



**READY TO GOVERN**

DEVELOPING A MANAGEMENT ROADMAP  
FOR THE NEXT ADMINISTRATION

# Enhancing the Government's Decision-Making

Helping leaders make smart and timely decisions

APRIL 2016

G. Edward DeSeve



**PARTNERSHIP FOR PUBLIC SERVICE**



**IBM Center for  
The Business of Government**

**The Partnership for Public Service** is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership teams up with federal agencies and other stakeholders to make our government more effective and efficient. We pursue this goal by:

- Providing assistance to federal agencies to improve their management and operations, and to strengthen their leadership capacity
- Conducting outreach to college campuses and job seekers to promote public service
- Identifying and celebrating government's successes so they can be replicated across government
- Advocating for needed legislative and regulatory reforms to strengthen the civil service
- Generating research on, and effective responses to, the workforce challenges facing our federal government
- Enhancing public understanding of the valuable work civil servants perform

**The IBM Center for The Business of Government** connects research to practice, applying scholarship to real world issues and decisions for government. The Center stimulates research and facilitates discussion of new approaches to improving the effectiveness of government at the federal, state, local and international levels.

The Center's publications focus on major management issues facing governments today, including the use of technology and social media, financial management, human capital, performance and results, risk management, innovation, collaboration and transformation. Our intent is to spark creativity in addressing pressing public sector challenges—crafting new ways of improving government by identifying trends, ideas and best practices in public management that can help government leaders respond more effectively to their mission and management priorities.

Since its creation in 1998, the Center has awarded research stipends to public management researchers in the academic and non-profit communities that have resulted in nearly 350 reports—all of which are available on the Center's website, [www.businessofgovernment.org](http://www.businessofgovernment.org).

# FOREWORD

**On January 20, 2017, the 45th president of the United States will be inaugurated. He or she will take the reins of one of the largest and most complex organizations in the world, ready to move ahead with a set of priorities that have been articulated throughout the campaign and the transition period.**

A focus on management by the White House and executive branch agencies will be essential for the new administration to successfully implement policy goals, reduce the risk of costly missteps, and build public confidence in the federal government's ability to serve our nation.

The Partnership for Public Service and the IBM Center for The Business of Government have joined together in sponsoring a series of roundtable dialogues with key government leaders and stakeholders to inform the next president and his or her team about critical management issues and actions that can strengthen the new administration's capacity to address important challenges. Each one of our roundtables is focused on a key theme: Leadership Talent, Enterprise Government, Decision-Making, Innovation and Key Enablers.

Through these roundtables, the accompanying papers and related research, the Partnership and the IBM Center will develop a Management Roadmap for the next administration to share lessons learned, identify promising initiatives and offer ideas on successful implementation.

Roundtable participants include current and former political and career leaders from the executive and legislative branches, subject-matter experts, representatives from good government organizations and the academic community. We have invited expert authors to write a report that summarizes the key themes and recommendations from the discussions, and each report includes a special section devoted to the author's own "out-of-the-box" ideas and perspectives. A list of participants is provided in Appendix One.

This report, authored by G. Edward DeSeve, with the Brookings Institution, is based on a November 2015 discussion that focused on decision-making processes in the federal government. Part I recaps the discussion; Part II proposes a framework for the next administration to enhance the government's decision-making processes, so that leaders can focus on the right issues and making the right choices.

We hope this report and the final Management Roadmap will help the new administration successfully transition to power and improve the government's performance throughout the new President's term.

Sincerely,



Max Stier  
President and CEO  
Partnership for Public Service



Daniel Chenok  
Executive Director  
IBM Center for The Business of Government

# CONTEXT FOR THIS REPORT

## DEVELOPING A MANAGEMENT ROADMAP FOR THE NEXT ADMINISTRATION

The IBM Center for The Business of Government and the Partnership for Public Service are sponsoring a series of dialogues to inform the next administration about issues and actions that strengthen the long-term organizational capacity of our government.

Bringing together external partners and government leaders during a series of roundtables, the IBM Center and the Partnership will craft a Management Roadmap for consideration by the next administration. The Roadmap is a key element in the Partnership's Center for Presidential Transition Ready to Govern® initiative (for more information, see [presidentialtransition.org](http://presidentialtransition.org)).

The Roadmap will distill the essence of lessons learned from the past and identify current and new management initiatives that will be needed to address key challenges facing the country. The focus areas of these roundtable discussions include:

### DEVELOPING AND MANAGING EXECUTIVE TALENT

Focusing on strengthening federal senior leadership, including political appointees and career executives, and enhancing their collaboration.

### BUILDING AN ENTERPRISE APPROACH

Strengthening governance, improving collaboration and using enterprise frameworks to build capacity to achieve cross-agency goals, improve operations and lower costs.

### IMPROVING DECISION-MAKING

Creating the capacity to enhance analytics decision-making through strategic foresight and integrating existing planning, program evaluation, risk management, analytics and benchmarking capabilities. (Note: this is the subject of this report.)

### SUSTAINING INNOVATION

Creating and sustaining disciplined and replicable models of innovation to drive better customer service and improve outcomes.

### GETTING IT DONE

Outlining how to deliver real change in the federal government, utilizing the full set of operational and change management levers available to leaders and implementing new governance and collaboration structures.

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**WELCOME**

# EXECUTIVE SUMMARY

Effective decision-making will be a critical element for the new administration to address key priorities quickly and effectively. Incoming leaders in the White House and across federal agencies will be flooded with information, advice and suggestions for new programs and priorities. They will face an urgency to act, especially on presidential priorities and budget choices. Unrelenting demands will arise around important day-to-day decisions on personnel actions, contracting, grants and regulatory issues. To succeed, new appointees need an organized approach to making decisions that leverages data and experience, and that draws on proven processes and frameworks to guide the rapid development and execution of policies and programs.

