The President's Management Agenda:

Highlights of the Cross-Agency Priority Goals
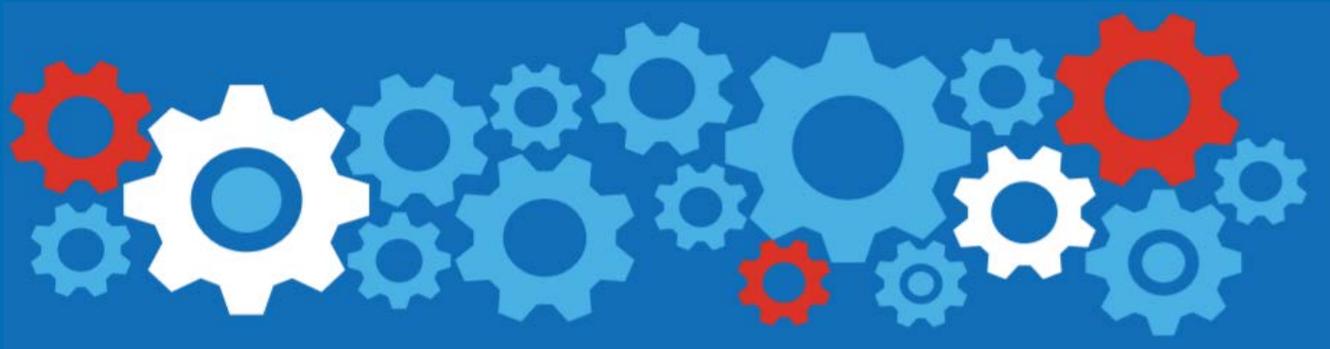
January 2017

The President's Management Agenda

The President is committed to driving lasting change in how Government works—change that makes a significant, tangible, and positive difference in the economy and the lives of the American people. This Administration has launched successful efforts to modernize and improve citizen-facing services, eliminate wasteful spending, reduce the Federal real property footprint, and spur innovation in the private sector by opening to the public tens of thousands of Federal data sets and innovation assets at the national labs.

As part of this broader effort to improve Federal management, the President's Management Agenda was designed to improve the way Government works and delivers for citizens. It focuses on four key areas of management:

- **Effectiveness**: Deliver smarter, better, faster service to citizens
- **Efficiency**: Maximize value of Federal spending
- **People and Culture**: Deploy a world-class workforce and create a culture of excellence
- **Economic Growth**: Support innovation, economic growth, and job creation

To implement this agenda, the Administration brought a suite of tools and best practices from the public and private sectors to better enable the work of government, break down traditional silos and make government operate more efficiently. The Administration set a series of Cross-Agency Priority (CAP) Goals with clearly named accountable officials, data-driven reviews that incorporated a broad range of quantitative and qualitative inputs, and reporting to the public through a common site at www.performance.gov as a framework to drive performance improvements and progress. Emphasis was placed on accountability and engagement at all levels to ensure that challenges were being carefully monitored and addressed.

This approach is delivering lasting results. For example, the Smarter IT Delivery Agenda has focused on recruiting top technologists and entrepreneurs to work within agencies on the highest priority projects, leveraging the best processes to increase oversight and accountability for IT spending, and ramping up Government contracting with innovative companies. To date, these and other efforts have **saved over $3.5 billion**. Additionally, through a Category Management approach – which enables the Federal Government to act more like the single enterprise it is as the largest buyer in the world – has been able to **realize $2.1 billion in savings since 2009** by driving smarter buying practices through category management principles.

The following stories highlight successes and ongoing efforts for each of the eight Cross-Agency Priority (CAP) Goals that make up the President's Management Agenda.

Management Goals

Effectiveness: Deliver smarter, better, faster services to citizens

Efficiency: Maximize value of Federal spending

Economic Growth: Support innovation, economic growth, and job creation

People and Culture: Deploy a world-class workforce and create a culture of excellence

Customer Service

Deliver world-class customer services to citizens by making it faster and easier for individuals and businesses to complete transactions and have a positive experience with government.

Transforming Customer Service

Citizens and businesses expect government services to be responsive, well-designed, efficient, and generally comparable to the services they receive from leading private sector organizations. In order to keep pace with the public's expectations, the Administration has led government-wide efforts to transform the delivery of services to the American people. These efforts include soliciting regular customer feedback, streamlining processes, and delivering consistent quality service across customer channels.

The progress made over the last eight years has been guided by the mission of the Customer Service Cross-Agency Priority (CAP) Goal, which seeks to increase citizen satisfaction and promote positive experiences with the federal government by making it faster and easier for individuals and businesses to complete transactions and receive quality services.

Customer Service Plans

The President announced the creation of the Customer Service CAP Goal in March 2014 to deliver improved customer service across Federal agencies. This built upon the April 27, 2011 Executive Order 13571 – Streamlining Service Delivery and Improving Customer Service, which required each agency to develop a customer service plan.

A number of cross-agency initiatives have been launched to support the CAP goal focusing on the four major strategies listed below. The initiatives are meant to develop long-term practices that will support improving customer experience government-wide.

Strategy 1. Improve Top Customer Interactions in the Federal Government

The majority of the public's interaction with the Federal Government comes from a core group of programs that provide significant services directly to citizens, businesses, and other customers. These customer-facing programs often have the highest volume of customer transactions and/or the highest impact on customers and also have a significant influence on the public's perception of the federal government.

In order to target improving these top customer interactions, the Office of Management and Budget (OMB) established the Core Federal Services Council (Council) on March 30, 2016 to bring together senior leaders from 30 major high-volume, high-impact customer facing programs across federal government. The Council was charged with identifying challenges, highlighting and sharing best practices, developing policy recommendations, developing self-assessment and improvement plans, and recommending the use of other enterprise strategies to improve customer service across the federal government.

Strategy 2. Develop Tools and Resources to Improve Customer Experience

In 2014, the CAP Goal team established a customer service Community of Practice (CoP) which brought together customer service experts from across the federal government to share and develop strategies, best practices, tools, and resources on how agencies can better serve the American people and improve the overall experience of customers. Additionally, in February 2015, a regional community of practice (RCoP) was launched in Denver to provide federal employees in

the region an opportunity to meet, exchange ideas, share best practices, facilitate training, and work toward the larger goal of improving the public's experiences with the federal government.

Strategy 3. Increase Opportunities for Customer Feedback and Transparency

An essential component of improving customer experience is increasing opportunities to improve the collection and broadening the use of customer feedback data to help government programs better respond to the needs of the public. In August of 2015, the CAP Goal partnered with the General Services Administration (GSA) to launch the FeedbackUSA program in federal offices nationwide. FeedbackUSA kiosks allow customers to provide feedback on their experience by tapping a button to rate their overall satisfaction. Federal programs have used FeedbackUSA to solicit, aggregate, and analyze customer service transactional data of their services. Four agencies piloted the FeedbackUSA program in FY16 – Social Security

Administration (SSA) card centers, Veterans Administration's (VA) benefits offices, Department of State's passport centers, and Department of Homeland Security's Citizenship and Immigration Services (USCIS) offices.

Strategy 4. Focus on Engaging Frontline Employees

Another important aspect of improving the federal government's customer service is engaging frontline employees who have the most direct contact with citizens and recognizing the achievement of those that provide exceptional service. On December 9, 2014, the President announced the inception of the Federal Customer Service Awards Program, which recognizes individuals and teams who provide outstanding customer service directly to the American people and identifies effective practices that can be replicated within and across agencies. The inaugural award winners were recognized at an event at the White House in December 2015 and the second round of winners was announced in December 2016.

Improvements on the Issue

The Customer Service CAP goal has brought greater focus and attention across government about the importance of understanding customers' expectations and improving the overall customer service and experience. It has also increased opportunities to collaborate across federal agencies and use a government-wide approach to address these challenges. Several other key accomplishments include:

Increased Customer Satisfaction with Key Federal Services

In Forrester's 2016 Customer Experience (CX) Index Online Survey, the U.S. State Department's Bureau of Consular Affairs CX Index score jumped 10 points, which is the largest increase in the U.S. government and the second-biggest of any organization in the entire U.S. CX Index. A number of digital services also have high citizen satisfaction. According to Foresee's E-Government Satisfaction Index (Q2 FY16), 34 federal websites had aggregate citizen satisfaction scores of 80 or higher (Table 1).

Improved Alignment of Services to the Needs of Customers

- Increasingly, agencies are implementing human-centered design initiatives, such as customer journey mapping, to get a better understanding of their customers' needs and expectations, identify challenges and pain points that customers face, and develop solutions to provide better service.

