these e-government projects by itself, though. Success is only possible through close cooperation with other agencies, which can be a new concept: "In fact, it … is a new experience for many agencies to work collaboratively on projects, because historically many have worked independently. But the web technology and the use of the Internet really affords us the opportunity to have much, much greater intra-agency or inter-agency collaboration…." He points to technology as the enabling factor allowing synergies to develop among the various groups.

Whether within GSA or with other agencies, Perry stresses the importance of working together. "As we look at ourselves in the way our customers look at us, it causes us to understand that we can better meet their needs by working collaboratively across all organizations or aspects of our GSA." From the administrator's viewpoint, effective cooperation is one of the key components of high performance at GSA. ■



"GOOD MANAGEMENT PRACTICES ... MAKE SURE THAT YOU HAVE A PROCESS OF SETTING CHALLENGING GOALS—GOALS THAT ARE IMPORTANT FROM A CUSTOMER PERSPECTIVE, GOALS THAT ARE CHALLENGING, GOALS THAT ARE MEASURABLE, AND GOALS THAT ARE BROADLY COMMUNICATED AMONG THE PEOPLE WHO HAVE TO CARRY THEM OUT."

Radio Interview Excerpts

Stephen A. Perry
Administrator
General Services Administration

CAREER

On his career

My career at Timken [a worldwide organization with headquarters in Canton, Ohio, that manufactures tapered roller bearings and specialty alloy steel] started in 1964 and ended in 2001 after 37 years, when I joined the Bush administration in this present position. However, there was a period of two years, 1991 and 1992, when I was asked by then-governor George Voinovich of the state of Ohio to get involved in his administration running a GSA-type organization, actually at the state level, which was called the Department of Administrative Services for the state of Ohio, and I did that during 1991 and 1992. Then I went back to Timken. At that point, I had taken the position of senior vice president for human resources, purchasing, and corporate communications.

On public/private sector comparisons

Actually, there are a lot of similarities.… One of the things that is very prevalent, I think, in the public sector is it is populated by a number of people who are here largely as a result of their commitment to public service. It isn't that they couldn't be successful in the private sector, but they just made a choice to be involved in a public-service type of activity because of the satisfaction that that brings.

GOVERNMENT MANAGEMENT

On GSA's role and mission

… the General Services Administration was formed by Congress back in 1949. At that time, the purpose was to improve the efficiency of government by taking the procurement and property management activities, which were then occurring in several different agencies, and consolidating much of it into one agency, thereby making it more efficient, eliminating the duplication that otherwise would have existed in the various agencies, and enabling GSA then to be the organization that developed expertise with respect to procurement, property management, understanding the supply base, and being able to do a better job and delivering best value for its customer agencies.

We still operate that way today. I think it's a great organizational design concept. Many organizations are organized in a similar way. Many private-sector organizations pool together their procurement and property management into one central part of the organization as opposed to have it overly dispersed throughout the organization.

On customer-centric service

Our most direct customers are the other federal agencies.… We have a strong commitment to customer service, and in order to be really good at customer service, it has to begin with understanding what the customers' needs are. So we've been working agency by agency to interact with them at the senior management level, at the mid-management level, at the regional level, and at the data-collection level, if you will, to understand what customer needs are; where are they moving programmatically; how can we support that move; what could we do in terms of providing facilities and/or supplies and so forth to support their missions. So we are doing that, as I say, one customer at a time.

In a sense, our indirect customer is the American taxpayer.… One of the benefits [citizens will have] will be that they will have an easier and more efficient means of interacting with their government, either, as I mentioned, for purposes of obtaining information or, ultimately, for purposes of completing transactions with the government. All of us have probably had the experience at one time or another of unanswered phone calls or mail that took a long time to be returned or waiting in a line for government information or government transaction completion. I think a benefit that will derive here is that that will become easier and more efficient. Then, of course, another indirect benefit that taxpayers will receive is a less costly way for the government to operate.

"…THE USE OF THE INTERNET REALLY AFFORDS US THE OPPORTUNITY TO HAVE MUCH, MUCH GREATER INTRA-AGENCY OR INTER-AGENCY COLLABORATION…. TEN YEARS AGO, THE TECHNOLOGY WOULD HAVE BEEN SUCH THAT WE MIGHT NOT HAVE BEEN ABLE TO EXPLOIT THOSE SYNERGIES THAT EXIST AMONG AGENCIES…."

On good management practices

What I mean by good management practices is to make sure that you have a process of setting challenging goals—goals that are important from a customer perspective, goals that are challenging, goals that are measurable, and goals that are broadly communicated among the people who have to carry them out.

There are other aspects of the performance management process beyond goal setting: developing action plans which are documented so that it's clear among everybody in the organization who is responsible to do what by when. Then moving on to execution of those action plans, and then measuring performance after the fact….

On managing across agencies

It ... is a new experience for many agencies to work collaboratively on projects, because historically many of the agencies have worked independently. But the web technology and the use of the Internet really affords us the opportunity to have much, much greater intra-agency or inter-agency collaboration so that we have multiple processes and multiple systems duplicated at every agency.

Ten years ago, the technology would have been such that we might not have been able to exploit those synergies that exist among agencies, but today we clearly have that technology. And this use of web technology, or e-government, as a way to exploit that synergy and efficiency is something whose time has come.