## Part I

This report presents insights and options for effective decision-making in government. The ideas presented here stem from a roundtable discussion with senior current and former government leaders held in November 2015. The roundtable addressed areas on which the next administration should focus in order to accelerate and improve the quality of its decisions about presidential priorities and the effective operation of the government. The key areas of discussion were:

- **Establishing decision frameworks and associated governance structures**
- **Harnessing effective governmental decision processes**
- **Adapting decision support systems to better inform decision-making**
- **Developing ideas and tools to enable leaders to make practical decisions in the complex federal environment**

## Part II

Part I of this report summarizes main points raised in the roundtable discussion. In Part II, the author offers three sets of recommendations for incoming leaders to put in place new decision procedures, and to leverage existing elements of effective decision-making processes and systems. These recommendations are intended to help the next administration act quickly on presidential priorities, and not be overwhelmed by the unremitting, urgent demands of ongoing governmental operations. The three recommendations are:

- **Leaders in the new administration should clearly define and explain how they will make decisions in different situations and what information they will need to ensure those decisions are well-informed.**  
New leaders need to share their view of how the world works with their teams, and develop a common understanding and approach to applying this view in different decision-making contexts. They need to articulate clear linkages between vision, mission, goals and objectives as well as the roles that different organizational units play in achieving those goals and objectives. These should be consistent with cross-agency priorities developed in conjunction with the White House, other agencies and stakeholders.
  - **Incoming leaders should adopt an “enterprise” approach to keep the big picture in mind when establishing processes and making decisions.**  
When making decisions, leaders should take into account the complexities of broader governmental systems and the consequences of different actions. Deputy secretaries or chief operating officers should lead strategic reviews on progress toward key objectives. Agency leaders should also create a central data analytics capability to connect data and programmatic silos. In some cases, leaders will be called on to drive government-wide efforts that help achieve both agency and interagency priorities.
  - **Incoming leaders should use existing support functions within their organizations.**  
This includes using strategic foresight and planning and enterprise risk management, as well as creating an expectation that these functions will be coordinating their advice to top leadership.
- Transition teams and the new administration should set an expectation among White House councils and agency leaders that articulating effective decision-making processes will be among their earliest priorities. Additionally, they should look for individuals with demonstrated understanding of—and ideally experience in—decision-making in multi-stakeholder environments to staff the most critical positions in government.

## ABOUT THE AUTHOR

**G. Edward DeSeve** is the Executive in Residence at Brookings Executive Education and Co-Chair of the National Academy of Public Administration's Transition 2016 initiative.

DeSeve has served at all three levels of government and in the private sector. At the federal level, he was a Special Advisor to President Barack Obama charged with implementing the \$800 billion American Recovery and Reinvestment Act. He was also Deputy Director for Management and Controller at the Office of Management and Budget and Chief Financial Officer of the Department of Housing and Urban Development.

At the state and local levels he was a Special Assistant to the Governor of the Commonwealth of Pennsylvania and Director of Finance for the City of Philadelphia. In the private sector, he was a managing director at Merrill Lynch Capital Markets and the founder and president of Public Financial Management—the nation's largest independent financial advisor to government.

He holds a Bachelor of Science in Industrial and Labor Relations from Cornell University and a Master of Public Finance from the Wharton School of the University of Pennsylvania.

# INTRODUCTION

Making smart and timely decisions will be critical to the success of the new administration. Participants in the November 2015 Management Roadmap Roundtable on decision-making—one of a series of Roundtables hosted by the Partnership and the IBM Center for The Business of Government, as part of the Partnership’s larger Ready to Govern initiative with the Center for Presidential Transition—recognized that new leaders and their staffs in the White House, departments and agencies will be flooded with information, advice and suggestions for new programs and priorities. They also will face critical management and technical issues in program implementation and operation. They need an organized and predictable approach to decision-making that values data and experience, and that uses or improves existing processes and frameworks to guide the rapid development and implementation of policies and programs. But processes and frameworks are not enough. The new administration will have to select experienced, innovative, adaptable people to serve in critical leadership positions across government.

The roundtable panelists found a need for early emphasis on intentionally articulating or adopting frameworks and processes for fact-based decision-making. This creates a powerful incentive for a new administration to rapidly put in place skilled decision-makers; proven frameworks for analyzing precedents, problems and opportunities; and collaborative environments for moving forward. This report deals with these imperatives.

It is impossible to make good decisions without informed, engaged and experienced decision-makers at all organizational levels. From nomination through transition and beyond, a new administration must concentrate its efforts on forming agency leadership teams dedicated to the successful implementation of programs and policies at all levels. These leaders need to use all of the tools of management, and leverage the formation of networks within agencies, across agencies and in the external environment. They should be capable of giving and getting trust inside and outside their organizations, and have the political savvy required to be successful in achieving their mission.

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## WHY SHOULD NEW LEADERS PAY EARLY ATTENTION TO DECISION-MAKING?

Upon taking office, leaders must quickly decide what to focus on, what information they need and how to get it, and what processes to use for making decisions. This sounds simple and straightforward, but in reality can be extraordinarily complex in the federal environment and can swamp even experienced leaders.

The roundtable participants identified the following challenges to making smart decisions:

- Sifting through large amounts of information
- Setting and sticking to priorities
- The need for effective collaboration across organizational boundaries
- The need for top leadership engagement and a sense of urgency to act

By being thoughtful and intentional about how to approach the multiple facets of decision-making, leaders can make smart and timely choices that are based on data and evidence. In doing so, they can accelerate the achievement of the president's priorities, reduce risk and increase the capacity of agencies to deliver on mission objectives.

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## DEFINITIONS OF KEY TERMS

### DECISION FRAMEWORKS

These frameworks are the architecture that inform how decisions are made and create a blueprint for making them. Within the frameworks, there are processes that guide the steps in making decisions and inform their timing. Various tools are available to decision-makers to enable them to undertake their work with a common methodology. Additionally, governance mechanisms within and across agencies assist in the work of decision-making.

### FRAMEWORKS, PROCESSES AND TOOLS

An example of established frameworks, processes and tools can be found in Office of Management and Budget Circular A-11<sup>1</sup> in Section 270, where OMB lays out the Processes for Implementation of the Framework established in the Government Performance and Results Modernization Act of 2010. Central to this framework are the processes of "frequent data driven reviews" that are conducted quarterly by the chief operating officer of each agency. These reviews are designed to "drive progress on specific mission delivery or management issues." The circular further suggests that the Performance Improvement Council will serve as a governance mechanism to assist OMB in conducting quarterly reviews of cross-agency priority goals.