Increased Opportunities for the Collection and Use of Customer Feedback Data

- Under the CAP Goal, agencies increased opportunities for the collection and use of customer feedback data through the FeedbackUSA program, which currently has kiosks in 27 passport processing centers, 14 SSA card centers, 10 VA benefits centers, and 21 USCIS field offices across the country. Agencies reported high response rates from customers and also received high overall satisfaction scores.

- The State Department reported that it has used the FeedbackUSA data in conjunction with customer feedback to gauge overall satisfaction for customers applying at its passport agencies. It also reported that the visibility of the kiosks has given customers a sense that their feedback matters.

Better Understanding of Actions Needed to Improve Federal Services

- As a part of progress made under this CAP Goal, the Administration established the Federal Core Services Council, which seeks to improve customer service across the federal government and will serve as an ongoing platform for future customer service efforts.
- Through a combination of targeted funding, mission-driven goals, and clear lines of accountability, the Council is helping agencies implement specific improvements including customer assessments, journey mapping, etc.

Direct Improvements in Services Provided to Citizens and Recognition of Frontline Employees

- The Federal Customer Service Awards program increased the opportunities to recognize frontline employees and initiatives that have a direct impact on customer service improvements. For example, in December 2015 the BusinessUSA Veteran Entrepreneur Initiative was recognized for helping over 250,000 veterans start a business and increasing access to almost 55,000 first-time users up from only 500 in 2014.

Table 1. Foresee's E-Government Satisfaction Index. Scores above 80 are recognized as the threshold of excellence (highly satisfied visitors)

Department	Website	Satisfaction
SSA	socialsecurity.gov/i1020	91
SSA	socialsecurity.gov/applyonline	90
SSA	ssa.gov/estimator	90
SSA	ssa.gov/myaccount/	89
Treasury	eftps.com	88
HHS	medlineplus.gov/esp	88
OPM	onboarding.usastaffing.gov/	86
SSA	ssa.gov/bso/bsowelcome.htm	85
DHS	uscis.gov/portal/site/uscis/citizenship	84
HHS	medlineplus.gov	84
HHS	cancer.gov/espanol	84
SSA	ssa.gov/applyfordisability	84
DHS	uscis.gov/portal/site/uscis-es	84
HHS	cdc.gov	83

Remaining Challenges and Recommendations

Improving customer experience across the government is a long-term strategy and goal. In order to continue the progress, we must sustain the momentum from government stakeholders, and continue collaborating across federal agencies and with private industry on best practices and challenges. In particular, the following key challenges remain:

- Make customer experience an integral focus in government strategic planning. By increasing customer understanding, agencies can develop priorities that improve customer experience, engage employees, and increase service delivery.
- Identify senior-level leaders to champion the customer experience improvements nationwide.
- Continue to focus on the collection and use of customer feedback to drive tangible improvements in customer interactions, including the exploration of real-time feedback technologies.
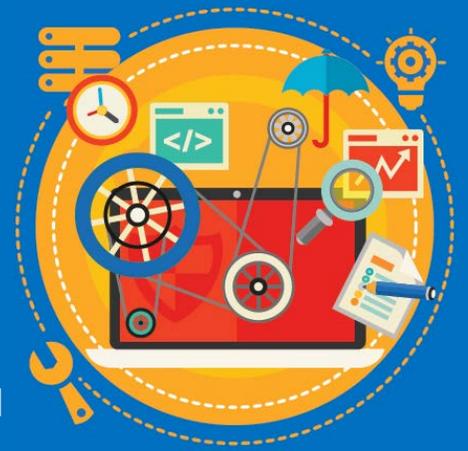
Smarter IT Delivery

Improve outcomes and customer satisfaction with Federal services through smarter IT delivery and stronger agency accountability for success

Delivering on Expectations

Despite spending billions of dollars a year on information technology (IT), challenges remain in acquiring, developing, and managing IT investments. Too many federal IT projects did not meet citizen expectations, arrived late and over budget, and/or were abandoned. Further, the chasm between what citizens expect and government's capacity to deliver continued to widen as the private sector regularly produces simpler, more convenient, and more readily-available offerings.

The major issues within the government technology delivery space that the Cross-Agency Priority (CAP) goal was designed to help address were:

- **An aging infrastructure:** Of the $82 billion in federal IT spending planned for 2017, approximately 78% ($63 billion) is dedicated to maintaining "legacy" IT investments. Agencies often miss benefits of industry innovation, which has seen computing power double approximately every 18 months for the same cost, and where storage and networking costs continue a race to the bottom.
- **Inflexible budgeting cycles:** The need for upfront capital planning and investment to adhere to federal budget cycles does not align with the pace of innovation, which, in turn, slows the pace of adoption.
- **Reliance on waterfall development methods:** Historical government agency processes, management practices, customs, and compliance infrastructure are deeply wired to support outmoded "waterfall"-style software development. This method is characterized by extensive upfront

gathering of detailed requirements and often rigid, inflexible, multi-year solution specifications that make it difficult to build an easy to use, effective digital service.
- **Shortage of technical talent:** The skills required to create effective next-generation digital services are different from those required to automate existing business practices, and these skills are hard to recruit and hire within existing federal IT organizations.
- **Private sector barriers to entry:** Multiple barriers to entry into the federal government marketplace have resulted in a multitude of innovative, modern vendor options that are available to commercial enterprises, yet inaccessible to government agencies.

Establishing the CAP Goal

The Smarter IT Delivery CAP goal was launched to eliminate barriers and create new incentives to enable the federal government to procure, build, and provide world-class, cost-effective IT delivery for its citizens, and hold agencies accountable to modern IT development and customer service standards. The Smarter IT Delivery CAP Goal is oriented around three core objectives:

In 2014, the Administration established the U.S. Digital Service (USDS) by recruiting a group of private sector technology experts into government service. Since its inception, this team of digital experts has worked in collaboration with federal agencies to modernize and improve citizen-facing, high impact services and programs by leveraging cutting edge digital and technology. Currently, USDS employs 200 digital experts from top private sector companies working in

engineering, design, product, strategy and operations, and talent. These experts are teaming up with Federal employees within the Departments of Homeland Security (DHS), Defense, State, Veterans Affairs (VA), Education, Justice, Treasury, Health and Human Services, as well as the Small Business Administration.

Over the past two years, the Administration released several playbooks and resources to help federal agencies improve their digital services. These include the Digital Services Playbook, TechFAR Handbook and the U.S. Web Design Standards. The Digital Services Playbook outlines key "plays" drawn from private and public-sector best practices that will help federal agencies deliver services that work well for users and require less time and money to develop and operate. The TechFAR Handbook describes relevant Federal Acquisition Regulation (FAR) authorities and includes practice tips, sample language, and a compilation of FAR provisions that are relevant to adopting an agile style of software development as the primary means of delivering software solutions. The U.S. Web Design Standards is an open source visual style guide to create consistent and superb user experiences across U.S. federal government websites. All of these guides are edited on GitHub, where they serve as living documents that can be shared and shaped by digital experts across the country.

The federal government spends more than $6 billion each year on approximately 50,000 software transactions. In an effort to cut costs, the Office of Management and Budget (OMB) released the Federal Source Code Policy to mitigate wasteful spending associated with duplicative software acquisitions. The policy requires new custom-developed source code developed specifically by or for the federal government to be made available for sharing and re-use across all federal agencies. It also includes a pilot program that requires federal agencies to release at least a portion of new custom-developed federal source code to the public and support agencies in going beyond that minimum requirement.

Lastly, leadership continued efforts to streamline budget reporting and support IT infrastructure modernization. Under the CAP Goal, OMB advanced efforts to reform CPIC (the primary mechanism for tracking major IT investments and part of the annual budget request) to support buying versus building, shared services, agile development, and rapid

technological changes. In order to help agencies modernize their systems, the FY17 budget included a proposal to create the IT Modernization Fund (ITMF). The ITMF is a proposed self-sustaining revolving fund designed to modernize unsecure and inefficient IT systems.

Helping the government become a smarter buyer requires the establishment of a specialized and educated procurement workforce that understands the digital and IT marketplace; utilizes best practices for IT purchasing; and, capitalizes on the power of the government acting as a single purchasing entity and the economies of scale this provides. To achieve this, USDS and the Office of Federal Procurement Policy (OFPP) within OMB have partnered to develop a digital IT acquisition professional community (DITAP). Program participants learn about agile software development methodology, cloud hosting, and the common tech practice of integrating system operations with application development teams and processes. Of the 54 graduates of the program, 90% felt they were ready to conduct digital service acquisitions at their agencies.

Progress Achieved to Date

Delivering Better Digital Services

- **Developing a unified, one-stop shop digital experience for Veterans.** Vets.gov is a simple, easy-to-use site that consolidates important resources for Veterans into one website — not thousands. Built in partnership with leaders at Veterans Affairs, Vets.gov launched in November 2015 in beta to provide tools and resources that are easy to find and use. Veterans are actively testing the site so the team can learn, as they build, what is working for Veterans and what is not.

