



Transformation is inevitable

- Fiscal sustainability and ever-tightening administrative budgets
- Declining workforces
- Increasing demands
- Unmet public expectations
- Explosion of information
- Enabling technology
- Bipartisan recognition

Presidential management initiatives

Every President in the past 50 years

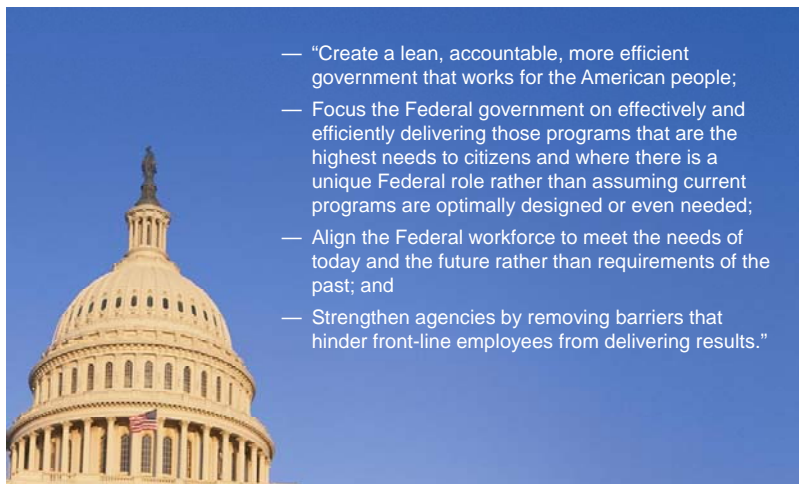
<p>Johnson</p> <p>Planning, Programming, and Budgeting System (still being used in the Department of Defense)</p>	<p>Nixon and Ford</p> <p>Management by Objectives</p>	<p>Carter</p> <p>Zero-Base Budgeting</p>
<p>Reagan</p> <p>Reform '88 and the Private Sector Survey on Cost Control</p>	<p>George H.W. Bush</p> <p>Landmark Chief Financial Officers (CFO) Act of 1990</p>	<p>Clinton</p> <p>National Performance Review, which became the National Partnership for Reinventing Government</p>
<p>George W. Bush</p> <p>President's Management Agenda</p>	<p>Obama</p> <p>Accountable Government Initiative</p>	<p>Trump</p> <p>Reforming the Federal Government and Reducing the Civilian Workforce</p>



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Objectives of the Trump initiative



- "Create a lean, accountable, more efficient government that works for the American people;
- Focus the Federal government on effectively and efficiently delivering those programs that are the highest needs to citizens and where there is a unique Federal role rather than assuming current programs are optimally designed or even needed;
- Align the Federal workforce to meet the needs of today and the future rather than requirements of the past; and
- Strengthen agencies by removing barriers that hinder front-line employees from delivering results."

Source: OMB M-17-22



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OMB government-wide plan

- Whether some or all of the functions of an agency, a component, or a program are appropriate for the federal government or would be better left to state or local governments or to the private sector through free enterprise;
- Whether some or all of the functions of an agency, a component, or a program are redundant, including with those of another agency, component, or program;
- Whether certain administrative capabilities necessary for operating an agency, a component, or a program are redundant with those of another agency, component, or program;
- Whether the costs of continuing to operate an agency, a component, or a program are justified by the public benefits it provides; and
- The costs of shutting down or merging agencies, components, or programs, including the costs of equitably addressing affected agency staff.

Source: EO 13781



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Construct of M-17-22

- Playbook with targeted guidance and criteria
- Analytical framework aligning activities with mission and performance
 - Activities that can be eliminated, restructured or merged
 - Opportunities to improve organizational efficiency and effectiveness
 - Workforce management
- Factors to consider in the analysis (shifting to alternative service delivery models and streamlining mission-support functions, such as through greater use of shared services)
- Guidance on maximizing employee performance, such as identifying policies and practices that are barriers to hiring and retaining the workforce necessary to execute their missions as well as managing and, if necessary, removing poor performers?



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Game changers

- “An event, idea, or procedure that effects a significant shift in the current manner of doing or thinking about something.”*
- Represents cultural change: Makes great organizations ever greater but can cut both ways
- Will highlight five game changers
 - Sharing and sharing alike
 - Harnessing intelligent automation
 - Turning data into insight
 - Moving the ball on reporting
 - Turning the corner of improper payments

*Oxford Dictionary



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Sharing and sharing alike

- Shared services
 - Demonstrable progress, much remains
 - OMB requirement
 - Called for in EO 13781
- GAO’s annual report on opportunities to reduce fragmentation, overlap, and duplication and achieve other financial benefits
 - \$56 billion in financial benefits from fiscal 2010 to 2015, with at least another \$69 billion projected through 2025
- Long-established: Payroll
- Growing: Core accounting and financial management functions
- Potential: \$3.2 trillion federal lending and guarantee programs



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Harnessing intelligent automation

Automation of mission delivery and business processes by leveraging digital technologies to support tasks undertaken by knowledge workers