Where decision frameworks do not exist in statute or regulation, agencies may want to create them and their accompanying processes to clarify for internal and external stakeholders how programs and policies will be implemented. In the American Recovery and Reinvestment Act of 2009, the vice president's office established a decision framework for the rapid resolution of issues regarding distribution and monitoring of the more than \$787 billion of recovery funds. This framework involved communication with agencies, roles and responsibilities of the White House staff, oversight by the Recovery and Accountability Transparency Board, communication with external stakeholders and direct communication with Congress, governors and local leaders. There were specific processes that followed established procedures wherever possible for resolving conflicts or breaking new ground.

### GOVERNANCE STRUCTURES

Decision frameworks operate in the context of a governance structure, which defines who has the authority to use the various processes and tools to make decisions, resolve problems, and ensure accountability. In the case of the Recovery Act, the vice president used Cabinet meetings, often led by the president, as a governance structure for reviewing and implementing Recovery Act decisions. Additional governance structures were used by OMB and the Recovery Improvement Office to assure swift action to deploy funds, assure performance and meet deadlines.

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1 See OMB Circular A-11 Section 270 Strategic and Performance Reviews

# Summary of Roundtable Discussion

The Decision-Making roundtable focused on defining key elements of making smart, timely decisions in the federal government. This report is intended to help leaders in the new administration get off to a fast start, so they can effectively manage their agencies as well as deliver on the president's priorities.

The following topics and discussion questions were posed to roundtable panelists in order to explore various facets of decision-making in the federal government:

## **Establishing Decision Frameworks and Associated Governance Structures**

What decision-making frameworks exist for different kinds of decisions—routine operations, new policy initiatives, and non-routine activities such as natural disasters or a political scandal? How do leaders establish effective systems that result in good choices sustained over time?

## **Harnessing Different Governmental Decision Processes**

How can new leaders harness the existing routine governmental decision processes, such as the budget process, the strategic planning and performance management process, as well as operational processes such as contracting, grants management and personnel?

## **Adapting Decision Support Systems to Better Inform Decision-Making**

New leaders will be quickly swamped with information from all angles, both from within their own agencies as well as from outside. Which sources of information can best inform leaders about choices and priorities?

## **Enablers—Getting It Done in Government**

How do new leaders harness the different decision-making frameworks, governance structures and decision-support functions in the complex federal environment without becoming bogged down in compliance-driven processes or overloaded with multiple and sometimes conflicting decision inputs?

# Establishing Decision Frameworks and Associated Governance Structures

## ISSUE BACKGROUND

Existing frameworks and governance structures support making different kinds of decisions at the White House, across agencies and at agency levels. Some examples of decision frameworks include those accompanying the budget or performance management. Other examples of governance structures include the mission-support councils—across and within departments and agencies—that address operational issues, as well as regular evidence and data-driven forums led by deputy secretaries on

priority goals. And highly structured incident command systems at the White House and agency levels drive responses to respond to disasters and emergencies. Within agencies, the authority to make certain types of decisions is routinely delegated from higher levels to lower levels and to the field, in order to focus top leadership attention of key issues and not become a bottleneck. This requires a structured, continual communication process from the “shop floor to the top floor.”

## ROUNDTABLE DISCUSSION

The roundtable discussion on decision frameworks and governance began with a recognition of the wide variety of decisions and decision processes that currently exist. Participants recommended inventorying the “as-is” state of such processes, though cautioned that this could result in a “data dump” of information absent a clear framing of the questions. Key topics that emerged included:

- The importance of defining a “unit of analysis” in terms of how decision-makers choose to approach a problem or decision.
- The need to separate what is required by law versus the discretion leaders have in how they want to approach decision-making.
- The need to understand decision rights, information flow, the roles of various decision support functions, and who integrates and manages the decision framework.
- The value of identifying what works in the existing system and what keeps things from working.
- The definition of the relationship between White House policy councils, the Office of Management and Budget and the people who do the work in the agencies.

Roundtable participants highlighted the importance of understanding the existing landscape before undertaking major changes. They recommended leveraging the existing budget process and using the relatively new performance management framework developed by OMB to act on new policy proposals and manage existing operations.

Attendees also discussed the value of developing cross-agency teams and governance structures to address functional and programmatic issues, including the need for a model of how to run an effective cross-agency decision-making process. Multiple models exist and many are customized to a situation or agency, since there are different ways to come to a decision through different decision-making processes. For example, decision processes for regulatory development are different from those involved in service delivery or policy development.

Should agencies step back and look at how they come to a decision in a common area? For example, several agencies work on different options related to housing and these agencies may be operating independently in developing options, but may benefit from working together more closely. The Departments of Housing and Urban Development and Veterans Affairs have their own missions, but a common interest in housing. When and how should they work together and make better-informed decisions? How are such decisions made and who makes them? Clarifying governance structures and decision processes becomes useful to answer these questions.

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## INSIGHTS AND OPTIONS

- Start with clarity about vision and priorities, as well as an understanding of what unit of analysis (department, program or enterprise) will be used to frame and influence how decisions are made.
- Establish cross-agency teams that focus on strategic goals rather than individual organizations with the express intent of using data to coordinate across stakeholders and drive decisions, rather than assessing information in organizational silos.
- Work to create trust among federal government agencies and with the public, private and nonprofit entities that are partners in program development and implementation.
- Recognize the need for flexibility. Different decisions are better suited to selected processes and leaders should be flexible in applying different frameworks, including risk management, strategic foresight and performance measurement.
- Coordinate with White House policy councils and Congress to support the enhanced use of data and information to drive decisions.

# Harnessing Different Governmental Decision Processes

## ISSUE BACKGROUND

The federal government has multiple decision-making processes in different areas. These include budget, policy, performance, financial, regulatory, acquisition, grants management and personnel processes. Ideally, these processes would align well, be clear and transparent in how they work, achieve buy-in from key stakeholders, and result in decisions that are not constantly revisited. When poorly aligned or lacking in the other attributes cited above, they can serve as barriers to action.

