

IMPROVING GOVERNMENT PERFORMANCE AND DELIVERY

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1. EXECUTIVE SUMMARY

The federal government accomplishes its mission objectives through programs aimed at delivering new capabilities, efficiencies, and/or radical changes in business processes. These major initiatives are often complex, require substantial resources, affect large segments of the population, involve significant risks, and impact the future of operational systems. Their performance and success are critical.

The question to ask, however, is how well does the federal government manage these initiatives? Is the government a good steward of its resources and capabilities?

The reality is that many programs are managed very well by competent federal program managers. However, too often other programs valued at tens and hundreds of millions of dollars fail to achieve their cost, schedule, and performance goals. And the taxpayer pays the bill for an excessive waste of investment dollars and ineffective government.

During 2007 and 2008, a public/private group of interested parties met under the auspices of the Council for Excellence in Government to discuss ways to reverse this trend in program failures. The group quickly focused on program management as the answer. In support of this effort, an OMB-sponsored survey was conducted to gather data and opinions from a broad population of federal program managers.

The result of this study is the following sets of legislative and policy recommendations for implementation by the Congress, the President's Management Council, the Office of Management and Budget, the Office of Personnel Management, federal agencies, and/or other responsible bodies as appropriate.

LEGISLATIVE RECOMMENDATIONS

Oversight and Management

Problem Statement: Over time, the legislative and executive branches of the federal government have enacted many laws and issued many policies to improve the acquisition and delivery of goods and services. The laws and policies generally addressed specific problems hindering government performance and effectiveness, but did not holistically address the management environment put in place several years ago and now responsible for the nation's most complex and high-risk, mission-critical initiatives.

Goal: Improve oversight and management of agency program performance through enactment of the Acquisition Management Reform Act of 2009.

Sub-goals:

- Rewrite the Office of Federal Procurement Policy (OFPP) Act to clarify and expand OFPP's role and responsibilities:
- Change OFPP's name to the Office of Federal Acquisition Management and Policy (OFAMP).
 - ▶ Expand OFPP's responsibility beyond procurement policy to include overall acquisition/program management oversight.
 - ▶ Define the acquisition workforce more broadly to include responsibility for program management and program delivery.

- ▶ Give OFAMP responsibility for strategic human capital planning as it applies to the acquisition workforce as broadly defined above.
- ▶ Give OFAMP authority to create a Defense Acquisition Workforce Improvement Act (DAWIA)-like structure for the federal acquisition workforce to include training, career development, performance incentives, direct-hire capability, and rotational assignments.
- Create the Federal Performance Council (FPC) to ensure accountability for major program progress and transparency of program status. The FPC could be an extension of the President's Management Council (PMC). It would have the following characteristics:
 - ▶ Chair is vice president or director of the Office of Management and Budget.
 - ▶ Executive secretary is administrator of OFAMP.
 - ▶ Members are agency deputy secretaries and chief procurement officers.
 - ▶ Meets quarterly to review top 25-30 federal programs.
 - ▶ Reports to Congress on program progress and performance.
 - ▶ Is replicated at major agencies.
- Create Federal Performance Councils at major agency levels to ensure the same achievements for accountability and transparency.

POLICY RECOMMENDATIONS

Responsibilities and Accountabilities

Problem Statement: Program managers are often told to “find a way,” “get it done,” or “make it happen.” They are frequently left to solicit help, resources, and influence on their own. Executives and stakeholders often do not understand their appropriate and value-added roles. In today's world, organizations deliver major initiatives, not individual staffs.

Goal: Establish clarity of responsibility and accountability for delivery of program results.

Sub-goals:

- Establish and implement training in program management for executives, stakeholders, and government business partners. This includes the Congressional staffs, OMB, agencies, and contractors.
- Establish policy for identifying responsible parties and holding them accountable for program performance and results, including the program manager.
- Establish roles and responsibilities for executives, stakeholders, and government business partners.

Governance

Problem Statement: In spite of its proven value, program management is not recognized as essential to government performance, success, and results. Advocacy for program management often resides with individuals and not with organizations. Outside of DoD and a few civilian agencies, program management is not “institutionalized” as an established management discipline and “the way government and agency business is conducted.”

Goal: Increase program performance and results by establishing the practice of program management.

