President's Management Advisory Board Meeting

March 27, 2015

Agenda

9:00 a.m.	Welcome and Introductions
9:10 a.m.	Management Priority Updates
10:00 a.m.	Case Studies

- Business Process: Shared Services- Financial Management

10:30 a.m.	Break
10:45 a.m.	Employee Engagement

- Department of Education
- Department of Housing and Urban Development

11:50 a.m.	Final Comments & Moving Forward

Designing and Executing the President's Management Agenda

EFFECTIVENESS

Deliver world-class services to citizens and businesses

- Delivering World-Class Customer Service
- Ramping Up Smarter IT Delivery

EFFICIENCY/VALUE

Increase the value and quality of core operations

- Expand Shared Services
- Buy as One Through Category Management
- Refine Cost and Quality Benchmarks
- Drive Productivity & Cost Savings

ECONOMIC GROWTH

Open government assets as a platform for innovation, job creation, and economic growth

- Open Data to Spark Innovation
- Accelerate Lab-to-Market

PEOPLE & CULTURE

Unlock the talent of the workforce we have and build the one we need for tomorrow

- Create a culture of excellence and engagement to enable higher performance
- Build a world-class Federal management team, starting with the SES
- Enable agencies to hire the best talent from all segments of society

Management Priority Updates: Cross-Agency Priority Goals

Context

- This is the third public progress report for the CAP Goals announced with the FY15 Budget and marks the beginning of the second year of activity on the Goals. The CAP Goals run from FY14 through FY17 and are updated on Performance.gov each quarter.

- Each Goal team produced a quarterly update which includes a goal overview, a commentary on progress for Q1, information on key strategies, upcoming milestones and indicators, and contributing programs.

- Eight CAP Goals have performance data and are beginning to report data trends.

Management Priority Updates: Cross-Agency Priority Goals

GOAL	AGENCY LEADS	RESULTS	UPCOMING MILESTONES
EFFECTIVENESS: DELIVER SMARTER, BETTER, FASTER SERVICE TO CITIZENS.			
CUSTOMER SERVICE	OMB SSA	In December, SSA and OMB hosted a meeting in the Denver region to pilot the establishment of a regional Customer Service Community of Practice. On December 9th, the President announced the creation of the Federal Customer Service Awards Program. OMB issued guidance to agencies implementing the program, and the first awards will be presented this Fall.	• Establish government wide feedback mechanism to be piloted by Q3 FY 2015.
SMARTER IT DELIVERY	USDS OMB OSTP VA	The US Digital Service team successfully supported agencies with several high priority projects. Specifically: • Launch of Healthcare.gov open enrollment period; • "Soft Launch" of the modernized immigration application and adjudication software; • Development of a Digital Service team at VA to focus on a range of initiatives from scheduling to health records and the disability claims backlog.; and, • 18F expanded to nearly 100 digital service experts working on projects across government.	• Begin the development of an Innovation Marketplace for target marketing to innovative small businesses. • Launch a pilot for agile contracting.
EFFICIENCY: MAXIMIZE VALUE OF FEDERAL SPENDING			
BENCHMARKING	OMB GSA	The CxO Council working group refined the initial set of Efficiency benchmarks by eliminating metrics that proved less valuable, adding new measures, and improving the consistency of definitions. GSA and OMB developed a survey for internal customers to gauge their satisfaction with specific services, which was deployed to 130,000 supervisors and senior executives across the 24 CFO agencies.	• Conduct analysis of efficiency and effectiveness data and present report to agencies.
SHARED SERVICES	OMB USDA	Issued guidance on the process for migrating a large agency to a shared solution, incorporating best practices and lessons learned from agencies and industry. Published version one of the Financial Management Services Catalog, incorporating over 200 comments from agencies and industry.	• Publish the Financial Management Services Catalog with prices and performance metrics for FSSPs.
STRATEGIC SOURCING [CATEGORY MANAGEMENT]	OMB DOD	FY 14 data is now available for metrics. Of the 12 identified Federal Strategic Sourcing Initiatives: • 1 is in place and available; • 6 are in place and implementation is underway; • 1 solution strategy is approved to be put in place; • 3 are preparing for SSLC strategy approval; and, • GSA launched six hallways for government-wide on-line acquisition marketplace.	• Launch 3 additional IT hallways by end of June (telecom, outsourcing, and security). • Establish new CAP goal in May for Category Management.