It does present its challenges, but … in order for us to be successful in carrying out our work, we have to work with individual agencies and many times with multiple agencies together. That just requires us and the other agencies to adopt a spirit of teamwork.

In the aftermath of September 11th, I think we learned that we could do that, because although the terrorist attacks of September 11th are a memory that we don't like to keep reflecting on, one of the lessons learned from that was how our government agencies did in fact work very, very closely together.

FUTURE

On GSA's priorities

We have 1,800 or so federally owned buildings. Unfortunately, the state of repair of some of those buildings is not what it should be. The General Accounting Office did a study that indicated that something over $4 billion of deferred maintenance needed to be addressed. We know that is going to be a tough challenge, and, at the same time, we know that we want our legacy to be that we addressed those issues as best we possibly could. We're doing that by, first of all, in our portfolio management of our real estate assets, developing the priorities of which of those buildings will be addressed first, and we're looking at those priorities on a national basis….

Another part of that reform would be to enable GSA to enter into public-private partnerships; in effect, find a way to have private-sector investors invest in repairing existing federally owned buildings and then recovering their investment over a period of years by receiving a pro rata share of the rent. Today, we often find ourselves with inadequate resources. If we could tap private-sector developers who would be willing to make these investments for a return, it would be a way to help solve these deferred maintenance problems that we have.

The Business of Government Hour's interview with Stephen Perry is available via Real Audio on the Endowment's website at www.businessofgovernment.org

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Lynn Scarlett

Assistant Secretary for Policy, Management and Budget
Department of the Interior

The President's Management Agenda has been the main management focus for many agencies and departments in the federal government, and the Department of the Interior is no exception. "The Department of the Interior is vast, and so we have many, many different management challenges and issues, but, of course, my number one priority is to take the President's Management Agenda and make it real," says Lynn Scarlett, assistant secretary for policy, management and budget at the Department of the Interior. "Making it real" for Interior often means venturing into new areas and thinking about results in ways that might not be traditional for a government organization.

A major focus is the integration of budget and performance, one of the five components of the management agenda. To improve the link between budget and performance, Scarlett stresses the importance of concentrating on outcomes instead of outputs or inputs. The amount of dollars spent on a particular project does not necessarily convey whether the project achieved its desired results. With the example of resource conservation, she explains, "it's not the dollars that's the test of success. It's: Did you really achieve conservation results? Have you protected endangered species? Have you improved a forest and its sustainability?" These are the types of questions that need answering to determine whether the department is delivering services effectively, and they cannot be answered adequately with traditional cost-accounting approaches.

To achieve improved results in the budget and performance area, two agencies within the Department of the Interior began to use activity-based costing, or ABC. In fact, the department is ahead of many other government organizations in this area. The concept is certainly not a new one for Scarlett, who gained experience with ABC in her previous position at the Los Angeles-based Reason Foundation. Traditionally, she says, agencies have had budgets based on line-item accounts, which tell only how much money has been spent on a particular item, such as fuel or personnel. To evaluate the effectiveness of programs, costs must be allocated in a different way. "What activity-based costing does is to begin to collect information where you're allocating people-time by amount of time spent on a particular program or activity. You're allocating your facilities or equipment to the program that it actually delivers," Scarlett explains. The result is a more effective way of measuring the outcomes of programs in the department.

Another management focus for Scarlett is competitive sourcing. As with budgeting, the department has been reexamining the traditional governmental approach in this area. "Oftentimes, the initial focus was on simply cost savings and efficiency," says Scarlett. "At Interior, we do not view that as the centerpiece of what competitive sourcing is all about. Our entire management focus is on what we call citizen-centered governance. How can we best deliver services to the American people? Not only quality service, but cost-effective."

Interior is also unique because it has a number of field offices and other units that have a very small number of personnel, often 10 or fewer. To fit its competitive sourcing needs, the department developed an expedited sourcing process geared toward competing these small commercial services. However, even though the administration's goal is for agencies to identify 15 percent of their commercial workforce to compete by 2003, Scarlett reminds her staff that "there is a big difference between 15 percent going through a review process and any outcome as it relates to employees and employee cuts in jobs." Scarlett stresses that she does not have predetermined expectations about what the results of these competitions will be, because the goal is really to achieve the best program results and outcome. In doing this, Scarlett has also been involved in meeting with the unions to address employee concerns and develop strategies for workforce transition if the need arises.

Achieving improvement in the five critical areas of the President's Management Agenda has been the main focus for Scarlett since joining the Department of the Interior. In all of the management agenda areas, the department's main goal is the same: to deliver the highest quality and most cost-effective services to the American people. When traditional approaches did not fulfill this objective in budget and performance integration or competitive sourcing, the department looked for new, innovative solutions to meet its needs in those areas. These solutions included the implementation of activity-based costing to better align program costs with performance, and a competitive sourcing process that fit the department's needs. With these tools, Interior can better manage America's national parks and public land treasures. ■

"IT'S NOT THE DOLLARS THAT'S THE TEST OF SUCCESS. IT'S: DID YOU REALLY ACHIEVE CONSERVATION RESULTS? HAVE YOU PROTECTED ENDANGERED SPECIES? HAVE YOU IMPROVED A FOREST AND ITS SUSTAINABILITY?"