Some of these processes are government-wide and

have a good degree of uniformity. Others are specific to individual agencies or program areas. Some are mature and well-regarded, while others are poorly developed and need reform. See Appendix 4 for examples of existing processes.

New leaders need to be able to leverage these processes in ways that further progress on priorities without getting bogged down. To do this, decision-makers must first become familiar with the various processes, how they work together and where “work-arounds” may be needed to make progress.

## ROUNDTABLE DISCUSSION

The roundtable discussion on the use of different governmental decision-making processes started with broad advice: clearly define parameters for decisions, understand constraints and precedents for action, and be mindful of the culture of the agency and its politics.

New leaders need to understand the various decision-making processes and their role in them—the degree of involvement expected, the timing of involvement and the levels of delegation of authority. Understanding statutory and budgetary constraints matters for effective decision-making, so they do not have to be revisited at a later date. For example, during the 2008 economic collapse, career executives at the Department of Education understood that states and localities were quickly running out of money to keep teachers on their payrolls. Federal programs did not exist to provide such support, and the traditional budget process would provide funding too late. Transition leaders made clear that they wanted to act, so career staff recommended legislation for a new program designed to get money out to school districts by May 2009. This was less than five months after President Obama took office. They did this by using traditional mechanisms, such as Notices of Funds Availability and contracting to minimize new regulations and delay.

Participants also addressed the open-ended nature

of most traditional decision-making processes. To reach closure, leaders need to create a sense of urgency and set deadlines if they want action on policy initiatives. The key exception to this is the budget process, which has a built-in set of deadlines that drive decision-making.<sup>2</sup> Another decision-forcing process is the development of initiatives for the president to consider in preparation for the annual State of the Union address to Congress.

Participants agreed that some federal decision-making processes are broken and need revision. Many of these processes have their roots in legislation. These include the federal government’s personnel, acquisition and technology processes.

Understanding that these processes may not work optimally can lead to efforts to bypass them, rather than working within their constraints. In many cases there are legal flexibilities or exceptions that career executives understand and can use to help guide new political leaders.

<sup>2</sup> However, in recent years, the inconsistent use of “regular order” by Congress in the budget process has resulted in the budget process being less deadline-driven than in the past, resulting in the use of continuing resolutions and omnibus reconciliation procedures.

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## INSIGHTS AND OPTIONS

Across many institutional decision-making processes, there is flexibility in many cases to adapt these processes to the personal style of individual leaders. In that vein, roundtable participants suggested that new political leaders:

- Define clear parameters and understand the questions being asked of them by career staff. When guidance from new leaders is clear, career staff can help incoming appointees translate their governing priorities into goals and action plans that take into account existing budget and statutory constraints.
- Take advantage of existing mandated decision points, like the budget process, that will require decisions to be made on resource and policy priorities across the government within the first months of a new administration's term.
- Cut through the clutter of information being provided. Open the aperture and use the existing decision processes as a tool to engage stakeholders in order to identify and resolve problems.
- Identify which decisions should be made at which levels of the organization. Free-up time and focus by ensuring that decisions are not automatically “kicked-upwards” when they can be made at lower levels in an organization.
- Create a sense of urgency to act by setting deadlines—real or artificial—to drive decision processes and reach conclusions.
- Look for early engagement between transition teams and career staff on “hot spots” and areas requiring early decisions. Career staff know the historical and political context of their agencies and programs, and are typically eager to provide support.
- Incoming officials should understand all relevant laws and authorities they have been granted, the status of pending regulations, strategic planning efforts, performance reports, the organizational chart, and their organization's email and phone directory.

# Adapting Decision Support Functions to Better Inform Decision-Making

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## ISSUE BACKGROUND

In addition to the variety of decision-making processes, decision-support functions also support government—such as strategic foresight, strategic planning, enterprise risk management, performance management, benchmarking and program evaluation. Each of these functions strives to support decision-makers at different points in the process by providing data-driven analytics

and insights. They exist at different levels of maturity in each agency.

Agency leaders should integrate and leverage these functions to focus on the right issues at the right stages of the various decision-making processes, in order to make the right choices with the best information and insights available.

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## ROUNDTABLE DISCUSSION

The roundtable discussion regarding the roles and uses of different decision support functions that exist in agencies highlighted several key topics.

First, unlike many decision-making systems described in the previous section, most decision-support functions are not statutory. As a result, new leaders have greater discretion on how these functions are organized and used. They can also seek out best practices in other agencies. Second, a decision-support function must demonstrate its value in the decision-making process, or risks being marginalized. Third, because these decision-support functions draw on evidence developed by different professional disciplines, and offer different and sometimes conflicting perspectives, an integrating function in the agency can broker the differences in advance. This

will avoid having agency decision-makers in the position of having to choose whose advice or data to rely on.

The Department of Labor, for example, created a chief evaluation officer who ensured that program evaluations are conducted in key programmatic areas that support policy decisions. In the past, bureaus within the department perceived evaluations negatively, believing that they were imposed from above. Now, DOL evaluations promote a learning agenda within each bureau, contributing to better policy decisions. Evaluations are integrated with other sources of evidence to address the most important questions using the most appropriate method. Bureaus now collaboratively develop high priority questions and how to answer them, rather than focusing solely on their own operations.

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## INSIGHTS AND OPTIONS

- Improve the leadership and staff capacity to understand how to interpret available evidence and clearly define what information is important, in order to ensure that organizations leverage objective analysis effectively in decision-making.
- Hire engaged leaders—political and career—who have management experience and understand how to collect, synthesize and use data, evidence, and information to make decisions.
- Use maturity assessment frameworks to understand the information analysis capabilities within an organization.
- Establish an advocate for evidence-based decisions in agencies, with clear roles and responsibilities. This function can be a clearinghouse for the analysis and interpretation of data and evidence on behalf of key leaders.
- Create organizational “learning agendas” in which organizations systematically identify areas for improvement in data collection and analysis. This creates a roadmap for improving the overall capacity and capability of the organization.
- Create a “theory of change” framework to assess policy and operational issues before engaging in the decision-making process. For example, it could help leaders engage in the budget process, the strategic priority development process and the performance management process.
- Show active support for bottom-up decision-making processes. Leaders should signal their support for innovation and data-driven decisions at all levels of the organization.
- Get clarity on who has the authority to make decisions. This is especially important in cases where statutes provide overlapping authorities.
- Leverage decision frameworks to support smart and timely choices, including analytics, risk management and strategic foresight (see Part II for more detail).