- **Streamlining Veterans Affairs disability compensation processing with Caseflow Certification.** Hundreds of thousands of Veterans have waited more than three years for a final disability compensation appeal decision, relying on a complex and cumbersome process. Working in collaboration with the VA's Board of Veterans Appeals, the U.S. Digital Service launched Caseflow Certification, a straightforward web-app to improve paperless appeals processing by detecting if required documentation has been added before an appeal can move forward. This simple check helps reduce preventable errors and avoidable delays caused by disjointed, manual processing.

- **Helping students, parents, and families make more informed decisions about college selection through the [College Scorecard](.).** The Department of Education, 18F, and U.S. Digital Service launched the new College Scorecard tool to give students, parents, and their advisors the clearest, most accessible, and most reliable national data on college cost, graduation, debt, and post-college earnings. This new College Scorecard empowers Americans to search for colleges based on what matters most to them and allows them to compare the value offered by different colleges to help improve their decision. Within the first year, the College Scorecard had nearly 1.5 million users, more than 10 times the users its predecessor had in a year. By giving developers access to an application program interface (API), dozens of other organizations have used the Scorecard data to launch new tools to support students in their college search and application processes.

- **Making it easier for Veterans to access health care.** The Department of Veterans Affairs and U.S. Digital Service introduced [a new digital application for health care](.) built with Veterans, not for them. Previously, less than 10 percent of applicants used the Veteran Online Application for a simple reason: the form would not open for most users. The application was a fillable PDF that required Veterans to use Adobe 8 or 9 via Internet Explorer. More than 70 percent of U.S. Government traffic comes from Chrome, Safari, or Firefox, meaning that more than 70 percent of visitors would have trouble accessing the healthcare application. In the 30 days following the launch of the digital application, more than 11,600 Veterans have used it to apply for health care, with many receiving coverage in less than 10 minutes.

Improving Outcomes and Accountability

- PortfolioStat and other IT reform efforts have helped the government achieve more than $4.68 billion in savings over the past four years while ensuring agencies are efficiently using taxpayer dollars to deliver effective and innovative solutions to the public. PortfolioStat promotes the adoption of new technologies, such as agile development practices. Currently, over 43% of software development projects are using agile development, an increase of over 5% in just one year.

Reducing Barriers to the Federal Marketplace

- Under the CAP Goal, agencies have worked to improve the speed and process for new and existing contractors who wish to sell, or already sell, through the General Services Administration's (GSA) "Schedule 70," one of the government's largest government-wide IT contracts. Under Startup Springboard, for example, GSA has been able to bring two new companies on schedule with less than two years of corporate experience and several more companies are currently in process. In addition, the FastLane program has reduced the average time for award of new offers from 110 days to an average of 35-45 days.

Looking Forward

There is still much to be done to ensure the delivery of world-class IT services allowing customers to easily access and complete digital transactions. The maturation of an agency's IT management practices and effectively recruiting and maintaining IT talent remain key challenges.

Further, there is a need for upfront capital planning and investment to adhere to federal budget cycles. The creation of the IT Modernization Fund (ITMF) provides a possible path forward. By creating a central funding mechanism for IT modernization efforts, agencies will be able to work around long budget cycles, streamline procurements, and reprogram funding to modernize mission-critical IT systems. OMB recently released for [public comment](.) draft guidance to agencies requiring prioritization of systems for modernization and development of modernization plans according to standardized criteria. Bipartisan legislation establishing the ITMF (H.R. 6004) passed the House by voice vote during the last session of Congress. Currently, OMB is working with legislators to re-introduce a modified bill and secure potential funding. The transformational changes that must take place in agencies will take time, resources, energy, and, most importantly, consistent engagement and oversight from leadership. For more information on the challenges that remain, and strategies to address them, click [HERE](.).

Category Management

Category management enables the government to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs.

The Challenge

The federal government is the single largest buyer in the world with annual spending on goods and services close to $450 billion. In fact, one out of every six taxpayer dollars is spent to buy goods and services to support U.S. citizens' needs. Over $270 billion of this is for common goods and services – like training, overnight delivery services, and commercial software. However, there are over 3,300 buying offices, over 40,000 contracting officers, and often thousands of contracts for the same goods and services, often with the same vendor. Agencies often purchase goods and services individually, which does not allow the federal government to fully leverage its size as a customer to save money. This has caused market fragmentation, significant price variations across agencies for the same or similar requirements, increased cost to the vendors

that are constantly bidding on redundant work, and other inefficiencies.

While the government realized some results previously with government-wide strategic sourcing efforts, generating savings of over $500 million since 2010, the success has been limited.[1] Strategic sourcing is a short-term strategy that is focused almost exclusively on driving lower unit pricing for a product or service by aggregating demand (often referred to as "buying in bulk") and rationalizing the supply base in selected commodities (i.e. moving to fewer suppliers), culminating in a preferred supplier contract. Federal agencies' low use of the strategic sourcing solutions diminished the potential savings that could have been achieved.

[1] http://www.gao.gov/assets/690/680634/pdf

Table 1. Key Performance Indicators for Category Management

Goals targets are cumulative; Small Business goal is an on-going annual target. Baselines established in FY15 (except as noted). FPDS data are not final until after the close of the Fiscal year. Q1FY17 will update with end of FY16 data. Source Performance.gov.

CAP Goal Metric	Initial Baseline	Status FY16 Q4	FY17 Goal	FY18 Goal	FY19 Goal
Increased Savings (cumulative)	$548M	$2.1B	$5.2B	$7.2B	$9.3B
Percent of common spend ($272B) that is under government-wide management Note: *As of January 2016, 54% of spend sampled ($171B of $272B) is under Tier 1 or Tier 2 management. Third data called planned for Q1FY17.*	0% of $272B	0%	$40.8B (15%)	$68B (25%)	$95.2B (35%)
Percent reduction in the number of new/renewed contracts	717k contracts	TBD	10%	20%	35%
Meet or exceed government-wide small business goals Note: *See Table 2 for small business utilization targets by category*	23%	23%	23%	23%	23%
Increase the number of unique users of the Acquisition Gateway	7,000	10,199	15,000	19,000	24,000

The Solution

Drawing on industry best practices, this Administration has led a transformational era of change through technology and innovation that is producing a smarter, savvier, and more effective modern Federal government. This modern government draws on the best practices of the private sector – including using the latest technology tools and acquisition methods – to deliver better services, engage people more directly, and drive greater savings and more efficiencies.

A key driving force in implementing this vision of a modern government has been the Administration's reforms in the Federal acquisition space. Early on, President Obama challenged the Federal Government to create a 21st Century acquisition system that maximized value for each taxpayer dollar. Just six weeks after taking office, President Obama launched a government-wide initiative to help agencies improve the efficiency and effectiveness of their acquisition practices. He directed federal agencies to save billions of dollars through strengthened contracting practices and management oversight, but he also pressed them to reduce high-risk contracts that, too often, limit incentive to control costs and maximize value.

The Administration also made Category Management a top priority through the establishment of the Cross-Agency Priority (CAP) Goal and the release of the December 2014 directive to federal agencies, "Transforming the Federal Workplace." Category Management aims to further streamline and manage the Federal Government's vast goods and services more like a single enterprise – leading to bigger savings, better efficiencies, and improved performance. This is cross-agency effort offers a new, more strategic approach to identifying core areas of spend, developing heightened levels of expertise, leveraging shared best practices, providing streamlined solutions for acquisition, and managing supply and demand.

The Administration formed a team of dedicated senior government executives to lead Category Management efforts across agencies and oversee the 10 largest areas of federal procurement, representing more than $270 billion a year in spending. These individuals have tremendous expertise in the category they manage, and helped to drive significant efficiencies and savings in their categories. In addition, the Administration established the government-wide Program

Management Office to provide underlying support to the Category Executives and their teams.

Smarter Buying Gets Results

Since 2009, the Federal Government realized $2.1 billion in savings by implementing smarter buying practices through Category Management, specifically:

- The Office of Management and Budget (OMB) advanced innovative and effective category management policies that streamline the more than $8 billion in annual spending for IT software, hardware and mobile services and devices, and to drive further savings, improve transparency, and reduce duplication in contracting. Since the release of the IT software policy, prices dropped by as much as 50 percent of certain personal computers. The number of duplicative contracts have dropped by 25 percent already. And agencies have held the first-ever government-wide buying events to help aggregate their demand and reduce unit prices and administrative costs.

- The Software Category Team awarded two government-wide software agreements, developed a mobile roadmap for the award of next generation mandatory contracts, and optimized a limited number of existing government-wide contracts.