Management Priority Updates: Cross-Agency Priority Goals

GOAL	AGENCY LEADS	RESULTS	UPCOMING MILESTONES
ECONOMIC GROWTH: SUPPORT INNOVATION, ECONOMIC GROWTH AND JOB CREATION			
LAB-TO-MARKET	OSTP DOE	421 Teams completed the NSF I-Corps immersion course with participation from seven universities. the CDC is working to expand a strategic partnership with the Venture Lab at Georgia Tech to host I-Corps training. As a result of the NIH Breast Cancer Startup Challenge, 11 startups were created. NIH just launched its second challenge, the Neuro Startup Challenge.	• Develop a framework for economic impact analysis in collaboration with the research community.
OPEN DATA	OMB OSTP	On January 20, the White House and EPA jointly hosted a government-wide open data best practices sharing session open to all Federal employees and contractors who work on open data issues. CTO Megan Smith gave remarks, and speakers from the Presidential Innovation Fellow program, EPA, GSA, USDA, DOC, and VA presented on their successes in implementing the Open Data Policy, engaging with data users, and assessing the impact of their data. In November, 92% of agencies reported qualitative "impact" data demonstrating the value and outcomes for external entities using government data. 79% of agencies have 100% valid metadata, up from 65% reported in August.	• Identify and list each agency's application program interfaces in their Enterprise Data Inventories and Public Data Listings on Data.gov by February 28. • Make agency EDIs available to the public on Data.gov by March 2015.
PEOPLE AND CULTURE: DEPLOY A WORLD-CLASS WORKFORCE AND CREATE A CULTURE OF EXCELLENCE			
PEOPLE AND CULTURE	PPO OPM	All PMC agencies have identified Senior Accountable Officials responsible for improving employee engagement. The White House SES Reform Advisory Group sub-committee meetings convened to begin work on identifying reform best practices on Recruitment, Hiring, Retention & Development, and Restoring the Value of Public Service.	• Review progress with agencies on improving employee engagement, and share guidance and best practices by end of April 2015.

Management Priority Updates: Customer Service

Tell US How we did

www.service.usa.gov

Presidential Customer Service Awards

- Agency nominations due in July
- Presidential recognition of 10 awardees in October

Community of Practice

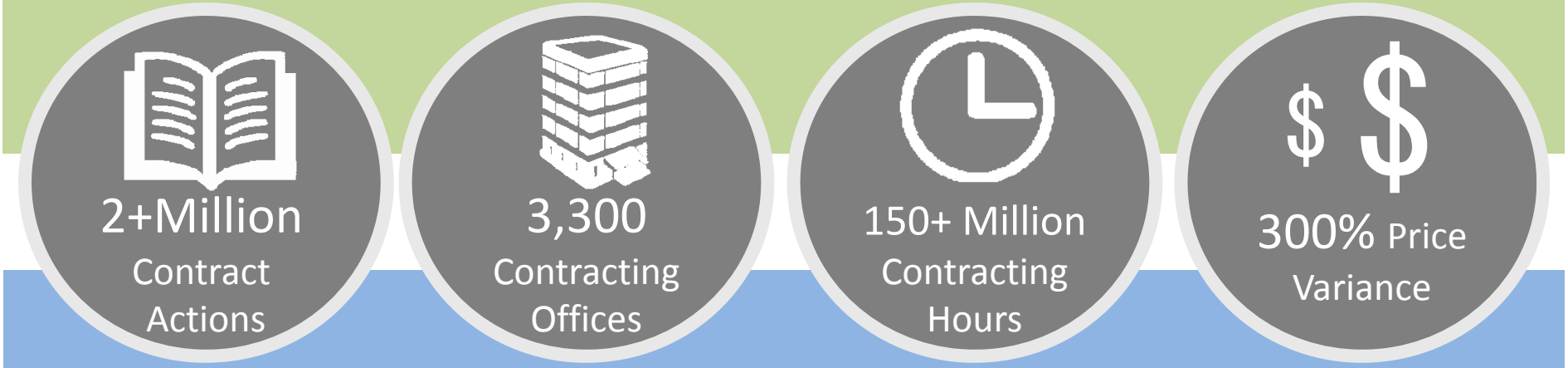
- 75 people met in Denver in early March with Beth Cobert and a guest speaker from Charles Schwab to discuss customer service
- Employee from the Mine Safety and Health Review is now starting to think about how satisfied her customers are