# Enablers—Getting It Done in Government

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## ISSUE BACKGROUND

How can new leaders match action to words? This will drive success for the new administration and the next president's ability to act on priorities. Making and sustaining decisions requires the use of effective systems for engaging the right stakeholders and making the

right choices, an area not typically addressed during the transition. However, the choices made by the transition team can influence how to improve the chances that more effective decisions are made.

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## ROUNDTABLE DISCUSSION

Roundtable participants discussed how to best enable new leaders to make effective decisions based on the best evidence and insights available more quickly. This resulted in several key points:

- Leaders need the right information to make critical decisions; they should ask for a mapping of key information flows and the source of the information, ideally in advance of when they would need to use it.
- Prioritize. One of the biggest mistakes new leaders make is yielding to the temptation of taking on too much at once. Identify one or two priorities for a “deep dive” on an activity that the organization does well, and help bring that activity to completion. Pick an additional challenge for longer-term goals and actions.
- Mission clarity. It is important to understand the mission of the organization, as well as the leader's role, authorities and constraints.
- Undertake an organizational network analysis. Leaders need to know what formal and information networks exist inside the agency, across agency boundaries, and in the stakeholder communities. They also need to know how to address these relevant points in the decision-making process.
- Different things can be done at different times. Leaders can identify tasks and help teams to know when to do them, or when to expect a decision about them.
- The federal government runs on relationships and trust as well as laws. Laws are important, but interpersonal relationships and trust may matter more for achieving success. These include informal relationships between current, former and eventual employees, and with peers in other agencies. Identify key partnerships, including the use of advisory committees, because they give insights independent of agency staff when making key decisions.

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## INSIGHTS AND OPTIONS

- Leaders' actions set the tone for the organization. Leaders should, early in their tenures, signal the importance of using data to make decisions around key mission needs, and create open organizational cultures that foster the sharing of information (both good and bad news).
- Make consistent use of existing and new data and information as part of the performance agreements for political and career executives.
- Communicate regularly with internal and external stakeholders who are critical to good decision processes.
- Transition teams should identify political executives who bring strong management experience.
- Establish the agency's risk philosophy and identify the appetite for risk. Make it acceptable for staff to raise risks and problems early.

## PART II

# Making Smart, Timely Decisions

Drawing on the insights and options from the roundtable discussion, related research and the experience of the author, this section offers approaches for leaders in the new administration to more quickly make evidence-based decisions that focus on the right issues and the right choices.

### **Key Premises Underlying Recommendations**

There is no one-size-fits-all framework for making decisions. Decisions made under different circumstances often require different approaches. Leaders need to be aware of these distinctions so they can apply the right set of approaches and tools.

### **DIFFERENT TYPES OF DECISIONS**

Some decisions will be routine and predictable, such as choices made in the context of the annual budget process or the statutorily-driven strategic planning and financial reporting cycles. These processes are time-sensitive and important, but largely known in advance. Similarly, there are decisions associated with new policy initiatives. Events may drive their timing, but leaders can influence the timing of the decisions themselves. Finally, some decisions are event-driven and not under the control of leaders. These can include a natural disaster, a congressional investigation or a political scandal. Typically, leaders have no discretion as to whether they will address these or their timing.

Most new leaders in politically appointed positions join the federal government full of ideas and eager to be proactive in promoting presidential policy initiatives. They will benefit from creating a successful process for developing new policies while allowing room for the routine and the non-routine decision processes.

### **DIFFERENT CONTEXTS FOR MAKING DECISIONS**

Some decisions take place wholly within an agency, and the agency leadership has control. These decision processes are fairly defined in most agencies, and most operate around the regular, time-bound decisions of the budget or mission-support management routines.

But for an increasing share of decisions, leaders often share decision-making authority. Some decisions, for example, are multidisciplinary, such as the 16 agencies within the intelligence community that share and analyze electronic, human and geographic information in making decisions. Others are multisector, such as the integrated public and private sector response to the H1N1 pandemic in 2009. And finally, some decisions take place in an environment where stakeholders may not agree—such as the healthcare reform and climate change challenges.

While a single framework for decision-making may not exist, general principles do apply. Our analysis leads to four premises on which the recommendations of this report are based (see next page).

**A need to move quickly to achieve policy and management successes.**

Typically, new administrations have the most political capital and discretion to act on new initiatives in the first year of their four-year term. The lack of a clear decision process for new initiatives in the context of other urgent decisions that need to be made can doom policy and management priorities to failure.

**A need to reduce the risks of making poorly informed decisions, or wasting time on the wrong issues.**

Too often, decisions occur in the absence of good information. A good decision-making process can predict in advance the need for certain kinds of information. For example, knowing a program's reauthorization schedule can allow the development of program evaluations, or the need to undertake a risk analysis of alternative proposals. In addition, developing a strategic context helps leaders choose the areas in which they want to invest time in making decisions, so they do not invest time in decisions on issues less important to a longer-term agenda.

**A need to increase the capacity of agencies to deliver on mission objectives.**

Many decision-makers are well-versed in policy and invest large amounts of time in policy development. However, they are often not as well informed when it comes time to make decisions regarding program implementation. Execution is a critical element of policy success, and new leaders need to invest in mission delivery decisions via strategic reviews and risk analyses.

**A need to employ an enterprise perspective when making decisions.**

Increasingly, decisions cannot be made around discrete programs, policies or issues. Leaders need to incorporate an enterprise-wide view whenever they make decisions—whether that enterprise is department-wide, government-wide, across the nation or around the globe. This entails ensuring a decision-making structure that includes the perspectives of these broader views.