- The Category Teams developed strategic plans to drive implementation of the Category Management CAP Goal's strategies by FY19, including generating savings of $9.3 billion, bringing $95.2 billion of common spend under management, reducing the number of contracts by 35% while continuing to meet or exceed government-wide small business goals.

Strategies to Drive Further Savings

The Category Management CAP Goal's Key Performance Indicators (KPIs) – savings, spend under management, contract duplication and small business are tracked on a monthly basis and dashboards engage agency leaders and ensure adoption of strategies to drive further achievements.

Highlights from each of the 10 category strategic plans include:

- Facilities and Construction – Support sustainability efforts by utilizing demand management strategies to reduce BTUs, greenhouse gas emissions and potable water consumption.

- Professional Services – Eliminate more than 700 duplicative professional services contracts, which are estimated to save the government nearly $4 million over the next five years with sustained annual savings of $1.3 million thereafter.
- Information Technology – Require agencies to move to government-wide contracts for mobile services by 2018 and report on savings as a result of establishing and optimizing their software inventories.
- Medical – Invest in purchasing access to commercial pharmaceutical stock to support contingency requirements – a cost avoidance of $156 million realized in FY16. Establish best in class contracts for specialty medical services, targeting $2.6 billion in cost avoidance by FY18.
- Industrial Products and Services – Establish a new buying system for internal to government to get products quicker and cheaper, saving over $200 million in the first year.
- Security and Protection – Improve existing guard services contracts and increase spend through government-wide solutions for tactical equipment and communications contracts, generating savings of up to 15% for every dollar spent.
- Transportation and Logistics – Award a consolidated defense and civilian solution for domestic delivery services, and establish a jointly managed program to ensure optimal shipping worldwide by April 2017.
- Travel and Lodging – Nearly double utilization of FedRooms driving savings to $20 million, up from $7 million in FY15.

- Human Capital – Align human resources contracts to the market and increase small business participation.
- Office Management – Perform deep data analytics on open market spend to drive increased adoption of the office supplies solution, bringing over $200 million spend 10 under management.

Additional cross-category approaches being implemented by the 10 Category Executives include:
- Maximize Data Analytics: Conduct government-wide data analytics of categories that will allow Category Executives to understand better what the government buys, how much is spent, and who agencies buy from, including small businesses.
- Optimize Supplier Relationship Management (SRM): Identify major suppliers by category to attract and optimize the use of top industry partners.
- Reduce Duplicative Contracts: Work with agencies to identify companies with duplicative government contracts and streamline the contracting experience.
- Adopt Standard Business Practices: Establish standard refresh cycles for personal computers and appoint agency software managers to inventory and track software licenses.
- Drive Socioeconomic Goals: "Tag" government-wide contracts that meet specific procurement standards that are endorsed for preferred or mandatory use to drive greater performance toward meeting socioeconomic goals.

Table 2. Small Business Utilization by Category Strategic Plan

Government-wide Goal: Continue to meet or exceed small businesses utilization by 23%. Source Perfromance.gov.

Category Strategic Initiatives	Spend ($B)	FY15 Baseline	FY17 Goal	FY18 Goal	FY19 Goal
Facilities and Construction	$72.5	29%	30%	30%	30%
Professional Services	$63.4	30%	32.1%	32.1%	32.1%
Information Technology	$50.7	35.8%	35.8%	TBD	TBD
Medical	$35.2	11.5%	11.8%	11.8%	11.8%
Transportation and Logistics	$25.6	17%	17%	18%	19%
Industrial Products and Services	$11.0	50%	50%	50%	50%
Security and Protection	$5.3	23%	25%	25%	25%
Human Capital	$4.7	24%	24%	24%	24%
Travel	$2.2	35%	35%	35%	35%
Office Management	$1.7	50.8%	50.8%	50.8%	50.8%

Looking Forward

While there has been much progress, work remains to ensure this progress continues. The Administration has established a governance structure to lead this effort, developed guidance that laid out best practices of category management, and appointed ten category managers and 350 supporting team members. We've launched the first-ever Digital IT Acquisition Professional Training program with a curriculum based in principles of agile software design so that acquisition professionals could gain valuable hands-on experience applying modern IT procurement strategies. These Digital IT acquisition specialists are agency contracting officers who are trained in agile approaches to purchasing IT. Agencies have also designated acquisition innovation advocates who are helping the workforce test new and better contracting strategies that shorten delivery times, increase customer satisfaction, and improve value.

Shared Services

Transform the way government does business internally to improve the way the government serves the American public externally.

The Challenge

The federal government supports the stability, welfare, and prosperity of our nation through agency missions and services delivered to the American people. These services encompass important missions, such as the safety of our national food supply, stabilization of capital and consumer markets, support for scientific and medical research, and the integrity of our national infrastructure, law enforcement, and national defense. As varied as they are, each of these missions relies on similar support processes enabling orderly distribution and accounting of funds, recruitment and training of skilled personnel, payroll processing and access to the data that informs strategic decision making.

These support functions historically have been developed in silos, resulting in duplicative spending across and even inside of agencies, as well as wide variation in cost and quality. While smaller agencies, driven by limited budgets, have made strides in the consolidation and sharing of resources and systems performing mission-support, much work remains.

Building on these initial efforts, there is an opportunity to improve effectiveness and efficiency of administrative mission- support functions by leveraging the General Services Administration's (GSA) benchmarking data and other performance metrics to identify opportunities for agencies to improve quality and cost by leveraging a shared service.

The drive to embark on this transformational journey is fueled by downward pressure on discretionary spending, emerging technologies that enable agencies to share systems, services and data like never before, the benefits of reduced duplication, more resilient

cyber-security strategies, and opportunities to optimize operations and improve quality based on process and system standardization. The status quo, where 80% of the $80 billion federal information technology (IT) budget is dedicated to maintaining legacy systems, is simply not sustainable or beneficial in the future.

As the federal government benefits from taking an enterprise services approach to mission support, agencies will restructure their internal C-suite organizations to focus on the strategic aspects of aligning administrative functions to mission. From a systems perspective, customer agencies are relieved of upgrade cycles, maintenance and acquisition overhead associated with supporting duplicative administrative technologies. Offloading these routine functions to providers of enterprise solutions enables customer staff and leadership to focus on the strategic aspects of developing a portfolio of services that will drive down cost, improve capabilities, and automate mission-support processes.

Figure 1. Shared Services conceptual drawing Resource, Performance.gov
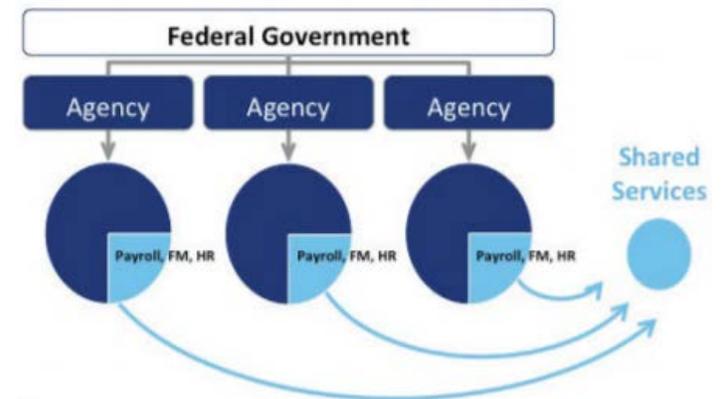
Creation of a Marketplace

Shared Services seeks to enhance Government efficiency by encouraging agencies to work together to deliver support functions, such as financial management and human resources. Sharing and streamlining mission support services not only allows for more efficient use of taxpayer dollars, but also enables agencies to focus more time, energy and resources on their strategic priorities that benefit the public, such as building the nation's infrastructure, ensuring our security, and strengthening our communities.

In 2013, the Administration issued M-13-08 which directed the Treasury Department to create a marketplace for financial management shared service providers, and required that all federal agencies first consider that marketplace when existing financial systems reached the end of useful life.

To support an enterprise-wide approach to shared services, in October 2015 the Administration announced the first-ever government-wide operating model for shared services. This operating model is intended to enable the delivery of high-quality, high-value shared services that improve performance and efficiency throughout government, with an initial scope of acquisitions, financial management, human resources, travel and information technology. By creating Shared Service Providers (SSPs), and concentrating the delivery of administrative services within a smaller number of agencies, we can reduce duplicative efforts.

In 2015, the Department of Housing and Urban Development (HUD) was the first cabinet-level agency to successfully migrate its financial and human resource (HR) operations to a Federal Shared Service Provider (SSP). Almost 30 other agencies are in the process of migrating their systems or services to a shared solution.