Radio Interview Excerpts

Lynn Scarlett
Assistant Secretary for Policy, Management and Budget
Department of the Interior

DEPARTMENT ACTIVITIES

On the mission of the department

We really have a breadth of different agencies, but you can boil our mission down to four main areas. We do resource protection. We are probably the nation's premier federal resource protection agency, conservation, and migratory bird protection. We are the guardians of the Endangered Species Act.

The second area is resource use. Many of our public lands at their founding were there for access by American citizenry for mining, for energy production. So managing our resources and providing access is a second mission.

Our third mission would be in the realm of … guardians, or trustees, for certain Native American Indian assets. We provide health care funds, some education and related social services to tribes and Indian members. We also have responsibilities for our island affiliates: the Virgin Islands, Guam....

And then our fourth area … is recreation. People think of our national parks, and they think getting on those lands, hiking, biking....

On management priorities

The department is vast, and so we have many, many different management challenges and issues. My number one priority is to take the President's Management Agenda and make it real. That agenda has a competitive contracting component.… The second is e-government—how can we utilize information technology to really serve the citizens directly. We're looking at e-government not just as a matter of improving efficiency, but actually as direct delivery of services.

We have, for example, a recreation one-stop website … which is a multi-agency website. If you're a citizen, the idea is that you can go there and say, "I want to go canoeing." Click, "Where are my opportunities?" Up will come a screen that asks, "Which state do you want to go in?" You click on the state and you will then find the state opportunities, the federal land opportunities, maybe even some private. If you need a permit, you can click on and get it. That's the idea. A one-stop shop for recreation.

The third area is financial management.… For us, the single biggest goal on financial management is to increase transparency. If you're a citizen, you can see what they're spending their money on....

In the fourth area of performance and budget integration, OMB wants to ask whether we are performing our mission. What are the outcomes? Are we developing the budget in a way that links those two so that your priorities drive your budget, your performance drives your budget, not last year's budget driving your budget?

MANAGEMENT AGENDA FOCUS

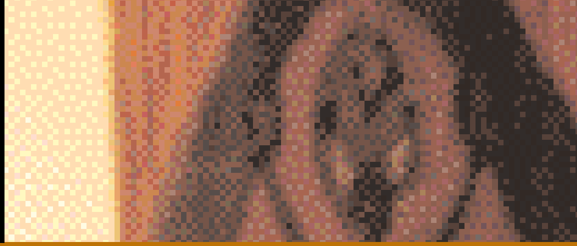
On budget and performance integration

What performance and budget integration is all about is to focus on the outcome. What is our mission? What are the components of that mission? What really constitutes success, and are we doing it? Are we achieving it?… The first part of budget and performance integration is actually to say what is performance, and have we defined it in terms of real outcomes, not inputs or outputs. That's just the first step. Then we need to ask: What resources do we need and what sets of activities do we need to do to make sure we're delivering those outcomes?

On competitive sourcing

Let me begin by a big picture comment on competitive sourcing. You may recall in the 1980s an earlier competitive sourcing effort in government. The initial focus was on simply cost savings and efficiency. At Interior, we do not view that as the centerpiece of what competitive sourcing is all about. Our entire management focus is on what we call citizen-centered governance. How can we best deliver services to the American people? Not only quality service, but cost-effective.

We view competitive sourcing as a way of asking ourselves, if we look at our internal operations: Are they best structured to



"OUR ENTIRE MANAGEMENT FOCUS IS ON WHAT WE CALL CITIZEN-CENTERED GOVERNANCE. HOW CAN WE BEST DELIVER SERVICES TO THE AMERICAN PEOPLE? NOT ONLY QUALITY SERVICE, BUT COST-EFFECTIVE."

deliver that service? Might we restructure our services in-house in a different way that would allow us to be more effective, or, through contracting, might we better achieve the good delivery of the service? The contracting gives us opportunity to access technology that we might not otherwise have. It might give us access to skill sets that would be otherwise difficult for us to get.

MANAGEMENT CHALLENGES

On implementing activity-based costing

The Bureau of Land Management [BLM] is a very large agency with a lot of field offices. It did not have the basic accounting tools or the data. If you have been doing your accounts simply by labor cost … you needed to implement a system whereby your field offices begin to break their day up into parts and report it—"I spent two hours on this activity and three hours on that." They needed to develop these tools.

There is a learning curve. We are now rolling out activity-based costing across all of our eight bureaus.… We think that we will be able to learn from BLM.... It need not take years, and I think that with the learning curve, that time frame decreases rapidly as new agencies come on board.

On the lack of electronic communication

This challenge has been unbelievable.… As a result of a court decision, we were disconnected from the Internet across all of our eight bureaus in December [2001].… Think about it for a minute. All of our payroll systems are computerized, and a lot of electronic payments of reimbursements, of payroll systems.… The areas of impact were so vast that we began to do a daily impact report.…

Some of the impacts were surprising. The lack of e-mail has been kind of good; it takes an hour off the front of my day.… [The impacts] really have been in all of kinds of hidden and unexpected places, such as how do you do reconciliation. We actually had people from our Denver business center have to get on an airplane with a floppy disk and fly it to Washington during our 2001 accountability process. That's the kind of thing that we had to experience.

On September 11

Obviously, 9/11 throughout the entire government—the federal government and, frankly, state and local—has been an enormous challenge for us. For the Department of the Interior, we do have a lot of critical infrastructure.… People think America, they think of the Statute of Liberty, they think of the Washington Monument. Those truly are emblematic of who America is.