Federal Feedback Button

- 5-star rating for in-person and web interactions
- Pilots to launch in May – TSA (4 airports), State, SSA, Labor

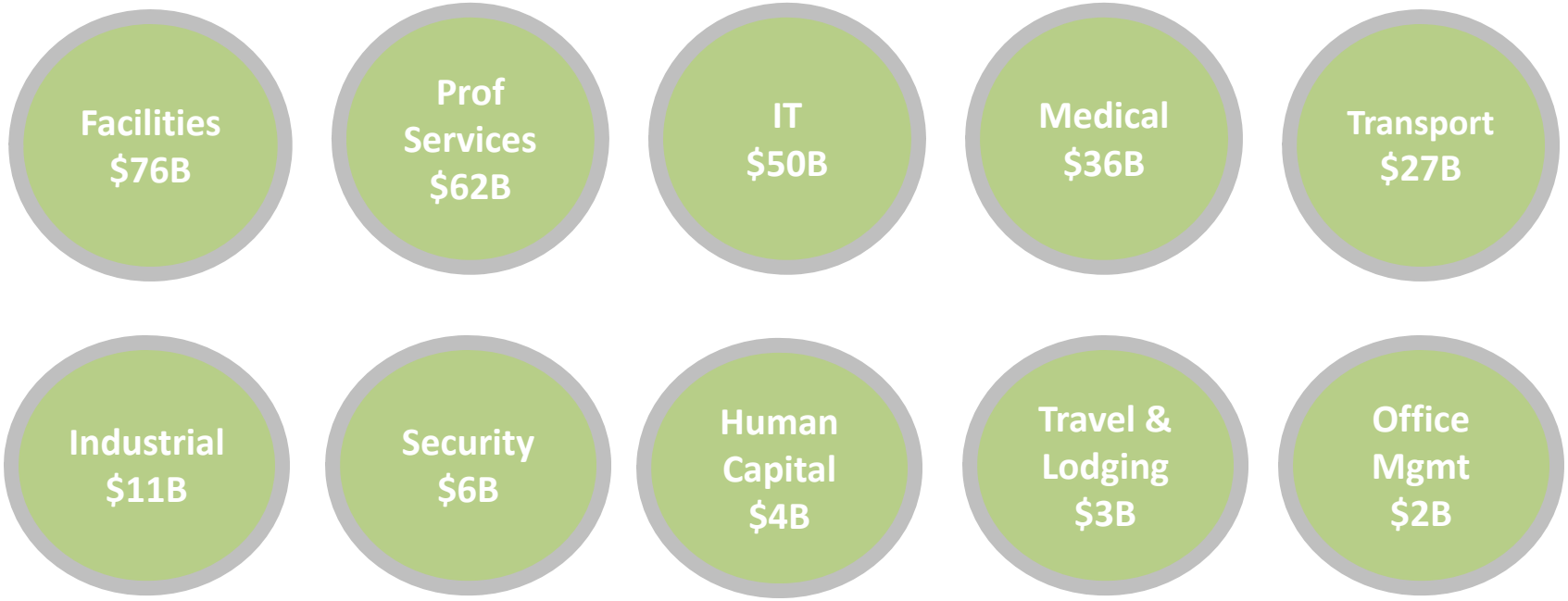
Management Priority Updates: Category Management

Current procurement processes annually involve:



Management Priority Updates: Category Management

Over $270B in commonly purchased goods and services divided into 10 supercategories



Management Priority Updates: Category Management

POLICY

Issued "Acq 360," a survey of agency IT procurements by industry

Developing detailed guidance for Category Management

Launching "Lifting the Veil," new industry/govt dialogues

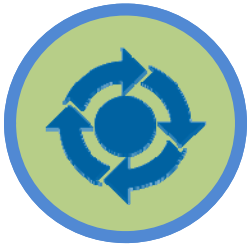
GOVERNANCE

Led by Category Management Leadership Council (CMLC)