Sub-goals:

- Require agencies to establish independent program management offices—designed to be free of conflicts of interest, biases, and political pressures—to support the oversight of their large, complex, and risky initiatives.
- Require the Chief Program Management Council (see sub-goal under “Network and Collaboration” below) to address the systemic business issues of government that hinder performance and delivery, as well as to identify and replicate the use of best practices.
- Require the President’s Management Council (PMC) to promote program management excellence in all agencies by encouraging its application in all discipline areas, the dissemination and use of program management best practices, and the recognition of agency and individual program management successes.
- Establish OFPP as the advocate for the entire acquisition workforce in civilian agencies as defined in OMB Memo 05-01, especially Program Managers separate and apart from project managers.

Program Management and Skills Development

Problem Statement: There is no consistency across government in the training and development of program managers. There is no OPM-established job series for program management with graduating levels of responsibilities. Program management is not defined and managed as a federal career “to aspire to.” Requirements for program management skills and competencies are not consistent across agencies, organizations, and disciplines. Policy requiring training, experience, and expertise in program management has been sporadic and varied over time.

Goal: Establish a program management career field to recruit, sustain, and retain talent and expertise in program management.

Sub-goals:

- Require civilian agencies to adopt DAWIA-like training and developmental requirements.
- Develop a job series for program management that establishes a career ladder and spans agencies and business functions.
- Establish compensation and grade structures commensurate with the program manager’s core responsibilities to deliver program outcomes.
- Recognize and promote program management as a rewarding career field that is essential to government performance and delivery and resides in every government agency.

Network and Collaboration

Problem Statement: Program managers are not readily and consistently recognized across government. There is no network, community, or collaboration of federal program managers. There is no recognized alignment with the acquisition and business/program functions of government. There is no central voice or advocacy for program management as a core discipline of government. Thus, program managers are relegated to act on their own, often resorting to individual and heroic activities to achieve progress and objectives.

Goal: Improve the business effectiveness of government by creating an environment where federal program managers can share best practices and lessons learned.

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Sub-goals:

- Identify all individuals that have responsibility for large, complex, and high risk programs as “program managers.”
- Establish an in-person and online community of practice for federal program managers.
- Develop and sustain an experienced, empowered, and innovative cadre of program managers across government.
- Establish incentives and associated awards based upon networking and collaborative skills and accomplishments.
- Establish an interagency and representative body of senior program managers, a Chief Program Management Council, to advise and report to OMB’s deputy director for management.

2. REPORT

2.1. PURPOSE

This report reflects the discussions, study, research, and recommendations of a committed group of public and private executives over a number of months during 2007 and 2008. The group formed and exists today to advocate the value and benefits of program management in government. The objective of the group is to improve government program performance, delivery, and success.

If OMB's definition of federal programs is used, there are nearly 1,000 programs worth over \$2.5 trillion that are assessed by the Program Assessment Rating Tool (PART). According to OMB, almost one in five federal programs is unable to demonstrate results. Many of these are ongoing major operational programs, but many others are a collection of large-scale projects making up a transformational program aimed at delivering new capabilities or radical business changes. This paper is primarily focused on the latter category, but many of the concepts can be applied to both groups. Examples of the first type, major operational programs, include new weapons systems or information technology capabilities that have to be integrated into existing legacy operational systems and processes.

2.2. STEWARDSHIP

The federal government is responsible to the citizens, warfighters, and businesses of this country. Government looks for major improvements in its ability to accomplish its mission and objectives through initiatives or programs, usually a collection of projects aimed at delivering new capabilities, efficiencies, or radical changes in business processes. Because these major initiatives often require substantial resources and impact large segments of the population and the future of operational programs, their performance and success are critical.

One example of an initiative is the building a new system of sensors to better protect America's borders. This is a technology and business process transformation that must be integrated with existing systems, processes, and personnel. These types of programs usually involve substantial risk of delivery.

The officials who execute these programs, the program managers, are responsible not only for their results but also for the responsible stewardship of the government's resources and capabilities by managing the risks that accompany this type of complexity. The programs often involve substantial use of contractors and potentially public-private partnerships. The question that begs an answer is: "How well are we doing in delivering results within cost, schedule, and performance goals?"

The answer can be found in numerous Government Accountability Office (GAO) and Inspector General (IG) reports that document a consistent history of cost and schedule overruns and performance failures—what Peat-Marwick once dubbed "Runaway Systems." The Standish Group has reported that only 16 percent of major system initiatives deliver on time and within budget, and 40 percent of them are outright failures. In addition, the Gallup Poll recently reported that trust in government to do what is right is at an all-time low.

In a world of faster and proliferating technological change and the constant demand for productivity and efficiency improvements, the government's ability to deliver on needed changes is critical and has a direct impact on the confidence of citizens in their leaders.