Still, federal agencies struggle with adoption because they desire an inter-operable marketplace where processes are delivered seamlessly and the providers are managed consistently (Figure 2). In May 2016, the Office of Management and Budget (OMB) issued M-16-11, which established the first Shared Services Governance Board, led by OMB, to advise the new OMB Shared Service Policy Officer on all matters related to building a high-performing market. It also established the Unified Shared Services Management (USSM) office in the General Services Administration (GSA) to serve as an integrating and standardizing body that works across functions, providers and consumers to demand transparency, inform policy, and design the strategy for better collaboration between industry and government.

Impact on the Issue

Demand Management: Increasing Adoption

- Since 2013, 17 federal agencies have begun migration to a SSP for HR systems and 16 federal agencies are migrating to SSPs for financial management.
- As of 2015, almost 75% of all Federal agencies were using one of nine Office of Personnel Management (OPM) approved SSPs for core HR processing (benefits and personnel action processing), and 99% of the federal government was using one of five OPM-approved payroll providers.
- In 2016, the USSM issued the M3 (Management, Migration, and Modernization) Framework to

Figure 2. Current adoption levels of Shared Services for Core Human Resources (Personnel and Benefits Actions Processing) and Financial Management functions.

document a repeatable process for replacing legacy systems that benefits from lessons learned and best practices to increase the likelihood of successful implementations. This Framework includes an inclusive investment review process with OMB, GSA, provider, and customer to align the oversight function and fund investments incrementally based on an independent risk assessment.

Supply Management: Building a More Transparent and Effective Marketplace

- Delivered a ten-year vision and concept of operations for all mission-support functions.
- Designated four federal SSPs for Financial Management in 2014.
- Established a cross-agency team to create a business case and strategy to replace the five legacy payroll systems to a fewer number by leveraging common industry solutions.
- Created ProviderStat, the performance management framework to measure the effectiveness and quality of service delivery across the federal ecosystem, inclusive of a provider assessment survey to quantify customer satisfaction.
- Developed requirements, assessment criteria and a designation process for allowing new entrants into the supply side of the market place.

Looking Forward

To build on this progress and further help agencies share common processes in systems, the following tasks are critical:

- Full endorsement of the Federal Integrated Business Framework and the role of the Managing Partners (Treasury, OPM, GSA) to build, own and maintain the common processes and requirements for the federal government, and institute active government-wide change management boards to maintain those requirements as new legislation or regulations emerge.
- Standardization will allow government to benefit from real economies of scale. Standardization of funding authorities and the use of operating reserves by federal SSPs to accumulate funds for future capital investments, business risk, and new requirements that distribute the financial impact to customers over several years.
- Development of an acquisition strategy that better leverages emerging technologies for software-as-a-service platforms and creates distinct "service" opportunities to provide relief to agencies struggling with resource recruitment and retention.
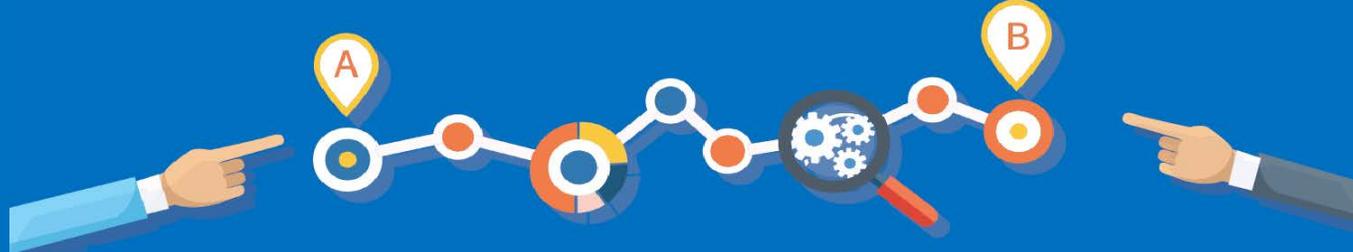
Benchmarking

Improve administrative efficiency and increase the adoption of effective management practices by establishing cost and quality benchmarks of mission-support operations and giving agency decision-makers better data to compare options, allocate resources, and improve processes.

Measurement is a Management Science

Spending on the administration of mission support functions accounts for billions of taxpayer dollars. The portion measured by PMA Benchmarking alone - covering IT, Finance, Contracting, Human Capital, and Real Property functions at the 24 largest federal agencies - accounts for $44 billion, or 4% of those agencies' budgets.[1] Failing to carefully manage these costs deprives agencies of precious funds for mission delivery. More importantly, however, **agencies cannot effectively succeed on their missions without access to reliable, high-quality support services.**

Measurement - as well as defining what is important to measure - is a critical component of management science and is central to modern approaches such as Six Sigma and Total Quality Management. Benchmarking data - to compare agencies' performance against each other and across time - are a critical tool to measure management activities. Without this type of data, agencies historically have relied on internal figures, or worse, anecdotal evidence to make key decisions impacting the performance of mission support functions.

In 2014, a core group of agency Chief Executive Officers (CxOs) launched the President's Management Agenda (PMA) Benchmarking initiative, a Cross-Agency Priority Goal (CAP). Data are now available on 96 metrics

covering cost, quality, and customer satisfaction, spanning three years and covering the five major support functions.

Establishing a Common Language

In 2012, the Benchmarking CAP goal was established to create a **common language for measuring performance of agency mission-support functions**. From the beginning, Benchmarking brought a coalition of agencies together to choose and define metrics through the CxO Councils - covering Contracting, Finance, Human Capital, IT, and Real Property - to select and define metrics. In addition, the Office of Management and Budget (OMB) and the General Services Administration (GSA) focused on the goal of using Benchmarking for data-driven decision versus across the board cost cutting.

The initial round of benchmarks was created in the summer of 2014. The team then expanded the data set to provide a more comprehensive picture of performance, adding measures of quality and customer satisfaction to complement the cost metrics, which allowed managers and senior leaders to have a full picture of functional performance.

In 2015, Benchmarking played an integral role in the newly established FedStat meetings, a series of data driven discussions where each of the 24 CFO Act Agencies met individually with OMB and GSA to identify and agree on solutions to pressing management challenges.

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[1] Estimate from 2016 PMA Benchmarking exercise; estimate covers costs of managing the Contracting, Financial Management, Human Capital, Information Technology, and Real Property functions for the 24 CFO Act Agencies divided by agency budgets, as represented by adjusted agency obligations.

These meetings helped demonstrate the value of this this data asset to agency CxOs and Deputy Secretaries in a forum where results could be discussed candidly. Conversation was meaningful and led to:

- Follow-on actions to address challenges identified; and,
- Identification of ways that OMB and other actors could help agencies with challenges.

Informing Cross-Government Change

In 2016, Benchmarking continued to be a key component in data-driven reviews between agencies and OMB. Also, many agencies used the data outside of the FedStat process to support their own internal reviews and decision making. For example, data have been used to drive agency decisions to consolidate spend and, in some cases, to move to shared services. They also have been a key input into contract negotiations with vendors around pricing and service level agreements.

In addition, the Benchmarking team made the data asset web accessible at benchmarks.gsa.gov and available to all employees of the federal government - further facilitating agency usage.

Here are a few ways agencies have used the PMA Benchmarks:

- The Department of Justice's (DOJ) Financial Management function used the PMA Benchmarking data to identify differences in finance performance across DOJ bureaus and diagnose potential root causes where agency values differed significantly from overall and peer group values.
- The Department of Commerce used PMA Benchmarking data across four functions - Contracting, Financial Management, Human Resources, and IT - to baseline costs for its shared services initiative.
- The Department of Energy (DOE) undertook a major consolidation of human resource operations utilizing Benchmarking to independently validate the need for urgent change given DOE's high costs in 2013. While the consolidation is still underway, DOE has already reduced overall Human Capital costs by 26% from 2013 to 2015.
- The Office of Personnel Management's (OPM) Contracting function used Benchmarking cost and quality data to support a business case that the function was under resourced, leading to hiring more Contracting staff.

The data analysis has also been used to drive cross-government change and inform government-wide policy - such as OPM's Hiring Excellence Initiative and OMB's Guidance on Invoice Automation. In addition, the Benchmarking team has begun to use the data to identify agency leading practices to be shared and replicated across other agencies. In 2016, the team identified higher performing agencies for Human Capital and documented leading practices to share with other agencies.

Looking Forward

Although PMA Benchmarking has had success, more work remains to unlock the power of the Benchmarking data. Most importantly, more decision makers could be using the data to make better decisions. The following priorities will help achieve the potential of Benchmarking:

1. Continue to improve consistency of metric definitions and data quality for better comparability among agencies.

2. Promote further use of Benchmarks across government - both at the agency leadership level and further down the organization.