PEOPLE

Establishing first full-time team for IT Category

Work underway by three part-time teams



PORTAL

Launched Acquisition Gateway, new online portal

Sharing info for 20% of categories

Collecting all IT contract data

METRICS

Developing five year plan, with metrics for:

- Savings
- Reduction in contract duplication
- Reduction in price variance

Management Priority Updates: Category Management

IT - $50B

Full-Time Category Manager (OMB) – July

Launched interagency software team

Issue laptops/desktops standard configurations for 80% of requirements – June 2015

Populate all IT contract data in GSA Gateway – July 2015

Begin to Issue IT Policy Guidance – July 2015

HR- $4B

Part-Time Category Manager (OPM)

Populated Acquisition Gateway

Consolidating disparate training (14,000 transactions) into a single set of vehicle for acquisition

- Released RFI – Jan. 2015

- Issued RFP – March 2015

- Award Planned – FY 17

Issue Game Changer Policies – May 2015

Transportation - $27B

Part-Time Category Manager (DoD)

Currently managing 3rd generation domestic delivery contract, planning for gov-wide 4th generation solution

Populated Acquisition Gateway

Conduct spend analysis - FY15 Q1-Q4

Approve acquisition strategy - late FY15

Award new contract(s) – October 2017

Office Mgmt - $2B

Part-Time Category Team (GSA)

Populated Acquisition Gateway

Administrative Support & Workplace Environment in Acquisition Gateway

Implemented Office Supplies 3 (OS3) solution

Implement new furniture demand management standards configurations – May 2015

Develop furniture buying guide – late FY15

Management Priority Updates: Discussion Questions

Category Management

1. As we recruit Category Managers, what are the key skills and competencies necessary for success? What skills are needed for category teams? Where should the teams focus their efforts during the first three-six months?

2. Are there companies that conduct category management well? Do you have specific POCs we can chat with, especially regarding the IT category?

3. How do we institutionalize category management beyond any single Administration?

4. How do we help our workforce learn and prepare for category management?

5. What suggestions would you have for helping to drive behavioral changes across a large, fragmented organizational structure?

6. How do we manage expectations, given this has taken many smaller entities, such as the UK, over five years to achieve 75% of "spend under management?"

Management Priority Updates: Introduction of Federal CIO

Tony Scott, the current Federal Chief Information Officer, joined OMB in February 2015, and brings more than 35 years of leadership and management experience in IT services. Prior to OMB, Mr. Scott served as VMWare's Senior Vice President and Chief Information Officer, where he focused on the effective use of IT to bring improved agility and cost savings to the business. Before VMWare, Mr. Scott was Microsoft's Chief Information Officer, where he oversaw all aspects of the company's information technology organization and enterprise digital supply chain.

Previous to Microsoft, Mr. Scott served as CIO at the Walt Disney Company, and was responsible for corporate and companywide shared service functions including enterprise wide application development and support. He took the company through major systems upgrade of SAP environment, managed transformation of several major functions to outsourced partners and delivered multi-year strategy planning framework for IT within the company. Mr. Scott also served as the Chief Technology Officer of Information Systems & Services at General Motors Corporation. He holds a bachelor's degree in information systems management from the University of San Francisco and a Juris Doctorate with a concentration in Intellectual Property, International Law from Santa Clara University.

Business Process:
Shared Services- Financial Management

What are Shared Services?

The centralization of common mission-support functions used by multiple divisions of the same organization to eliminate redundancy and recognize efficiencies.

Federal Position on Shared Services Today

- "Mandated" adoption of shared services (e.g., move to specific providers by a specific date)
  - Payroll
  - Travel
- "Phased" adoption of shared services (e.g., move to specific providers at next modernization)
  - Human Resources
  - Financial Management
- Emphasis on information technology shared services (e.g., platform, software) rather than human capital

Accomplishments

- **Payroll –** HRLOB estimates savings realized to be over $1.6b, and will continue to generate approx. $184m in annual savings following government-wide adoption
- **Travel –** As of FY11, the manpower and productivity savings recognized by using shared travel solutions over the next ten years is estimated to be over $300m
- **NASA –** In 2008, NASA recognized $16m in savings from implementing internal shared services and estimates $12m in annual savings moving forward
- **Financial Management** – In May 2014, OMB named four Federal shared service providers. HUD and DHS will implement first phases in Q1 2016.