We did have to face immediate challenges of ensuring the protection of those facilities.… We're one of the largest landowners or landholders in the lower Manhattan area. The Statute of Liberty and Ellis Island and a lot of other lands are Department of the Interior-managed lands. We also have Federal Hall, which was where George Washington was sworn in. It's about three blocks from the World Trade Center.

When the World Trade Center collapsed, it was the equivalent of about a 6.5 earthquake in terms of the impact on the ground. That caused some cracking damage to Federal Hall, and we did have to go in and … ensure the structural integrity of that building. We played a big role right on that day, because of our National Park Police presence in New York, of providing some additional help in that terrible, terrible disaster that drained all of the manpower of every police force and emergency force in the area. A lot of people fleeing the site ran to Federal Hall for protection. It was an area of refuge. People came in to get away from the dust, to get away from the calamity. We set up a mini health care center there.

The Business of Government Hour's interview with Lynn Scarlett is available via Real Audio on the Endowment's website at www.businessofgovernment.org

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David M. Walker

Comptroller General of the United States
U.S. General Accounting Office

As Comptroller General of the United States and head of the U.S. General Accounting Office (GAO), David Walker often finds himself directly involved in the federal government's most important issues, ranging from financial management to homeland security, and many others in between. He serves as the nation's "chief accountability officer," and describes the role of GAO as "to help the Congress discharge its constitutional responsibilities and to help improve the performance and ensure the accountability of government for the benefit of the American people."

Over the last year, however, Comptroller General Walker has devoted a major portion of his time to the issue of competitive sourcing. In 2001, Congress called for a panel of experts, later named the Commercial Activities Panel, to look at this issue and its implications for the government. Walker chaired the panel through a year of meetings, hearings, and discussions on this complex subject. "Congress had been trying to come to grips with [competitive sourcing] for decades, without much success. A-76, which is the public/private competition process, was … something nobody liked, and yet there had not been an ability to try to see the way forward from there," says Walker. Congress instructed the panel to produce a report with recommendations on improving the sourcing process.

As the chair of the panel, Walker selected a cadre of "top flight players" from diverse interests to participate. "It takes people willing to see the other person's side and to try to make some compromises to come up with a package that makes sense for everybody." The group of 12 included top human resource officials from the government as well as union leaders, private sector executives, and others.

The panel did not vote on recommendations until the end of the process, so that they could obtain sufficient information from a variety of sources including research, discussions, and public hearings. There were two votes held, one for the adoption of a set of 10 principles as a recommendation, and another for the remaining three recommendations. Recommendations had to be agreed upon by a supermajority of eight of the 12 panelists in order to be included as a finding in the final report. This requirement encouraged all participants to be active in the process, because "there was no way that it was certain that anybody could get those eight votes."

In the final competitive sourcing report, issued in April 2002, the set of 10 sourcing principles received unanimous approval by the panelists. The principles included the assertions that competitive sourcing policies must support agency missions, must be consistent with human capital practices to motivate a high-performing federal workforce, and must recognize that inherently governmental functions should be performed by federal workers. A supermajority of the panel agreed to the three additional recommendations, which involved adopting the Federal Acquisition Regulation (FAR) as a basis for future competitions and making limited changes to the current A-76 process.

Walker is quick to stress the difference between competitive sourcing and outsourcing, two terms that tend to get confused with each other. Outsourcing implies that the objective is strictly to send work outside of government, whereas competitive sourcing is actually "the best answer that balances the interests of a variety of parties." The focus of the panel was competitive sourcing, which means that "in some cases, the best answer is that [government work] is done by public employees; in some cases, it's done by contractors; and in some cases, it's a combination thereof, in a partnership approach."

Reflecting back on the start of the panel, Walker observes that a full agreement on anything seemed like an elusive goal. "When you look at the divergent interests that were represented on this panel, and when you look at past history and how contentious some of these issues have been over the years, it was highly unlikely that we were going to achieve unanimous recommendations in any area." But he says he was pleased that the group was able to come together on a set of principles that Congress and the administration should apply when changing the competitive sourcing process. "I think it was a minor miracle that we received a unanimous agreement on the set of principles that hopefully will be our way forward here." He stresses that all 10 of the principles are important on their own, but their impact lies in looking at them as a collective package.