3. Explore opportunities to use the data outside of traditional benchmarking, including:
   - Cross-agency analysis on challenges and drivers of performance.
   - Use of the data to identify and document agency leading practices.
   - Further inform government policy on mission-support services.

4. Improve user experience of web platform Benchmarks.gsa.gov.

Open Data

Fuel entrepreneurship and innovation and improve government efficiency and effectiveness by unlocking the value of government data and adopting management approaches that promote interoperability and openness of this data.

Open Data Assets

On his first full day in office, President Obama issued the "Transparency and Open Government" memorandum, making clear that his Administration was "committed to creating an unprecedented level of openness," and fostering a sense of transparency, public participation, and collaboration amongst the government and the American people.

Since 2009, the Administration has made significant progress opening up data sets that have never before been public, and creating new pathways to civic engagement. Today, students are able to compare the cost of college with other significant data points, such as graduation rates and average salaries of graduates to determine where to get the most bang for their buck. Communities can map demographic, income, and school data to promote Fair Housing. Patients can find information on the safety and cost of hospitals, nursing homes, and physicians, empowering them to make smarter health care choices. These diverse tools benefit different groups of people, industries, and communities, yet all rely on one thing: open data.

Managing data as an asset and making it available, discoverable, and usable — in a word, "open" — has served to strengthen our democracy, promote government efficiencies, and improve citizens' quality of life. With open data, we identify gaps and look for solutions to the most pressing challenges we face as a Nation. Open data has the power to make our economy grow and our local communities thrive.

Increased inter-agency collaboration, such as cooperation on core metadata standards, increases interoperability and the value addition that data

provide. These efforts also benefit from increased agency capacity around data governance and enterprise data inventories. The more agencies share knowledge and practices, the more valuable cross-agency comparisons become as a performance management tool.

Establishing the Open Data CAP Goal

Since 2009, the President has taken action to ensure that government remains effective and innovative for the American public in an increasingly digital world. Notable examples include:

- **January 2009:** Released Presidential Memorandum: "Transparency and Open Government"
- **March 2009:** Hired the first U.S. Chief Information Officer
- **April 2009:** Hired the first U.S. Chief Technology Officer
- **December 2009:** Released Open Government Directive
- **August 2012:** Launched the Presidential Innovation Fellows program
- **May 2013:** Released Executive Order 13642: "Making Open and Machine Readable the New Default for Government Information"
- **May 2013:** Released OMB Memorandum M-13-13: "Open Data Policy—Managing Information as an Asset"
- **January 2014:** Re-launched Data.gov, improving searchability of federal datasets
- **March 2014:** Established Open Data Cross Agency Priority Goal to evaluate federal efforts to open data

- **May 2014:** Published the US Open Data Action Plan
- **February 2015:** Hired the first U.S. Chief Data Scientist
- **August 2015:** Signed an Executive Order to make permanent the Presidential Innovation Fellows program
- **Spring 2016:** Hosted four United States Open Data Roundtables
- **September 2016:** Created the first White House Open Data Summit

Established in 2014, the CAP Goal supports regular open data meetings, where the federal data community workshops technical skills, reflects on success stories, and discusses best practices. The Goal has supported focused outreach to agencies through multiple mechanisms, including (i) CAP quarterly assessment calls, (ii) roundtables on privacy, data quality, applied research data, and public-private collaborations, (iii) the Open Data User Engagement Leadership Series, and (iv) an Executive Transformation retreat with federal data leaders.

The Goal also highlights areas for improvement that digital tools can support. For example, when a CAP Goal progress report revealed challenges agencies faced hosting human-readable data catalogs on their websites, the team at data.gov responded by building a cataloging tool. Similarly, the CAP Goal provides insight into how data users behave through summaries of web analytics pertaining to agency data portals. Finally, improvements to the data.gov/impact page were driven by the CAP Goal, promoting user engagement through open data success stories.

Progress Made to Date

The U.S. Government is creating more data today than at any point in history. Under President Obama's leadership, Federal agencies are making more of that data freely available to the public for use – unleashing nearly 200,000 datasets to date. At the state and local level, governments are finding ways to release data and create platforms to better inform citizens. The private sector is also working on public-private partnerships to release data. And today, open data has given us access to information that can make our lives better and our economy stronger. Through the CAP goal, agencies are opening datasets, documenting them in a common format for improved discoverability, and sharing success

stories to further engage the public and other users. Through these efforts, the federal government has set an example that many others have followed, resulting in over 50 non-federal (state, city, county) entities adopting federal open data standards and posting their data to data.gov where they can be integrated more easily with agency resources.

Key Open Data successes include:
- **The Opportunity Project, which aims to improve economic mobility for all Americans.** The Administration launched **The Opportunity Project** (TOP) in March 2016 to catalyze the creation of digital tools that use Federal and local open data to help communities navigate information about resources we all need to thrive, such as quality housing, schools, jobs, and transportation. Through **Opportunity.Census.gov**, TOP provides infrastructure for government - tech sector engagement through the creation of cohorts of tech companies and non-profits, Federal agencies and local communities that collaborate to create tools that address local challenges like connecting unemployed Americans with skills and jobs, helping low income families identify affordable homes near transportation and jobs, and exposing equity gaps between schools.
- **The Police Data Initiative (PDI), which increases transparency and accountability to improve policing outcomes**. The Administration **launched the White House Police Data Initiative** to enable law enforcement agencies to better use data and technology to increase transparency and accountability, and ultimately improve policing outcomes and reduce unnecessary uses of force. More than 50 police departments from across the country have joined the Police Data Initiative, and have released over 150 open data sets on police-citizen interactions (e.g., use of force, traffic and pedestrian stops, and calls for service) in order to build trust with citizens. Additionally, through research partnerships, several of the departments are helping spur innovation in the use of data from body-worn cameras and advanced data analytics to improve police early intervention systems.
- **The College Scorecard, which helps Americans compare college costs and outcomes**. In September 2015, the Administration launched the new **College Scorecard** tool to provide students and families with information on college performance that can help them identify colleges that are serving

students of all backgrounds well and providing a quality and affordable education. The Scorecard is designed to increase transparency, aggregating data from institutions on federal financial aid and tax information and providing insights into the performance of institutions that receive federal financial aid dollars and the outcomes of the students of those institutions. Further, millions of parents use **MyStudentData** to view their child's school records per year. Parents can view demographics, schedules, grades, assignments, tests, attendance, discipline, and transcript data.

Looking Forward

As we move forward to release more and better data to the American public, the federal open data community will continue to improve overall data management. This extends to efforts to improve data governance, to take stock of enterprise data inventories, and to implement better two-way public engagement tools. Open data are an output of good data management, and critical to success in areas like cybersecurity, government services, and internal data-driven decision making.

Lab to Market

Increase the economic impact of Federally-funded research and development by accelerating and improving the transfer of new technologies from the laboratory to the commercial marketplace.

The Challenge

The federal government invests over $130 billion each year on federally-funded research and development (R&D) conducted at universities, federal laboratories, and companies. This work has yielded extraordinary long-term economic impacts through the generation of new knowledge and job-creating technological breakthroughs.

The federal R&D system was critical for the development of life-changing commercial technologies, including the Internet, global positioning system (GPS), and leading-edge vaccines. Federally-funded R&D historically has led to dramatic economic growth, and there is significant potential to increase the public's return on this investment in terms of innovation, job creation, societal impact, competitiveness, and economic prosperity. However, these economic impacts can only be realized after new knowledge and technologies have left the confines of federally-funded labs and entered the marketplace as new products and services.

Despite the critical importance of federal R&D to economic development, agencies historically have lacked the resources and interagency platforms to act together in the commercialization of their technologies. Working together across the R&D agencies can allow for more comprehensive and robust systems that avoid redundancy and improve opportunities for the transfer of federally-funded research results. Lack of comprehensive inter-agency systems also hampers the public's ability to access information from across agencies and departments and effectively utilize it for the development of new products, companies, and economic growth.

Establishment of the CAP Goal

On October 28, 2011, the President signed a Presidential Memorandum entitled, "Accelerating Technology Transfer and Commercialization of Federal Research in Support of High-Growth Businesses," which directed agencies to establish goals, measure performance, streamline administrative processes, and facilitate local and regional partnerships to facilitate R&D commercialization. Copies of all of the individual agency plans and the latest summary report of the progress of federal agencies in implementing this directive are available HERE.

The Lab to Market Cross-Agency Priority (CAP) goal was established in 2014 continue and enhance the work started under the Presidential Memorandum, and direct cross-agency efforts in five areas: Developing Human Capital, Empowering Effective Collaborations, Opening R&D Assets, Fueling Small Business Innovation, and Evaluating Impact.

Progress to Date

Developing Human Capital: Advance commercialization of federal R&D by developing entrepreneurial skills and allowing expanded use of personnel exchange.