Business Process: Shared Services- Financial Management

Shared Service Providers	Human Resources	Payroll	Financial Mgmt.	Data Center Hosting	Acquisition Services	Real Estate and Logistics
Department of Agriculture, National Finance Center (NFC)*	X	X	X	X		
Department of Interior, Interior Business Center (IBC)*	X	X	X		X	
Department of Treasury, Administrative Resource Center (ARC)* and Shared Services Programs (SSP)	X	X	X	X	X	
Department of Transportation, Enterprise Service Center (ESC)*			X	X		
Department of Health and Human Services, Program Support Center (PSC)			X		X	X
Department of Defense, Defense Finance and Accounting Service (DFAS)		X	X			
Department of Defense, Defense Civilian Personnel Advisory Service (DCPAS)	X					
General Services Administration, Business Management Office	X	X	X	X		

* Designated by OMB and Treasury as a Federal Shared Service Provider for financial management.

Business Process: Shared Services- Financial Management

Accomplishments

- Named four financial management shared service providers
- Issued governance principles to define the customer/provider relationship and manage the ecosystem
- Kicked off the Administrative Shared Services Study to determine the ideal governance and org structure over HR, IT, Finance, and Acquisition shared services
- HUD and Treasury ARC successfully implemented Travel and Timekeeping in Q12015
- DHS and Interior IBC signed an implementation IAA for Coastguard, TSA, and DNDO