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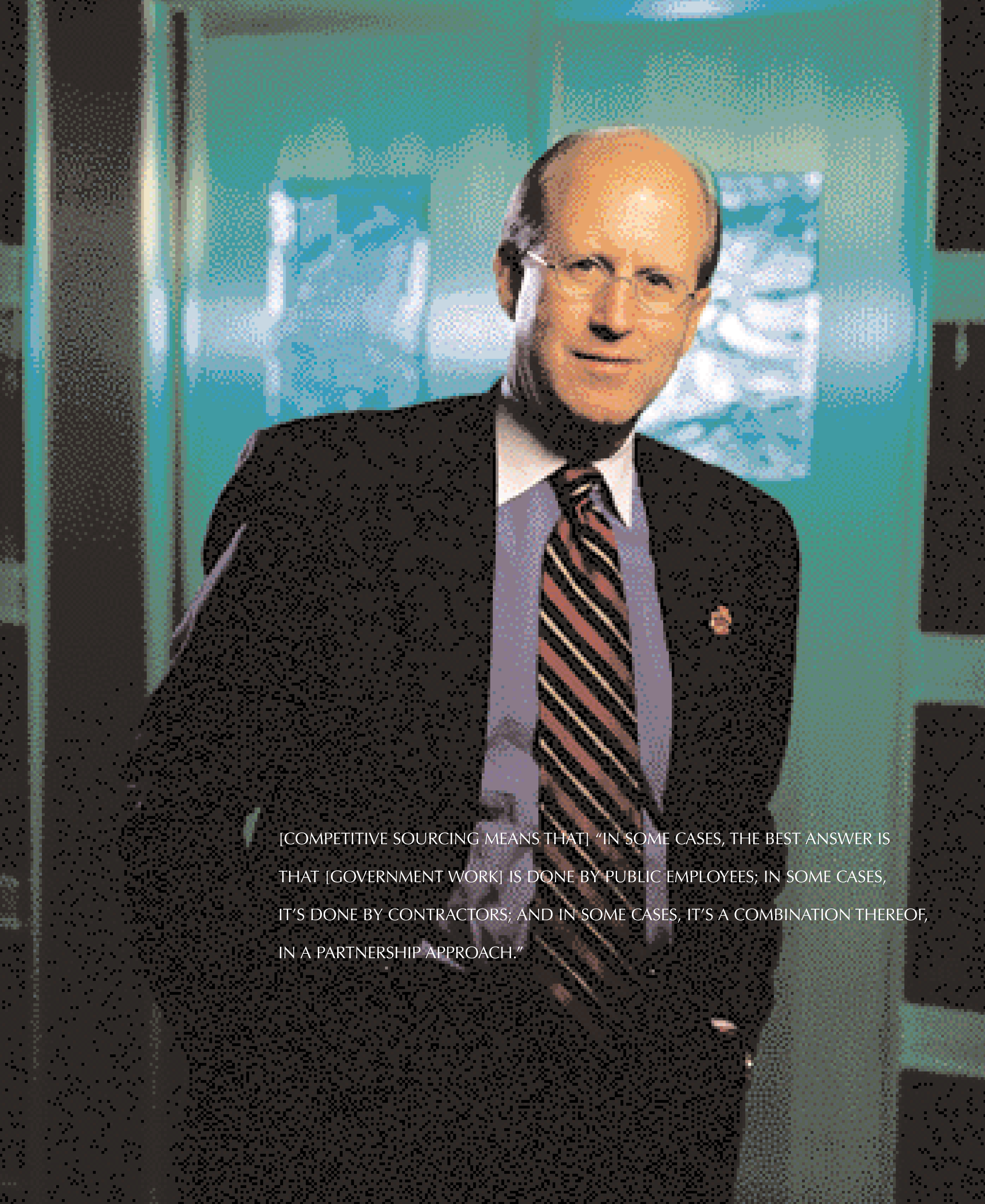
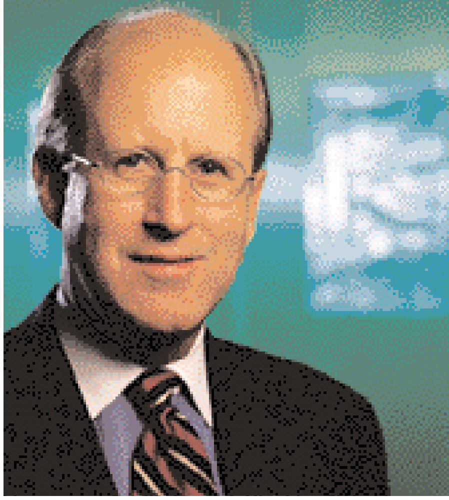


[COMPETITIVE SOURCING MEANS THAT] "IN SOME CASES, THE BEST ANSWER IS THAT [GOVERNMENT WORK] IS DONE BY PUBLIC EMPLOYEES; IN SOME CASES, IT'S DONE BY CONTRACTORS; AND IN SOME CASES, IT'S A COMBINATION THEREOF, IN A PARTNERSHIP APPROACH."

Radio Interview Excerpts



David M. Walker
Comptroller General of the United States
U.S. General Accounting Office

THE GENERAL ACCOUNTING OFFICE

On GAO's work

The GAO is in the legislative branch of government, and our job is to help the Congress discharge its constitutional responsibilities and to help improve the performance and ensure the accountability of government for the benefit of the American people.

In many ways, GAO is a professional services organization that just happens to be in the government, but it's probably the most diverse professional services organization in terms of skills and knowledge of any in the world.

On organizational values

I end up dedicating myself to a set of professional standards and core values, and I've been a big believer for years in having a set of core values to guide one's decision making, whether it be in professional life or whether it be in personal life. At GAO, we have three core values. Accountability is what we do.… Integrity is how we do it: professional, objective, fact-based, nonpartisan, non-ideological, fair, and balanced. Reliability is how we want our work to be received: timely, accurate, useful, clear, and candid.

Being able to use the word [integrity] … as a touchstone in making decisions really helps to take on some difficult situations and be able to simplify them and make decisions quickly.

On GAO's progress in the past three years

I think [GAO] has changed in a number of ways in the three-plus years that I've been there. One, I'd like to think that we're more forward-looking. I know that we're more transparent. We're broader in scope as to what we're doing. We're clearly employing a constructive engagement approach on good government issues with the executive branch; we're teaming a lot more internally and externally. We're empowering our employees like they've never been empowered before.