- Since 2012, over 2,500 researchers received entrepreneurial training utilizing the National Science Foundation's Innovation Corps (I-Corps) curriculum. The I-Corps curriculum introduces participants to methodologies, mentors, and direct experience interacting with potential customers.

This has led to the creation of over 320 companies and over $83 million in follow-on funding.

- The Lab-to-Market team worked with the National Institute of Standards and Technology (NIST) to establish clear government-wide policy guidelines to encourage federal researchers to work for limited periods of time on industrial or entrepreneurial positions. The final rule on Personnel Exchanges was published earlier this year and is available at https://www.federalregistergov/d/2016-25355.

Empowering Effective Collaborations: Advance commercialization of federal R&D through partnership and technology transfer best practices.

- The Department of Energy (DOE) created the Small Business Voucher (SBV) program to increase access to resources at DOE National Labs for research and development in one of nine technology areas. DOE awarded nearly $15 million to 76 small businesses in FY16 and will award another $12 million in FY17. Of the small businesses selected to receive vouchers, nearly half were new partners to the National Labs.
- A Tech Transfer Playbook was developed to highlight existing agency resources and programs that facilitate commercialization activities, drawn from best practices at federal laboratories across the country. The Playbook is intended to be a reference for federal agencies to support their program implementation goals, and to document and demonstrate how other agencies are already using particular authorities and tech transfer mechanisms. The Playbook is available online at: https://www.federallabs.org/T2-Playbook.

Opening R&D Assets: Increase the utilization of federal R&D facilities by external innovators and entrepreneurs, and make all relevant data on IP and R&D facilities open and machine-readable.

- In partnership with the Lab to Market team, the Federal Laboratory Consortium (FLC), a professional network of federal labs across the country, updated their FLCBusiness tool for discovering federal technologies and resources (https://www.federallabs.org/FLC-Business). The tool provides a one-stop search for finding information on more than 300 federal laboratories and 2,500 user facilities and specialized equipment; over 20,000 available technologies created at federal laboratories; as well as funding opportunities and lab-specific special programs. Information on FLCBusiness is used to provide an open data set on federal user facilities and equipment to data.gov and will begin providing an open data set on available federal technologies in the near future.

Fueling Small Business Innovation: Increase awareness and streamline the process for Small Business Innovation Research (SBIR) application and funding for all entrepreneurs.

- The Small Business Administration (SBA) created a single web tool consolidating all agency SBIR opportunities at https://www.sbir.gov/, and developed a series of online tutorials, at https://www.sbir.gov/tutorials, to assist small businesses with the SBIR process. SBA also began the SBIR Road Tour effort to increase participation in underrepresented areas of the country.
- The Minority Business Development Agency partnered with NIST and the FLC to launch the Inclusive Innovation Initiative (I-3). Designed to increase minority business participation in federal technology transfer and federal SBIR opportunities, the I-3 maintains a web portal of training and educational resources about the federal laboratory system and federal SBIR opportunities (http://www.mbda.gov/inclusiveinnovation) and has begun hosting a series of educational webinars and events at minority business centers across the country to train minority business entities on how to collaborate with the federal labs and apply for SBIR funding.

Evaluating Impact: Continue to track metrics to analyze longer-term economic impact of federal R&D commercialization to identify best practices and areas for improvement.

- New tech transfer activity metrics were developed by the Interagency Workgroup for Tech Transfer (IAWGTT) and were first reported by agencies in the FY13 Summary Report on Federal Laboratory Technology Transfer. The metrics better capture how agencies work with small businesses and startups, and broaden the data collection to include publications and breakdowns of metrics by technology areas. The report also contains information on outside studies that measure the impact of federal research investment and technology transfer efforts.

- The long term impact of Lab to Market efforts is beginning to be captured. While the Federal Intramural Research Budget and New Invention Reports have been mainly flat since 2011, several metrics of technology transfer have been trending upwards since the Presidential Memorandum – including the number of Patents, Invention Licenses, and CRADAs.

Trends in Federal Technology Transfer Activities (FY 2011 - FY 2014)
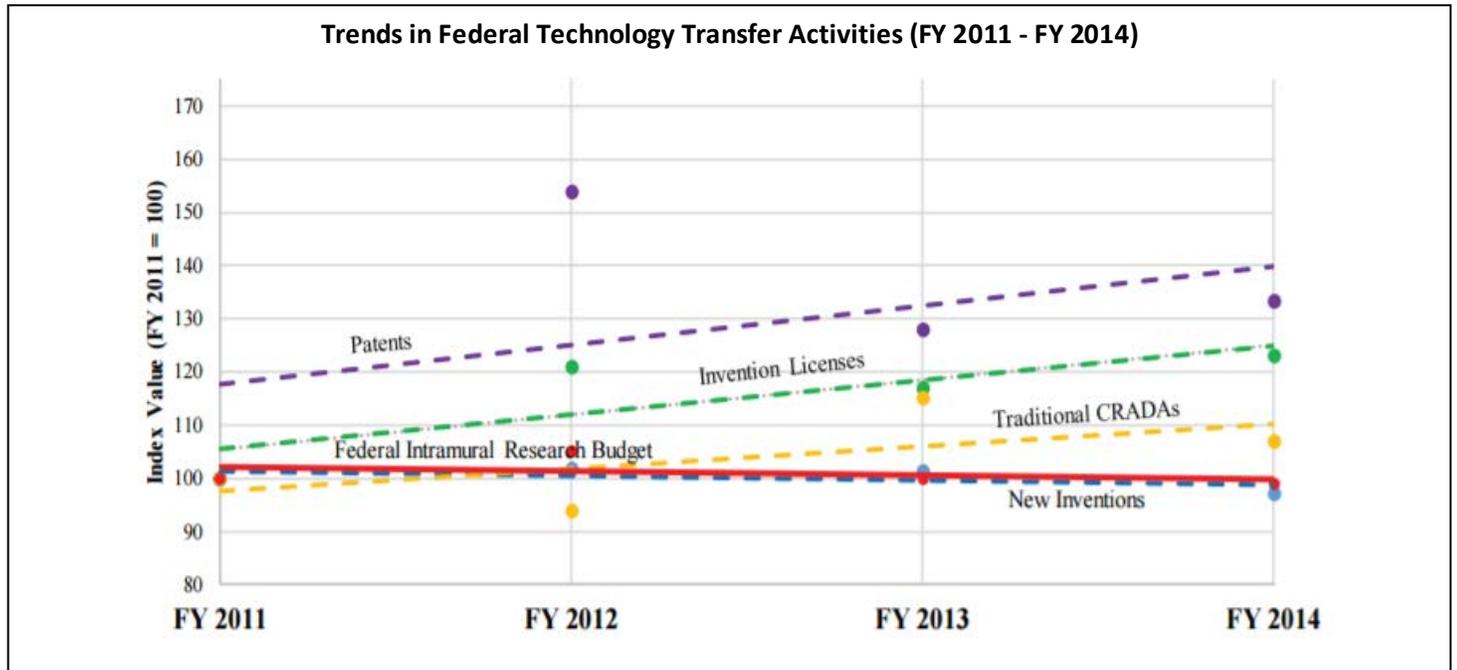
Lab to Market was chartered as a National Science and Technology Council (NSTC) subcommittee under the Council on Technology in March of 2016 as an enduring forum for interagency collaboration and the commercialization of federally funded R&D. The elevation of efforts to the NSTC subcommittee level demonstrates the Administration's priority on the federal research system's impacts on entrepreneurship, as well as high-level agency commitment to the outcomes of the initiative.

Looking Forward

As agencies look to build on this progress, the following key challenges remain:

1. Maintaining momentum and funding to support interagency efforts for transfer and commercialization.

2. Enabling federal scientists and engineers to devote time to commercialization activities.

3. Expanding of pilot programs such as SBV to additional agencies, and encouraging agency leadership to identify and expand promising models.

4. Supporting the commercialization of federally funded research under the Bayh-Dole Act (CFR 401 and 404) and publishing of a final rule on the management of federally-funded inventions.

5. Increasing awareness of new programs, regulations, and innovative mechanisms available to federal labs for entrepreneurial and commercialization activities.

People and Culture

Making the Federal government America's model employer for the 21st Century.

Transforming Federal Service

Each day, all across the country, most Americans wake up in a society where they have safe roads to travel to work and school; flourishing parks, rivers, and streams; dedicated federal law enforcement officials to protect their security; and, access to small business loans and affordable mortgages that help keep our economy strong. Providing these and countless other services to the American people requires a federal workforce that is talented, highly skilled and engaged, and drawn from the rich diversity of the people it serves.