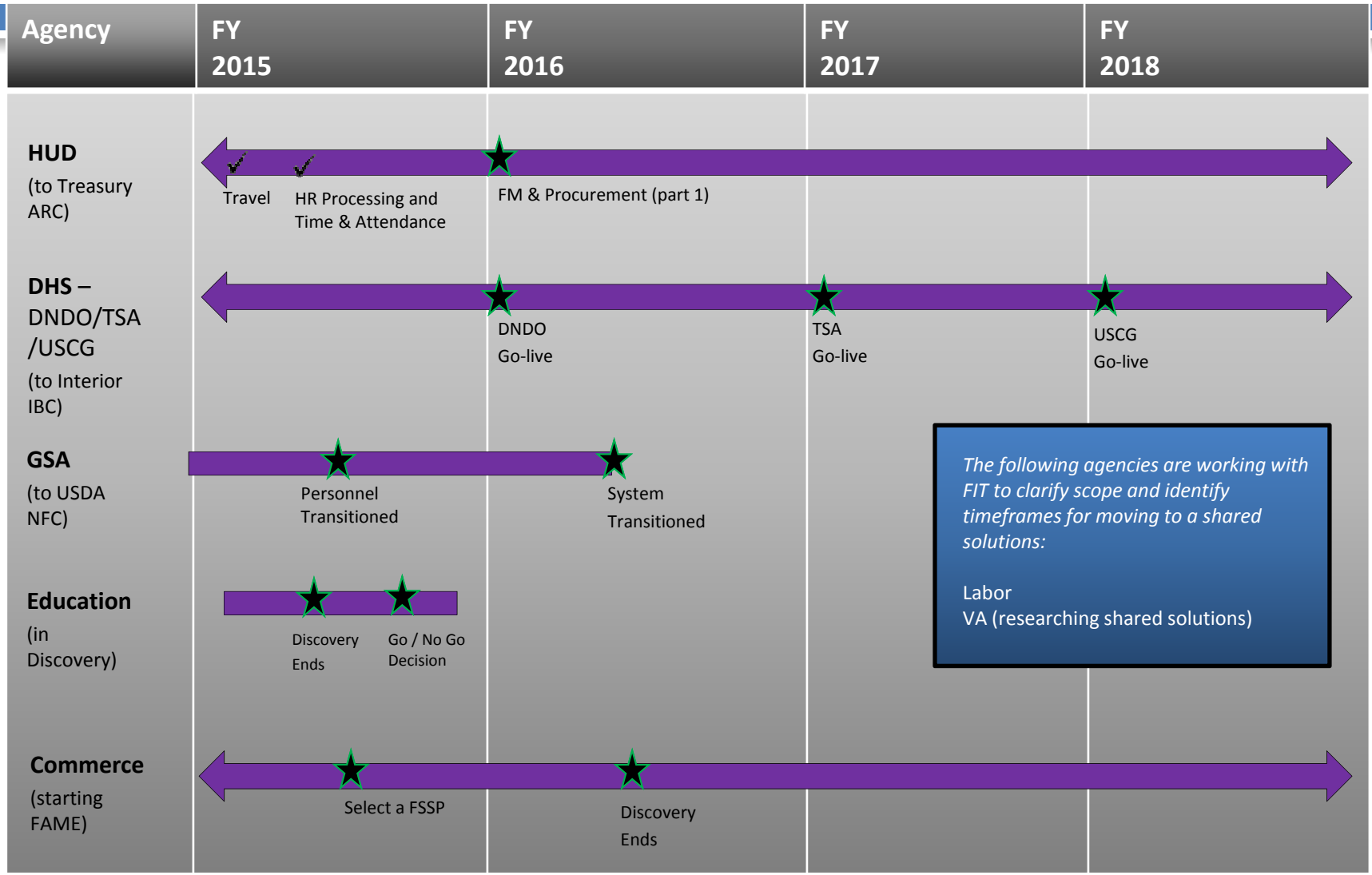
2015 Planned Milestones

- Align oversight and governance for all administrative shared services
- Issue performance metrics and services catalog for financial shared service providers
- Implement HUD on ARC's financial solution in Q1 2016
- Implement DHS DNDO on IBC's financial and procurement solution in Q1 2016
- Begin Discovery process for at least two other cabinet agencies

Challenges

- Agency loss of control
- Change Management (process, people, technology)
- Funding to modernize and automate shared solutions
- Funding for agencies to migrate to shared solutions
- Common governance models
- Quality of service
- Price Transparency

Business Process: Shared Services- Financial Management



★ *Represents the planned activity's completion timeframe.* ✔ *Indicates completed milestone.* *As of 2/11/15*

Business Process:
Shared Services- Financial Management

Challenges

- Change Management
- Supply and Demand Funding Needs
- Common governance models across mission-support functions
- Quality of service
- Price Transparency

Implementation Strategy

- Align oversight and governance for various mission-support functions
- Engage and partner with industry experts to refine implementation strategy
- Explore commercial opportunities and public-private partnerships
- Issue performance metrics and services catalog for financial shared service providers
- Implement HUD on Treasury ARC's financial solution in Q1 2016
- Implement DNDO, TSA, and CoastGuard on IBC's financial, procurement, and asset management solutions in 2016, 2017 and 2018, respectively