HUMAN CAPITAL

On progress in the federal government

I believe that a vast majority of what needs to be done in the human capital area can be done without any changes in law. It's just a matter of top management making it a priority. I spend 25 percent or more of my time dealing with human capital issues. Why? Because the only asset we have at GAO is our people, and it's that important. You have to have committed leadership and sustained attention over time.

You have to be able to use the flexibilities you have in current law. You have to be able to bring modern management practices in this area and apply them. But we are going to need some legislative help. We need some additional legislative flexibility, and, ultimately, we're going to need comprehensive civil service reform.

On getting results

One of the things that we did was put [the human capital situation] on our high-risk list. With light you get heat. With heat you get action, and, fortunately, we're getting a lot of action. But we have a long way to go government-wide.

Too much of the rhetoric was treating federal government workers as a cost to be cut rather than an asset to be valued. We now live in a knowledge-based economy. People are the source of all knowledge. They're the key in attaining, maintaining competitive advantage, no matter what sector you're in.

COMPETITIVE SOURCING

On arbitrary numerical goals

To the extent that the [administration's target competitive sourcing] percentage is an arbitrary, across-the-board percentage, then that would fly in the face of the panel's recommendations. On the other hand, to the extent that the administration would come up with identifying specific targets of opportunity based upon some clearly defined, consistently applied criteria, aggregate those and come up with a certain number

"TOO MUCH OF THE RHETORIC WAS TREATING FEDERAL GOVERNMENT WORKERS AS A COST TO BE CUT RATHER THAN AN ASSET TO BE VALUED. WE NOW LIVE IN A KNOWLEDGE-BASED ECONOMY. PEOPLE ARE THE SOURCE OF ALL KNOWLEDGE."

or certain percentage, then that wouldn't be arbitrary. Unfortunately, I think the initial percentages were arbitrary and, therefore, would have been inconsistent. Hopefully, in the future, they'll be done differently.

On keys to success

I think the key is that you want to have clearly defined criteria articulated, so that everybody knows what the rules of the ball game are, you know what the waiting [time] is—you want to be able to give appropriate consideration of cost, but also to evaluate other factors. And you want to have an independent third party that you can go to if you believe that somebody has abused the process.

THE FUTURE

On the future of GAO

GAO is only going to become more important to the Congress and to the country.… If you look at the long-range budget simulations that GAO has been doing for several years, … there's a huge imbalance between the pressures that are on the budget for spending and the amount of revenues that are likely to be available to meet that. We need to work with the Congress to figure out how to close that gap.

Part of that means looking at the baseline of what's being done right now: programs, departments, agencies, tax policies, et cetera. What's working, what's not working, how do we re-prioritize? How do we reengineer? And I think we've got a major effort ahead of us. We're looking forward to working with the Congress and others to try to address these issues, but that's going to take the balance of my term and maybe beyond.

The Business of Government Hour's interview with David Walker is available via Real Audio on the Endowment's website at www.businessofgovernment.org

To read the full transcript of *The Business of Government Hour's* interview with David Walker, visit the Endowment's website at www.businessofgovernment.org

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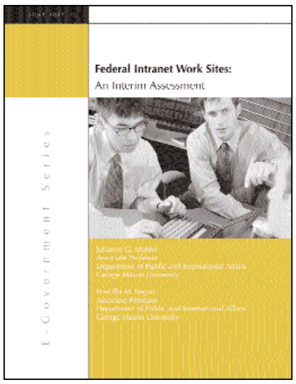
When asked about the contentious debate between lowest cost versus best value in making sourcing decisions, Walker clarifies the panel's position. "Some have said that what the panel is really recommending is best value. The panel, per se, didn't adopt best value. Really the debate was: While cost is important, should everything be ultimately quantified in cost terms?" Furthermore, he adds, should cost be the final determinant of the decision? In the end, a supermajority of the panel, including Walker, viewed cost to be important, but also thought that other factors should be considered in sourcing decisions. The resultant recommendation was based on a modified FAR process, combined with some of the competitive sourcing elements of A-76.

To guide the process in the future, GAO plans to undertake two reports evaluating whether the new competitive sourcing process is working as the panel envisioned it would. While not all panelists were happy with this approach and would have preferred to see implementation begun first in a limited testing phase, Walker points out that historically it has been difficult to get congressional action to set competitive sourcing plans in motion. "While [Congress] has considered something every year [in this area], it has rarely acted," Walker says. "I didn't feel that it was appropriate to require Congress to act twice." The supermajority position does not require multiple actions by Congress before the competitive sourcing plans can begin government-wide, but does allow the plans to be revised along the way, if necessary.