Three classes

- Robotic process engineering: Fundamental thinking tasks
- Enhanced process automation: More sophisticated tasks
- Cognitive automation: IBM's Watson

Benefits

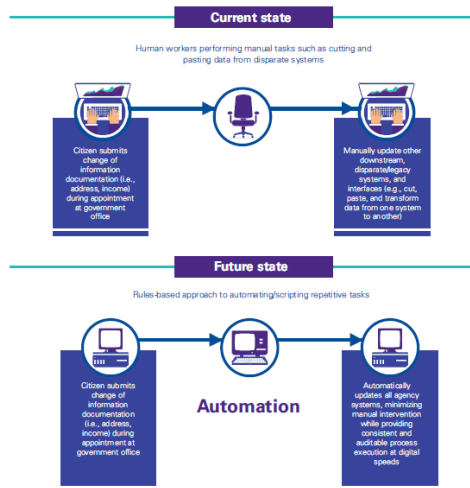
- Productivity/performance: 40 to 75% productivity gains possible
- Employee satisfaction
- Scalability
- Consistency/Predictability
- Quality/Reliability
- Auditability
- Citizen engagement



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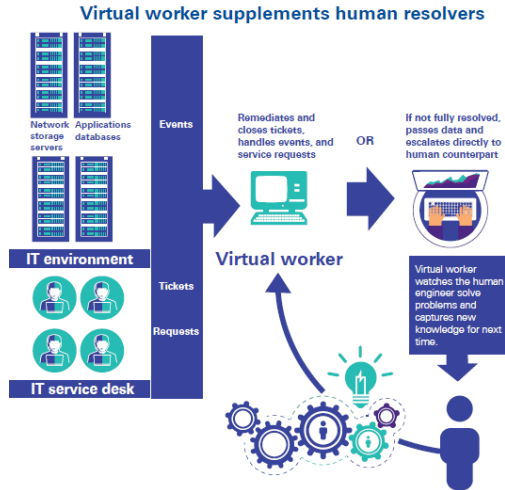
Robotic process automation



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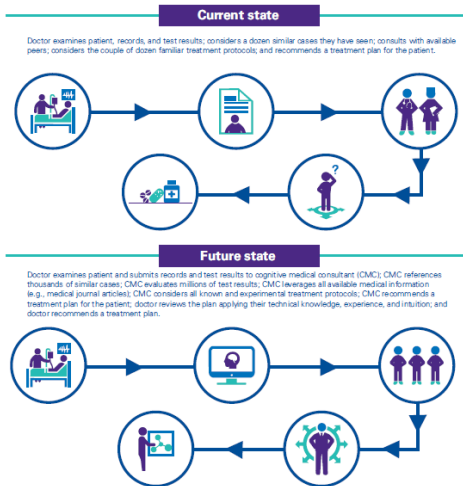
Enhanced process automation



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Cognitive automation



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Turning data into insight

- Explosion of data coalescing around technology advances
- Turning data into insight
- Fact-based, analytic, and anticipatory decision-making
- Early detection of changes through a holistic view of an ever changing financial landscape and the impact of shifting priorities
- Asset management
- Budget planning optimization
- Risk management
- Predictive intelligence



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Moving the ball on reporting

- The DATA Act, the DATA Act, the DATA Act
- Ensuring reliability and completeness of spending data
- Analyzing spending across programs, operations, organizations, and agencies/greatly expanded benchmarking
- Linking spending to results
- Integrating real-time spending data with decision-making
- Moving beyond traditional financial statements and audits
- Leading practices include:
 - Extensive collaboration
 - Data quality assurance
 - Data analytics
 - Business strategy and governance,
 - Built-in processes
 - People



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Turning the corner on improper payments

- Understanding the portfolio of payment errors and fraud risks, including root causes such as policy, cultural and regulatory barriers
- Establishing priority areas for remediation, considering risk magnitude and returns on investment
- Using research-based methods such as continuous monitoring, penetration testing, and advanced analytics
- Partnering with state and local governments and non-profits administering federal funds to provide tools and incentives for reducing improper payments
- Preparing reliable and timely improper payment reports that meet legislative requirements, while providing context on the causes and nature



Transformational change entails

- True desire and strong willingness at all levels to embrace change;
- Proper incentives to do so, or conversely disincentives for not doing so;
- Realistic plans that address root causes and articulate the end state;
- Clear roles, responsibilities, and expectations;
- Well-designed policies and procedures that are flexible, and avoid a check-the-box mentality;
- Fact-based decision-making and trade-off considerations;
- Documenting key judgments and assumptions;
- Continual monitoring, oversight, and reevaluation;
- Flexibility to shift gears and change direction if needed;
- Continual education so everyone starts and remains on the same page;
- Open communications and broad engagement;
- Stakeholder involvement;
- Accountability for results at all levels, starting at the top; and
- Continuing top management support and leadership.



Final thoughts

- Be prepared to move far outside your current comfort zone
- Think outside your existing paradigm
- Push boundaries
- Breakdown stovepipes and parochial thinking
- Recognize and seize the opportunities game changers provide
- Look broadly and to the long haul
- Address the cultural transformation and people aspects of transformation



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