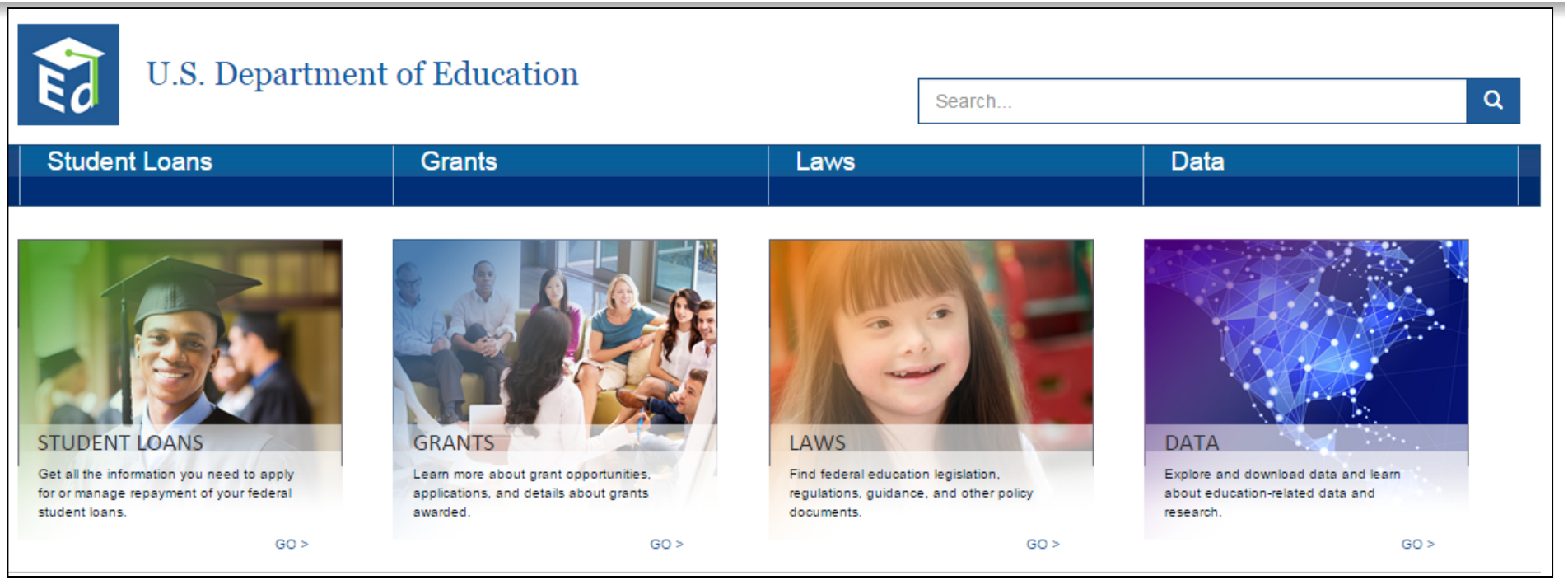
Business Process: Discussion Questions

- What lessons can you share to effectively manage an organization to oversee mission-support shared services?

- How can we best establish consistent governance models across mission-support services?

- How do we approach the change management issues associated with this type of shift in operations?

Employee Engagement: Department of Education



Mission: Promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

4,400 employees , half of which are in DC

In a time of nearly unprecedented change in education, America's students are making important progress, due to the hard work of educators, families, communities, and the students themselves.

- Our nation's high school graduation rate is at its highest point.
- Dropout rates are at historic lows.
- College enrollment for black and Hispanic students is up by more than a million, since 2008.

Employee Engagement: Department of Education

<u>Overview</u>

The Department of Education has seen consistent improvements (4% on the EVS) in employee engagement over the past four years. The data shows that the Department's efforts to strengthen supervisors' skills and to foster a better relationship between supervisors and employees appears to be paying off, but they continue to struggle with employee responses about the Department's senior leadership.

75%

My **Supervisor** supports development and commitment, maintains integrity, communicates the agency's goals, and earns respect.

43%

My Agency's **Senior leaders** generate high levels of commitment and motivation in the workforce.

Employee Engagement: Discussion Questions

Discussion Questions

- How can Education bridge the dichotomy of perceptions about senior leadership and first line supervisors?

- Is there a way to work with senior managers and first line supervisors to integrate engagement activities into their day-to-day operations instead of seeing it as a service provided by HR?

- How can Education persuade managers to believe that employee satisfaction and motivation are effective business tools instead of yet another burden on management? If so, what tools or strategies were most successful in making the case for employee satisfaction and engagement?

Employee Engagement:
Department of Housing and Urban Development

Mission: Create strong, sustainable, inclusive communities and quality affordable homes for all.

8.000 employees; 2/3 of the workforce is outside of DC in 64 field offices

- Since 2010, homelessness among veterans has dropped 33%. Chronic homelessness has fallen 21%.
- The Federal Housing Administration has helped 1.6 million people buy their first home over the last three years.

Employee Engagement:
Department of Housing and Urban Development

Overview

HUD's EVS leadership-related data is the lowest section of all of their data. It indicates a challenge for senior executives to connect with, inspire, and motivate employees on the front lines of the organization, particularly in a geographically diverse organization.

30%
senior leaders generate high levels of motivation and commitment in the workforce

52%
how good a job do you feel is being done by the manager directly above your immediate supervisor?