2.3. A CORE COMPETENCY

The key to a government that delivers improved results through these major programs to its citizens is its program managers. They are a core competency found in every agency. They are the leaders of major transformational change programs that will significantly improve government. Many people look at them as just super project managers. They are often someone pulled out of an operational job to head up a major change initiative with little training, recognition of authority, organizational clout, or designated resources. In spite of these deficiencies and with huge variances in program risk and complexity, the expectation for these leaders is the same as for operational leaders: be 100 percent on time and stay 100 percent within budget.

This environment presents many issues surrounding the management of government initiatives that must be addressed:

- Program managers are often not recognized, valued, empowered, or adequately and appropriately supported. They are often left to “figure it out” or “make it happen.”
- Program managers are frequently disguised by an organizational title (e.g., deputy director) or by a program title (director for Census Modernization). They tend to be more closely associated with an agency's mission than with program management.
- When programs belong to an agency or organization and lack individual accountability, authority and responsibility are diffused.
- Program management is not a sanctioned career series or, in many federal agencies, a career field to aspire to and stay in. Usually, program managers succeed or fail and then move on to other career opportunities.
- Program management is often not institutionalized within the agency's business culture. There is no standardized set of proven and adopted practices to accomplish work.
- There is often the need to ensure interoperability and integration across several organizations in terms of cooperation, authority, resources, or commitment to the common goals.

2.4. TODAY'S GOVERNMENT

Today's government environment is different than it was in times past in significant ways:

- Today's objectives, requirements, solutions, and technologies are often complex and independent, and span the boundaries of governments, agencies, organizations, and applications. Leading and managing is challenging and difficult.
- We do not consistently apply a successful, repeatable, and measurable design for delivering program outcomes. We succeed “when the stars align” or through heroic efforts.
- Program management is a mature, proven, and available discipline that applies and adds value to all levels of the enterprise—wherever business processes are performed. Program management applied correctly delivers results.
- Unsuccessful programs continue to waste billions of dollars while failing to deliver needed citizen services.

- Enterprise level change is difficult and complex and compounded by legacy systems and evolving processes that must be included in any migration to a new way of doing business.

2.5. COALESCING COMMUNITIES

Major government transformational programs today are delivered at the intersection of three communities: the Acquisition, Information Technology, and Operational Management sectors of government. The resources required to deliver results are people, processes, and technology. Program management is the manner in which these three elements are used to accomplish work and deliver outcomes.

By establishing standards and methods for performance, program management provides the additional benefit of mitigating “stovepipes.” Long-standing organizational and cultural barriers that impede performance and progress are dissolved when a consistent set of proven and successful practices are established as the way to conduct business. For example, dramatic events such as 9/11 or Hurricane Katrina can be catalysts for breaking down stovepipes to engage new systems and processes in response to the need for greater or better citizen services. These kinds of events have demanded enterprise thinking and enterprise-wide initiatives to ensure that the government acts as one effective entity.

Program managers must possess fresh collaborative, networking, and leadership skills to succeed in today’s highly networked environments. They often must compete for resources with stakeholders who have conflicting interests. Interoperability among communities, networks, and partnerships is key to effective and successful program delivery.

2.6. LAWS PROVIDE A BEGINNING

The Clinger-Cohen Act provides a foundation for improving the management and oversight of IT programs and projects. It give agencies authority and responsibilities regarding capital planning, business case development, program performance reviews, technical competencies and skills, and knowledge sharing. It also gives OMB authority to hold agencies accountable for progress and achievements.

The Defense Acquisition Workforce Improvement Act levies requirements on program managers pertaining to education, experience, and training. Non-DoD organizations have no similar requirements.

These acts have value but do not provide the consistent management framework across government that supports a program management culture. Program management needs to provide and be part of an organizational culture of accountability and results.

2.7. RECENT CHANGES

President George W. Bush recently issued an Executive Order requiring agencies to appoint performance improvement officers responsible for PART and Government Performance and Results Act (GPRA) activities. Subsequently, OMB announced it will publish the performance and progress of these major programs on the website ExpectMore.gov. While these changes are welcome to ensure accountability in reporting results, more attention needs to be given to the resources and environment necessary to deliver the results themselves.

The Services Acquisition Reform Act of 2003 and subsequent Office of Federal Procurement Policy Letter 05-01 made the Chief Acquisition Officer (CAO) of each agency responsible for program and project management as an agency. In the civilian agencies, this is often viewed as taking a support function, procurement or little “a” acquisition and now saying they are responsible for all of the large “A” acquisition functions that they support. Most CAO’s have little or no direct experience in large-scale program management as a function.