Moving forward, Walker would like to see the executive and legislative branches embrace the panel's recommendations. He stresses that the debate is really about sourcing, which means "insourcing, outsourcing, and co-sourcing. In the future, partnerships are going to be very much a bigger part of what the world is all about." A solid guide for sourcing will certainly be a useful way to promote efficiency and effectiveness in the federal government. ■

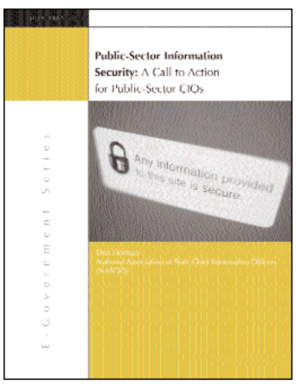
New from the Endowment: Recently Published Grant Reports

E-Government Series



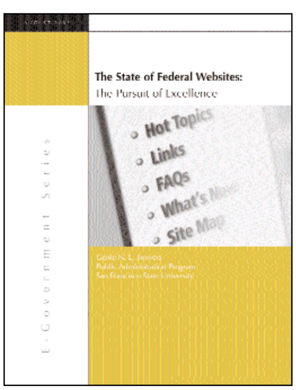
Federal Intranet Work Sites: An Interim Assessment
Julianne G. Mahler and Priscilla M. Regan

This report examines intranets in six federal government agencies: Department of Transportation, Department of Housing and Urban Development, Environmental Protection Agency, General Services Administration, Department of Commerce, and Department of Justice. The case studies reveal that, in general, more attention and energy has been devoted to the agencies' public access Internet websites than their intranets. The report sets forth a series of lessons and recommendations on how agencies can enhance their intranet capabilities.



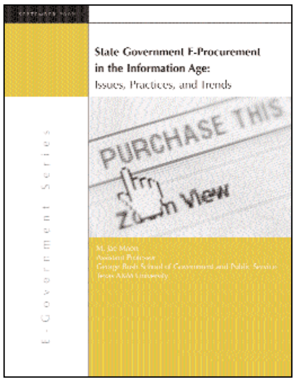
Public-Sector Information Security: A Call to Action for Public-Sector CIOs
Don Heiman

Public-sector CIOs at all levels operate on the boundary between their government's internal organizations and external forces that threaten their systems. It is this boundary where security is implemented. In order to exercise effective enterprise and IT governance, agency heads and the agency's executive management team must have a clear understanding of what to expect from their enterprise's information and security programs. This report offers a set of 10 recommendations for improving public-sector information security. The recommendations fall into three areas: management, technology, and homeland security. To prevent or limit future cybersecurity threats and attacks, the report proposes that organizations evaluate the positive aspects and shortcomings of their current security program, and then design improved programs to meet organizational needs.



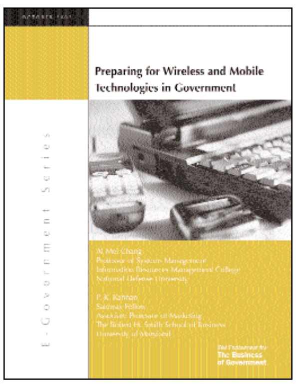
The State of Federal Websites: The Pursuit of Excellence
Genie N. L. Stowers

The federal government has made great progress over the past several years in providing information to citizens through its websites. The report recommends that federal web managers should develop and implement sites that are user friendly, as well as stocked with useful services and information. For this report, the author examined 148 major federal websites and evaluated their effectiveness in five areas: site services provided online, quality of user help features, quality of service information, site legitimacy, and accessibility. Based on this analysis, the top five federal websites identified are the U.S. Patent and Trademark Office, Department of Health and Human Services, Department of Education, Department of the Treasury, and the U.S. Navy.



State Government E-Procurement in the Information Age: Issues, Practices, and Trends
M. Jae Moon

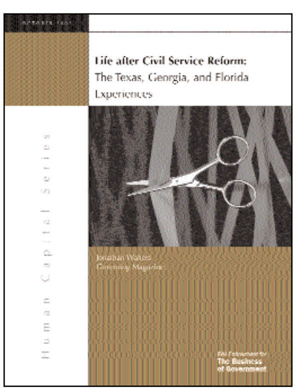
As information technology leads to new approaches to many administrative processes in the public sector, e-procurement has emerged as an alternative to achieve more cost-effective contracting and purchasing systems. This report examines current e-procurement practices in state governments based on data collected through the 1998 and 2001 National Association of State Procurement Officials (NASPO) surveys as well as a 2001 online follow-up survey conducted by the author. However, challenges remain, and many state governments have not yet experienced the full benefits from their e-procurement practices. Among the report's recommendations are that states should assess funding alternatives for e-procurement systems, promote horizontal and vertical e-procurement market integration, and develop a legal framework for digital signatures and Internet-based bidding procedures.



Preparing for Wireless and Mobile Technologies in Government
Ai-Mei Chang and P. K. Kannan

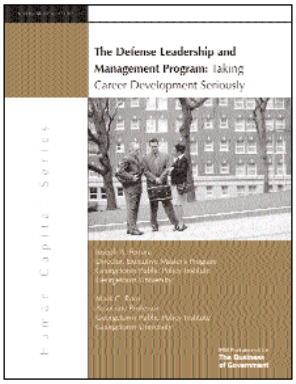
In the public sector, a number of initiatives in wireless communications indicate a growing interest in the technology. In this report, the authors describe four important goals for leveraging these new technologies in e-government. The report outlines specific recommendations for government agencies, and urges that adoption of new technologies be motivated by the needs of the organization rather than pursued for the sake of having new technology.