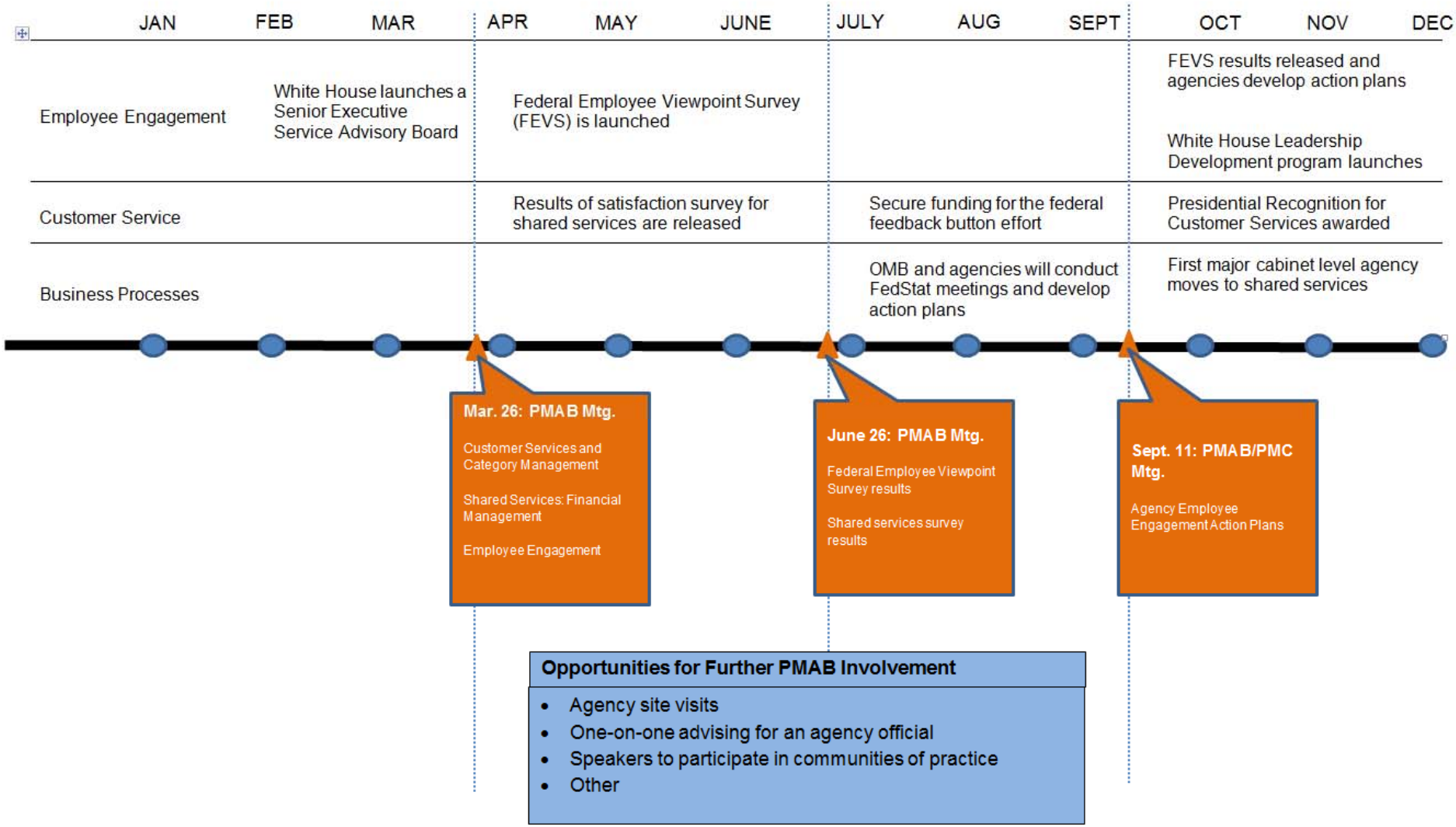
42%
I have a high level of respect for my organization's senior leaders.

Employee Engagement: Discussion Questions

Discussion Questions

- How can HUD create a pipeline of leaders ready to assume not only core work responsibilities, but also engaging and developing front line employees?

- How can HUD address employee engagement challenges with a workforce that is centrally managed in DC, but is dispersed across the country?

- How can HUD leadership demonstrate to employees that the leadership cadre is serious about upholding a culture of accountability (demonstrating integrity)?

Moving Forward