2.8. OFFICE OF FEDERAL PROCUREMENT POLICY

In the establishment of the Office of Federal Procurement Policy (OFPP), the key word was “procurement.” This was in 1973, and in the midst of several headlines on procurement excesses, the mood of the Congress was to seek legislative reforms in the contracting process. Consequently, Public Law 93-400 was passed and OFPP was established within the Office of Management and Budget. The OFPP administrator was charged to provide overall guidance and direction of procurement policy. In those days “procurement” meant “contracting,” and OFPP began to deal with the excesses that had drawn the ire of the Congress. This new office addressed only those federal employees working in specific occupational series related to the contracting office (1102 and 1105).

Nearly three decades later, a new Congress passed the Services Acquisition Reform Act (SARA) in 2003. This act defined “acquisition” as a process that *acquires* by contract, property or services that support the missions and goals of an executive agency. But this is a much broader definition than just the contracting function. It includes the technical and management functions as well as the financing and measurement of contract performance through final delivery and payment. Thus “procurement” now became Acquisition (with a capital “A”). The act further directed the establishment of a training fund to support the training of the acquisition workforce of the executive agencies other than the Department of Defense, which had their own system as part of the Defense Acquisition Workforce Improvement Act in 1990.

In 2005, OMB published a memo (05-01) that built on those previous efforts to improve the development of the acquisition workforce by enlarging the acquisition workforce definition in SARA. The memo went on to direct agencies to develop and maintain an acquisition career management program to ensure the development of a competent, professional workforce to support the accomplishment of their mission. The memo also directed the development of federal acquisition certification programs that would be accepted by all civilian executive agencies. These certifications were to serve as one means to demonstrate that an employee meets the core education, training, and experience requirements for their acquisition-related discipline. The Federal Acquisition Certification program now addresses Contracting, Program and Project Manager, and most recently, Contracting Officer Representative.

As the evolution in Federal Acquisition management policies and practices has occurred, it is time that OFPP evolved into an Office of Federal Acquisition Management with a broader legislative mandate. That mission is to effect the changes necessary to address the full spectrum of activities involved in Federal Acquisition Management.

3. LEGISLATIVE RECOMMENDATIONS

3.1. OVERSIGHT AND MANAGEMENT

Problem Statement: Over time, the legislative and executive branches of the federal government have enacted many laws and issued many policies to improve the acquisition and delivery of goods and services. The laws and policies generally addressed specific problems hindering government performance and effectiveness, but did not holistically address the management environment put in place several years ago and now responsible for the nation's most complex and high-risk, mission-critical initiatives.

Goal: Improve oversight and management of agency program performance through enactment of the Acquisition Management Reform Act of 2009.

Sub-goals:

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 - ▶ Is replicated at major agencies.
- Create Federal Performance Councils at major agency levels to ensure the same achievements for accountability and transparency.

Indicators:

- Establishment of OFAMP.
- Establishment of FPC.

4. POLICY RECOMMENDATIONS

4.1. RESPONSIBILITIES AND ACCOUNTABILITIES

Problem Statement: Program managers are often told to “find a way,” “get it done,” or “make it happen.” They are frequently left to solicit help, resources, and influence on their own. Executives and stakeholders often do not understand their appropriate and value-added roles. In today’s world, organizations deliver major initiatives, not individual staffs.

Goal: Establish clarity of responsibility and accountability for delivery of program results.

Sub-goals:

- Establish and implement training in program management for executives, stakeholders, and government business partners. This includes the Congressional staffs, OMB, agencies, and contractors.
- Establish policy for identifying responsible parties and holding them accountable for program performance and results, including the program manager.
- Establish roles and responsibilities for executives, stakeholders, and government business partners.

Indicators:

- Required and tailored courses in program management.
- Visible, transparent, and documented accounting of program results.
- Agency policy issuances addressing roles and responsibilities.

4.2. GOVERNANCE

Problem Statement: In spite of its proven value, program management is not recognized as essential to government performance, success, and results. Advocacy for program management often resides with individuals and not with organizations. Outside of DoD and a few civilian agencies, program management is not “institutionalized” as an established management discipline and “the way government and agency business is conducted.”

Goal: Increase program performance and results by establishing the practice of program management.