Human Capital Series



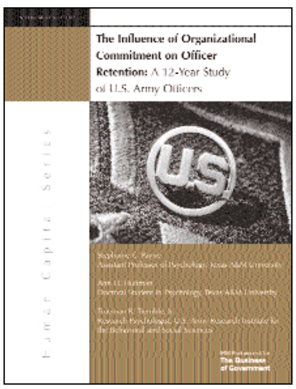
Life after Civil Service Reform: The Texas, Georgia, and Florida Experiences
Jonathan Walters

Civil service systems have been the subject of increasing criticism in recent decades. Critics argue that the concept has become a hindrance to modern and efficient personnel management. This report describes the experiences of three states that dramatically reformed their civil service systems: Texas, Georgia, and Florida. All three states changed the way they recruit, hire, promote, classify, and compensate state employees. The case studies present their experience with civil service reform and the positive changes seen in each state.



The Defense Leadership and Management Program: Taking Career Development Seriously
Joseph A. Ferrara and Mark C. Rom

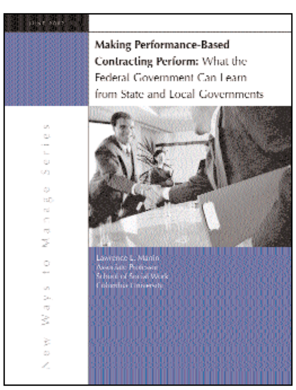
The Defense Leadership and Management Program, DLAMP, is the civilian career development program in the Department of Defense. This report takes a close look at the DLAMP experience in order to identify key findings and lessons learned that other federal agencies might adapt to their own career development programs. While DLAMP is a model program that brings together a unique and comprehensive combination of elements that provide real skills for aspiring executives, the report concludes the program will benefit from the refocusing effort currently under way in the department.



The Influence of Organizational Commitment on Officer Retention: A 12-Year Study of U.S. Army Officers
Stephanie C. Payne, Ann H. Huffman, and Trueman R. Tremble, Jr.

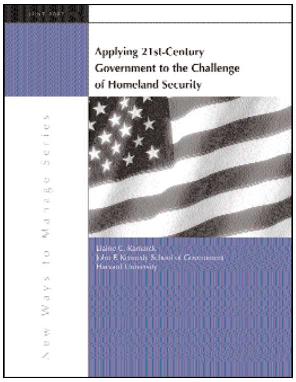
Like all other public sector organizations, the military has a need to attract and retain talented personnel. This report examines the link between organizational commitment and the retention of officers in the U.S. Army. The two primary components of organizational commitment identified in the report are the want factor and the need factor. Among the report's recommendations are that the Army increase officers' perception of organizational support and fairness, as well as make itself appear more attractive than other employment options.

New Ways to Manage Series



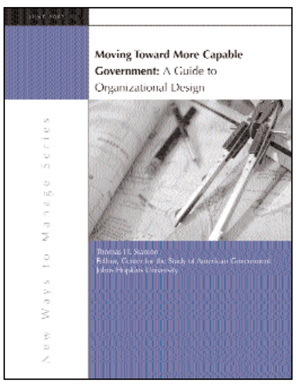
Making Performance-Based Contracting Perform: What the Federal Government Can Learn from State and Local Governments
Lawrence L. Martin

Federal procurement is now undergoing a major transformation, from serving simply as a support function to playing an increasingly critical role in how federal departments and agencies fulfill their missions. This report discusses the key characteristics that define the federal procurement environment today, and identifies several problems with the federal perspective on performance-based contracting. The state and local experience is presented in 10 case examples of state and local government approaches to performance-based contracting. The report includes a set of recommendations on how the federal government might learn from the experiences of state and local governments.



21st-Century Government and the Challenge of Homeland Defense
Elaine C. Kamarck

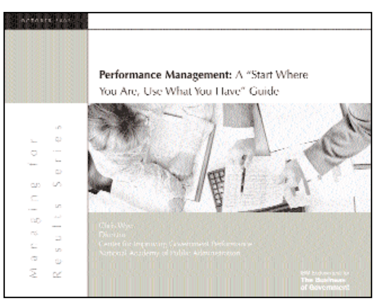
As government moves forward in the 21st century, the author argues that the traditional bureaucratic frameworks will not be enough to confront emerging problems facing the nation. The report introduces three models of government available to public policy makers: reinvented government, government by network, and government by market. After describing each of these models, the author applies the models to the problem of homeland security to demonstrate how they can be used to deal with a complex problem in a comprehensive and appropriate way. The challenge of the new century will be to create effective portfolios of actions to confront national concerns. To more effectively confront the challenges of the new century, the report argues that we will need to continually redesign government.



Moving Toward More Capable Government: A Guide to Organizational Design
Thomas H. Stanton

In organizational design, the key is to fit the appropriate organizational form to the purposes to be achieved. This report presents key questions to be asked in designing or restructuring government organizations to improve the performance of government. The report also recommends that the government take steps to improve its ability to design effective organizations and programs as an essential step in improving the capacity of government. In selecting appropriate organizational forms, there are also private organizations that carry out public purposes, such as for-profit instrumentalities, cooperatives, and nonprofits.

Managing for Results Series



Performance Management: A "Start Where You Are, Use What You Have" Guide
Chris Wye

Nearly a decade after the Government Performance and Results Act (GPRA) was enacted, many in the federal government continue to struggle with fundamental issues related to measuring outcomes and performance. This report offers practitioners practical advice on how to address specific problems they may face. The report addresses some of the major causes of resistance to performance management and measurement. It also provides advice on designing performance indicators, aligning performance processes, using performance information, and communicating performance information. ■

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