# Early On, Define and Explain How Decisions Will Be Made

Many decision-making frameworks and processes currently exist in the federal government. Many are statutorily mandated, such as those for strategic planning, acquisition management, grants management, personnel management and financial management. However, many are at the discretion of White House and agency leaders, such as the development of policy initiatives and determining management priorities.

This report recommends that White House and agency leaders put in place decision-making structures and processes as soon as possible. They should begin with an understanding of existing routine decision processes required by law or other authorities, such as the Office of Management and Budget budget guidance.

## Selecting a “Unit of Analysis”

Leaders need to articulate how they view the world and how it works from their perspective. This paradigm—or “unit of analysis”—then impacts the framing for leaders to make decisions. Each administration chooses what it sees as the primary unit of analysis. It could be an agency, a function, a program, or an enterprise-wide approach (such as an end result or organizing around a customer). Observers suggest that the choice has varied across the last three administrations.

These differences in how an administration views the world can be seen as philosophical, but they have real-world implications. For example:

- The Clinton administration focused primarily on the agencies themselves. This involved initiatives for creating strategic plans, getting clean opinions on audited financial statements and dealing successfully with the Y2K technology problem (fixing software flaws to accommodate dates after 1999).
- During the George W. Bush administration, a program-by-program analysis, called “Program Assessment Rating Tool” (PART), shifted that unit of analysis to the program level. His administration assessed the performance of more than 1,000 different programs, covering 96 percent of the federal government’s activities. (OMB 2008).

- The Obama administration believed that PART was not effective because it was seen as focusing on individual programs, which impeded an enterprise view of priorities that reached across programs and agencies. It was ultimately replaced with annual reviews of strategic objectives at the agency and cross-agency levels. There are currently about 380 strategic objectives across the major federal agencies, and 15 cross-agency priority goals. These serve as the units of analysis for major performance discussions, and could serve as portfolios for budgetary decisions in the future (Redburn and Posner 2015).

Over the years, each administration has incorporated elements of the previous administration in creating a more nuanced understanding of how to manage more effectively, and contributed to improvements in achieving desired results.

## Creating Clarity of Mission, Goals and Objectives

Effective leadership starts with clearly defining the mission of the agency—in conjunction with Congress—regarding goals and objectives. These need to be communicated throughout the organization, to external stakeholders and to the policy-making apparatus of the executive branch.

Each individual in the organization should see their own work as contributing to the agency’s mission, goals and objectives. For example, NASA has articulated its vision and mission as a set of three strategic goals, subdivided into 15 strategic objectives to help individuals throughout the organization connect their own work to the enterprise. The Obama administration chose to focus on the concept of strategic goals as its unit of analysis, as described in OMB guidance to agencies: “Strategic goals should reflect the broad, long-term outcomes the agency aspires to achieve by implementing its mission.”

The subset of strategic goals are “strategic objectives.” Strategic objectives, according to OMB, “express more specifically the results or direction the agency will work to achieve in order to make progress on its mission.”

This clear linkage between mission, goals and objectives is critical and allows all segments of the organization to see how their work contributes to broader agency accomplishments.<sup>3</sup>

#### **Defining Clear Relationships**

Reporting structures should clearly set out the relationship of organizational units and their leaders to goals and objectives. For support organizations, “management goals” may describe how resources will be used to support strategic goals. The entire organization should clearly understand their contribution to mission performance and goal and objective accomplishment.

<sup>3</sup> For a description of agency and government-wide strategic goals see <http://www.performance.gov>.

## **ACHIEVING CLARITY OF MISSION GOALS AND OBJECTIVES: SPOTLIGHT ON THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

### **VISION**

We reach for new heights for the benefit of the humankind.

### **MISSION**

Drive advances in science, technology, aeronautics, and space exploration to enhance knowledge, education, innovation, economic vitality, and stewardship of Earth.

### **STRATEGIC GOALS**

#### **Strategic Goal 1**

Expand the frontiers of knowledge, capability, and opportunity in space.

#### **Strategic Goal 2**

Advance understanding of Earth and develop technologies to improve the quality of life on our home planet.

#### **Strategic Goal 3**

Serve the American public and accomplish our Mission by effectively managing our people, technical capabilities, and infrastructure.

## ACTIONS

### Agree on a “unit of analysis” to use in framing decision-making processes.

- Selecting a unit of analysis for framing decisions is critical in that it organizes the work of central agencies, agencies and networks to achieve defined results. For example, the Departments of Housing and Urban Development and Veterans Affairs framed a joint initiative around achieving a common policy outcome—ending chronic homelessness among veterans. By focusing on the “policy outcome” as the unit of analysis, the departments agreed to work together and across a range of programs. They jointly formulated strategic objectives and held ongoing progress reviews. The departments developed a joint agreement, joint resources and used a joint decision-making process.

No right answer determines which unit of analysis will work best. However, the choice of the unit can lead to the administration’s definition of its success and how it measures accomplishments. The roundtable suggested that agencies seriously consider organizing their work around strategic objectives.

### Create clear linkages between mission, goals and objectives.

- The next president will be responsible for implementing a new provision in law which can provide a jump-start on developing a longer-term decision-making framework. The Government Performance and Results Modernization Act of 2010 requires the administration and agencies at the beginning of each new term to develop a four-year strategic plan, due by February, 2018, for the next administration. This provides a mechanism for an administration and agency leaders to reassess missions, goals and objectives, and link them to key priorities.

### Define the relationship of organizational units to goals and objectives.

- Typically, budget resources are allocated to agencies and their subcomponent units or programs. In past years, the relationship of resources to the strategic goals and objectives of an organization were tenuous. If new leaders want to drive action on presidential priorities embedded in agency strategic plans and objectives, they need to ensure a link between these priorities, the resources and the organizational units to be charged with implementation. This framework can then serve as the foundation for decision-making efforts and accountability.

## NEW APPOINTEES NEED DECISION-MAKING SKILLS AND EXPERTISE

It isn’t just frameworks and processes that will lead to successful decisions. The recruitment and selection of new political appointees should be based on the skills individuals have for decision-making, and these skills should augment through continuous development and organizational learning.