The People & Culture Cross-Agency Priority (CAP) Goal takes a three-pronged approach to make sure the federal government successfully unlocks the talent of today's federal workforce and builds the workforce needed for the future. Through these efforts, the federal government is creating a culture of excellence and engagement that will foster higher performance; developing an exemplary federal management team, starting with the Senior Executive Service (SES); and, creating innovative recruiting tools that allow agencies to attract the best talent from every segment of society.

The People and Culture Plans

A number of cross-agency initiatives have been launched to support the CAP Goal focusing on three major strategies.

Strategy 1. Employee Engagement
Employee engagement is a leading indicator of agency performance and impacts employees' attitudes, levels of absenteeism, turnover, productivity, as well as organizational performance. Engaging all levels of an agency – from the frontline employee to top agency leadership – provides an opportunity to achieve and support workplace excellence and overall mission success. The federal government measures engagement in agencies by issuing the Federal Employee Viewpoint Survey (FEVS) to capture employee views about their leaders, supervisors, and work experience.

To improve communication of the FEVS survey results and provide greater visibility into agency employee engagement, the Office of Personnel Management (OPM) launched Unlocktalent.gov in 2014 — a comprehensive data visualization dashboard and interactive tool to help government leaders make data-driven decisions. Recent enhancements in reporting capabilities have enabled agencies to access FEVS results at more detailed organizational levels than were originally possible leading to increased action.

In addition, in 2014, Office of Management and Budget (OMB), OPM and the Presidential Personnel Office (PPO), released a guidance memo *Strengthening Employee Engagement and Organizational Performance* that clarified roles and responsibilities, as well as put forth a series of management practices and routines to foster employee engagement.

Strategy 2. Strengthening the SES
Members of the SES and SES equivalents are the executive level leaders who serve in the key positions just below Presidential appointees and are responsible for both the implementation of the President's priorities and continuing operations of federal agencies.

In December 2015, the President issued an Executive Order— *Strengthening the Senior Executive Service* with

the goal to strengthen the recruitment, hiring, and development of the federal government's senior executives, as well as address "pain points" in the SES hiring process and enhance training and accountability.

Strategy 3. Recruiting and Hiring the Best Talent

The federal government has a unique opportunity to attract talented individuals from multiple sectors to work on a variety of compelling missions. However, too often, implementation challenges and myths related to the hiring process get in the way of bringing in top talent and advancing skilled employees.

To begin to address these challenges, in May 2010, the President issued a Memorandum — *Improving the Federal Recruitment and Hiring Process*, that resulted in making it easier for individuals to apply for federal jobs and improving the quality and speed of agency hiring. The CAP Goal has focused on three objectives: (1) Strengthen Collaboration between Supervisors/Hiring Manager and Human Resource (HR) Specialist and Clarify their Roles and Responsibilities; (2) Improve Workforce Planning and Strategic Recruitment to Reach a Well-Qualified and Diverse Applicant Pool; and (3) Improve Assessment Strategies to Get the Best Talent.

OPM, OMB, and the Presidential Personnel Office (PPO) led a nationwide Hiring Excellence Campaign to prepare agencies to "Connect with Top Talent" from communities across America. The Campaign emphasized the need for collaboration between hiring managers and HR professionals and focused their efforts on using the full-range of recruitment and hiring tools to attract top talent and hire highly-qualified individuals.

On November 1, 2016, OPM and OMB issued a Memorandum — *Institutionalizing Hiring Excellence to Achieve Mission Outcomes*. Agencies are to take steps to prioritize proven practices to improve the quality and speed of their agency hiring process, and improve applicant's experience, with provided guidance.

Impact on the Issue

The People and Culture CAP Goal has provided opportunities to collaborate across federal agencies, to better engage the federal workforce, strengthen the SES and improve hiring. Several key accomplishments include:

Increased Employee Engagement:
- FEVS Employee Engagement Index (EEI) increased two percentage points government-wide from 2014 to 65%.
- Over two-thirds of the major bureaus of components across the federal government (401 out of 587), increased their levels of employee engagement from 2015, and 123 of those components increased by six percentage points or more.
- Of the 25 Chief Financial Officers Act agencies, 20 increased EEI scores from 2014 to 2016 (80%), and 18 are at or above the CAP Goal target of 67%.
- Increases in all three sub-factors of the EEI were realized from 2014 to 2016: Leaders Lead increased three percentage points; Intrinsic Work Experience increased two percentage points; and Supervisors increased one percentage point.
- 52 agencies increased their EEI, with seven agencies improving their agency 2016 EEI by 10 or more percentage points compared to 2015.

A Strengthened SES
- The General Services Administration (GSA) and the Department of Energy (DOE) successfully piloted resume-only applications for career executive positions; DOE shaved 90 days from their hiring timeline, and lowered the burden for applicants.
- OPM created developmental tools for government-wide use, including a flexible onboarding framework that guides agencies in providing critical support to executives through their first year of service; an expansion of the President's Management Council Interagency Rotations program to support SES and field rotations; a Situational SES Mentoring Program, providing current SES members' access to experienced SES-level mentors who can provide advice and guidance on specific issues at no cost; and a Manager's Corner on-line portal to HR University with resources, guidance, and training solutions for leadership training and development.
- OPM led an interagency effort to design a model senior-level (SL) and scientific and professional (ST) performance appraisal system that reflects the needs and solutions of agencies, and that incorporates best practices and legally-required components for an effective system. Subsequently, OPM also led an interagency effort to design an improved and streamlined senior employee performance appraisal system certification process that reduces the administrative burden on agencies,

while significantly empowering agencies to assess and operate effective systems.

- Prior to the issuance of the SES Executive Order, roughly 800 SES were paid less than their subordinates. Today, that number is down to less than 100, and in many cases, agencies have identified multi-year plans to rectify those discrepancies.

Recruiting and Hiring the Best Talent
- 3,000 supervisors/hiring managers and HR specialists from more than 25 agencies received

hiring excellence training in person. Materials can be found on the OPM Hiring Excellence website.

- Hosting Virtual HR Conference with over 1,700 participants.
- Training over 4,648 federal employees nationwide on Pathways Programs authorities.
- Delivering seven new releases to improve USAJOBS.gov, with all-time high customer satisfaction of 79%.
- Creating an HR Community of Practice listserv (1,300 users) to facilitate communications within government.

Looking Forward

Though changes to policy or law may ultimately be needed to address the more complex workforce and cultural challenges across government, the People & Culture CAP Goal has taken actions to maximize the impact of the federal workforce within the existing environment. Below are remaining recommendations to address these challenges.

Employee Engagement
To further improve and sustain employee engagement, agency leaders must continue to:
1. Use data from multiple sources, and make evidence-based decisions that drive engagement and organizational change;
2. Involve leaders and employees at all levels and across all components in action planning processes;
3. Provide ongoing and constant two-way communication to exhibit transparency, empower employees, and inspire change;
4. Address the drivers of engagement identified by the FEVS (performance feedback, collaborative management, merit systems principles, employee training and development, and work-life support);
5. Work collaboratively across agencies to identify and share promising practices;
6. Promote and enhance UnlockTalent.gov to increase its use and effectiveness as a tool that helps leaders make data-driven decisions and design initiatives to improve engagement and satisfaction agencies; and,
7. Integrate employee engagement with diversity & inclusion efforts and organizational performance metrics.

Strengthening the SES
Since only one-third of agencies have started the phased recommendations of the SES Executive Order, the following key challenges remain for leadership and agencies:
1. Fully establish talent management and succession planning processes;
2. Develop enterprise-wide IT capability to collect data, build dashboards, and facilitate talent management and succession planning across government;
3. Provide ongoing support to facilitate greater mobility, including better baseline data, leadership prioritization of diversity of experience for open SES positions, and cultural change to use mobility to develop top talent;
4. Continue streamlining hiring processes at the agency level through resume-only applications and reduced technical qualifications; and,
5. Enhance support for enterprise management of, and communication to, the SES.

Recruiting and Hiring the Best Talent
Agencies have: (A) identified staff to serve on their internal Hiring Excellence implementation teams, and (B) selected at least three of the following seven proven practices to improve hiring outcomes that will be prioritized in FY17:
1. Hiring Managers are actively involved in every appropriate step of the hiring process.
2. HR specialists have expertise to advise Hiring Managers through the process.
3. Data are used to inform workforce planning and strategic recruitment, and relevant hiring authorities are fully leveraged, as appropriate.
4. Outreach efforts are made to diverse communities to create diverse applicant pools.

5. Job Opportunity Announcements are clear, concise, and captivating.
6. Subject Matter Experts help HR assess applicant qualifications.
7. Agencies use effective assessment tools to evaluate job applicants.

For this effort to be successful, agencies will need to remain committed to the effort; meaningfully engage in the community of interest; and, continuously review relevant hiring data, policies, and practices to improve hiring in the agencies.

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