Sub-goals:

- Require agencies to establish independent program management offices—designed to be free of conflicts of interest, biases, and political pressures—to support the oversight of their large, complex, and risky initiatives.
- Require the Chief Program Management Council (see sub-goal under “Network and Collaboration” below) to address the systemic business issues of government that hinder performance and delivery, as well as to identify and replicate the use of best practices.
- Require the President’s Management Council (PMC) to promote program management excellence in all agencies by encouraging its application in all discipline areas, the dissemination and use of program management best practices, and the recognition of agency and individual program management successes.

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- Redefine the acquisition workforce of civilian agencies to include program and project managers as well as traditional 1102 series positions.

Indicators:

- The establishment of a contributing Chief Program Management Council.
- The solicitation of independent oversight support services for major initiatives.
- Higher rate of achievement of cost, schedule, and performance goals.

4.3. PROGRAM MANAGEMENT AND SKILLS DEVELOPMENT

Problem Statement: There is no consistency across government in the training and development of program managers. There is no OPM-established job series for program management with graduating levels of responsibilities. Program management is not defined and managed as a federal career “to aspire to.” Requirements for program management skills and competencies are not consistent across agencies, organizations, and disciplines. Policy requiring training, experience, and expertise in program management has been sporadic and varied over time.

Goal: Establish a program management career field to recruit, sustain, and retain talent and expertise in program management.

Sub-goals:

- Require civilian agencies to adopt DAWIA-like training and developmental requirements.
- Develop a job series for program management that establishes a career ladder and spans agencies and business functions.
- Establish compensation and grade structures commensurate with the program manager’s core responsibilities to deliver program outcomes.
- Recognize and promote program management as a rewarding career field that is essential to government performance and delivery and resides in every government agency.

Indicators:

- The formal establishment of a federal program management job series.
- Executive orders and policy advocating the value of skilled federal program managers.

4.4. NETWORK AND COLLABORATION

Problem Statement: Program managers are not readily and consistently recognized across government. There is no network, community, or collaboration of federal program managers. There is no recognized alignment with the acquisition and business/program functions of government. There is no central voice or advocacy for program management as a core discipline of government. Thus, program managers are relegated to act on their own, often resorting to individual and heroic activities to achieve progress and objectives.

Goal: Improve the business effectiveness of government by creating an environment where federal program managers can share best practices and lessons learned.

Sub-goals:

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- Identify all individuals that have responsibility for large, complex, and high risk programs as “program managers.”
- Establish an in-person and online community of practice for federal program managers.
- Develop and sustain an experienced, empowered, and innovative cadre of program managers across government.
- Establish incentives and associated awards based upon networking and collaborative skills and accomplishments.
- Establish an interagency and representative body of senior program managers, a Chief Program Management Council, to advise and report to OMB’s deputy director for management.

Indicators:

- The establishment of a recognized and contributing body of federal program managers.
- The establishment of a sanctioned, representative, and contributing council of federal program managers.

ADDENDUM 1: KEY SURVEY FINDINGS

1. There is a lack of consistency and clarity in the program manager role, title, and job series.
2. Most program managers surveyed are long-tenured (15+ years) as program managers in the federal government.
3. Most program managers surveyed are eligible to retire in the next five years.
4. Program managers tend to operate autonomously, with minimal involvement from chief executives. Chief Human Capital Officers (CHCOs) are seen as providing the least support while CFOs provide the most.
5. Some core program management activities are seen as difficult to carry out, namely *Developing Measures and Assessing Program Results*, *Responding to Special Requests from OMB*, and *Preparing/Negotiating Budget Requests*.
6. The development of program managers has been varied, relying heavily on on-the-job experience rather than formal training.
7. Program managers are most motivated by *Monetary Rewards*, *Internal Recognition*, and *Promotions*.
8. While independent evaluations are considered to be helpful in guiding program performance, there is considerable frustration with the PART. In particular, the PART is criticized for being too subjective, political, and inflexible.
9. Program managers recommend that successors receive training in the following areas: *Federal Executive Institute's Leadership Programs*, *Leadership Development*, *Project Management*, and *Performance Management*
10. Program managers seek a knowledge-sharing forum (in-person and online) to exchange best practices and connect.

ADDENDUM 2: DISCUSSION GROUP

Alan Balutis	Cisco
Barbara Beach	Management Concepts
Rob Burton	Office of Federal Procurement Policy, and Venable
Dan Chenok	Pragmatics
Scott Cragg	Department of Veterans Affairs
Greg Giddens	Department of Homeland Security
Norm Lorentz	Council for Excellence in Government
Fred Thompson	Council for Excellence in Government
Emory Miller	Robbins-Gioia
Cleve Pillifant	Management Concepts
Stan Soloway	Professional Services Council
Jim Williams	General Services Administration