Many of the individuals chosen to lead the new administration will have experience in decision-making in large organizations with multiple processes and stakeholders. Some will not. As recommended in

another report in the Management Roadmap series, a joint learning program that involves appointees and their senior career staff will be valuable to establish the decision-making baseline that an organization will put in place and use. This approach to learning should continue throughout the administration and be used for new appointees and as part of career development program.

See: *Managing the Government’s Executive Talent*, by Douglas A. Brook and Maureen Hartney (October 2015)

# Use an Enterprise Approach When Creating Decision Frameworks

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During the past decade, the federal government has increasingly adopted an enterprise or government-wide approach to dealing with policy issues that cut across agency boundaries and require collaboration. This approach has largely evolved ad hoc in areas as diverse as climate change, cybersecurity and the use of shared services for mission support functions. New laws, new technology and new ways of thinking have all contributed to this approach, which requires a new way of developing, making and implementing decisions.

The new administration has the opportunity to build on enterprise-wide decision-making support elements that have evolved over the past decade in law, regulation and administrative guidance. For example, the Government Performance and Results Modernization Act of 2010 requires the development and implementation of cross-agency priority goals (see the roundtable report by Jane Fountain, *Building an Enterprise Government*). The Federal Acquisition Regulation has developed “category management” approaches to acquiring common products and services for the government, and 11 career executives have been designated to lead each of the 11 categories. And the budget guidance from the Office of Management and Budget, called Circular A-11, encourages agencies to develop portfolios of potential risks that reach across their spans of responsibility.

An example of the use of an enterprise approach was the development, passage and implementation of the American Recovery and Reinvestment Act in 2009. The White House created a small central team to coordinate the delivery of the estimated \$787 billion in tax benefits, grants, loans, contracts and entitlements across more than 250 appropriation accounts in more than 25 federal agencies. This used new technologies that allowed direct reporting by thousands of funding recipients and financial information reporting in nearly real-time. It also involved crafting grant and contract

requirements, and new regulations across agencies at speeds never envisioned possible.

This special case, involving spending actions across the government in an 18-month period, was atypical in terms of its speed and efficiency. More typical is the observation by government management expert Don Kettl, who noted, “Long and complex chains of policy implementation have bedeviled public policy for generations” (Kettl 2009). Nevertheless, new leaders coming into government could take some lessons from the implementation of the Recovery Act (DeSeve 2011).

## ACTIONS

### **Leverage existing statutory decision-making processes, including budget, acquisition, grants, planning, performance management, risk management and personnel.**

- A wide variety of decision-making forums and processes have evolved, especially during the past decade, that reach across organizational boundaries. These range from cross-governmental forums such as the Interagency Council on Homelessness, the Federal Acquisition Council and the Shared Services Governance Board to cross-agency grants management, budget and performance processes. Understanding and leveraging existing governance frameworks and processes can speed decisions on presidential priorities.

### **Link policy development to program implementation.**

- Policy-making forums (both within and across agencies) should link to program implementation forums. For example, the Deputy Secretaries participate in policy-making forums both in their agencies and across agencies. Likewise, in their roles as their agencies' chief operating officers, they often oversee the implementation of policies via the budget, planning, risk management, contracting, and the use of technology and personnel systems.

### **At the agency level, the deputy secretary or chief operating officer should conduct regular strategic reviews of progress.**

- According to OMB staff, the most valuable routine developed in recent years has been the creation and use of regular strategic reviews of agency programs and operations. Continuing this process as a decision-making forum can help new leaders understand what has previously taken place and provide levers for acting on new initiatives. Agency strategic reviews have been conducted on an annual basis for three years, and in 2017, they are planned for the May through June timeframe.

### **At the cross-agency level, the President's Management Council should agree on a framework and embed it in guidance such as OMB Circular A-11.**

- Cross-agency initiatives have developed in an ad hoc fashion, with governance and process structures reinvented anew. The new administration should consider developing guidance for how cross-agency governance and decision-making processes should occur by examining best practices and embedding them in readily accessible guidance, such as OMB's annually updated circular containing budget and management guidance to agencies, Circular A-11.

### **Create a central data analytics capacity that connects data silos used by decision-makers.**

- Silos of information should connect within an agency (and where appropriate, across agencies) and leaders should make getting and analyzing data a priority. For example, the Centers for Disease Control and Prevention and state health teams jointly created PulseNet to synthesize and coordinate laboratory data to detect and respond to national foodborne outbreaks (Partnership for Public Service 2013).

## ENTERPRISE GOVERNMENT EXPLAINED

What do we mean by enterprise government? The first form of enterprise is mission focused. It encompasses cross-agency collaboration to tackle complex policy problems that come under the purview of multiple agencies. Presidents cannot address critical national challenges such as export promotion and disaster preparedness by using a single agency relying on hierarchies and bureaucratic approaches traditional to government. For mission-focused enterprise government, redundancy and duplication are not the problem; fragmentation, lack of coordination and communication across jurisdictions present the biggest challenge.

The second form of enterprise government is mission-support focused and emphasizes streamlining and integration of administrative services, processes and functions that share common or identical elements. Examples include shared financial, human capital and IT services, and management of grants and loans. Shared services—through government-wide or more modest interagency systems—integrate,

standardize and rationalize service production and delivery, aligning the right enterprise approach with the right problem. Moreover, the use of shared services for mission-support functions often facilitates execution of mission-focused enterprise goals.

Typically, federal agencies accomplish their missions through programs managed within their bureaus and components. Legal, policy and budget constraints strongly reinforce the agency-centric perspective. But for many mission challenges that cross agency boundaries, such as food safety, cybersecurity, national security and veteran homelessness, an enterprise approach using cross-agency governance is arguably the most effective way to improve outcomes and decrease costs. In addition, citizens and business interact with multiple programs and agencies in most policy domains, including health care, energy and financial reporting. They deserve streamlined, transparent, coherent multi-agency systems.

# Enhance Analytic Decision-Making by Integrating a Range of Perspectives

During the past eight years, a bipartisan effort to increase the use of evidence in decision-making has begun to take hold in federal agencies. During the same period, efforts to increase the use of strategic foresight, enterprise risk management and creating the organizational capacity to be resilient in the face of unexpected events also has increased in prominence. The challenge now is how to integrate the range of perspectives brought to decision-makers by the professionals in each of these disciplines.

Existing core management processes are often independent silos, obligations that require “checking a box” to meet statutory or regulatory mandates. The roundtable participants called for creating various management processes that help decision-makers as part of an integrated framework, so they can share information and collectively better serve the needs of agency leaders.

Most agencies have the following four management processes that support decision-making, with different levels of maturity:

- Strategic foresight and planning
- Performance and results management
- Enterprise risk management
- Resilience and response

These management processes reflect different perspectives from different professional disciplines. However, they have one thing in common. They each strive to provide the best professional data and insights to inform decision-makers within the context of legal and regulatory precedents and the constraints on agency decision-makers to take action.

## Foresight

Foresight is an essential element for leaders and managers. As former White House aide Leon Fuerth reminds us, “We must get ahead of events or we risk being overtaken by them” (Fuerth and Faber 2011). Foresight can be aligned with strategic planning, and the result is often referred to as “Strategic Foresight.” This approach requires leaders to:

- Take a long view and include a concern for future generations
- Determine which pathways will take you beyond the current environment
- Challenge existing assumptions and biases
- Assess which future states are sustainable
- Learn from stakeholders inside and outside the organization what the future may hold
- Create, discuss and assess the likelihood of multiple scenarios

Strategic planning has a more limited time horizon than strategic foresight. In the federal government, strategic planning lasts four years. However, agencies typically look into the future to inform their mission, objectives and goals. For example, one of NASA’s strategic goals is to “Expand the frontiers of knowledge, capability and opportunity in space.” A long view is required, as many of its missions and activities will have effects long beyond a four-year planning period. At one point, NASA had a 200-year plan.

## Results

The Government Performance and Results Modernization Act of 2010 challenges agencies to organize for and deliver results Americans care about. OMB has outlined an approach to meeting the law’s mandate by providing a performance framework, processes and definitions of strategic goals, strategic objectives, agency priority goals and performance goals.

These definitions provide guidance for making decisions and managing the direction of the agency. A process of quarterly and annual reviews drives attainment of goals and objectives. Senior leaders, often the secretary or deputy secretary, conduct these reviews to determine how and whether objectives are being met using performance indicators embedded in annual performance plans. These objectives are carefully reviewed in making budget decisions.

### **Risk**

OMB describes enterprise risk management as “an effective agency-wide approach to addressing the full spectrum of the organization’s risks by understanding the combined impact of risks as an interrelated portfolio, rather than addressing risks only within silos. Enterprise risk management provides an enterprise-wide, strategically-aligned portfolio view of organizational challenges that, when brought together, provides better insight about how to most effectively prioritize and manage risks to mission delivery.”

OMB places this process in the context of both strategic reviews and performance reviews. This links to mission results and requires agencies to consider the risks to achieving missions as well as the risk associated with seeking the results themselves.

### **Resilience**

The Rockefeller Foundation’s Judith Rodin writes: “Resilience is the capacity of individuals, communities and systems to survive, adapt, and grow in the face of stress and shocks, and even transform when conditions require it. Building resilience is about making people, communities and systems better prepared to withstand catastrophic events—both natural and manmade—and able to bounce back more quickly and emerge stronger from these shocks and stresses” (Rockefeller). Resilience planning is inextricably linked to risk management and the two should take place in tandem (Rodin 2014).

### **Understanding Legal Authorities, Precedents and Constraints**

When former Coast Guard Admiral Thad Allen was sent to New Orleans in 2005 to oversee recovery operations from the aftermath of Hurricane Katrina, he relied on the authorities provided in the Stafford Act. These authorities, however, bound his decision-making by requiring deference to the affected state and local governments. The state and local governments were technically in charge, and the federal government was there to support them.

In 2010, Allen was again called on to lead a disaster recovery effort. This time, it was from the effects of the massive BP oil spill in the Gulf of Mexico. However, the legal authorities for his decision-making came under a different law, the Oil Pollution Act of 1990. This law put the

federal government in charge. When dealing with some of the same state and local officials as in 2005, they had to defer to him. So his decision-making system changed.

Precedents or organizational history and context can be positive or negative. For example, the Partnership for Public Service annually publishes the Best Places to Work in the Federal Government® rankings based on the Office of Personnel Management’s Federal Employee Viewpoint Survey. For NASA, the rankings are high, and this is seen as a reinforcement by agency leaders for their efforts to encourage innovation, teamwork and diversity. Other agencies do poorly in these areas, and the low rankings are a source of consternation. On the positive side, the Food Safety Modernization Act and its implementation was signed into law by President Obama on Jan. 4, 2011. The law is designed to ensure the safety of the U.S. food supply by shifting the focus of a contamination event from response to prevention. A new team at the Department of Agriculture would be well advised to examine this precedent, which could also provide lessons for other regulators.

Constraints are either external (laws, regulations and legal precedents) or internal (agency rules, policies and practices). The former should be reviewed as part of the initial orientation from current career executives. The latter may have more nuance and may require a leader to ask, “Why do we do that?” For example, after a scandal in the 1990s at the Department of Housing and Urban Development, a new form was put in place to capture closing costs on mortgages. The HUD finance office created a team to check the calculations on these forms. Once this practice was examined, it was found unnecessary and was discontinued, creating a significant savings in staff time. Such a review of constraints should involve agency legal and inspector general offices, which can provide great assistance.

Other constraints on organizations include political limitations imposed by stakeholders, Congress, or personalities involved in a policy arena. These fall largely beyond the purview of agency legal staffs.

## ACTIONS

### **Ensure perspectives of various decision-support functions are reflected in agency decision-making processes: foresight, results orientation, risk management and institutional resilience.**

- There are three decision-support functions where the use of foresight is essential: results, risks and resilience. Leaders and managers must begin by:
  - Defining the results they intend to achieve, identifying sources of data to document these results and continually measuring progress;
  - Formally assessing the risks that will need to be prevented or need to be taken in order to achieve these results; and
  - Developing a plan for resilience if known risks or unforeseen circumstances threaten achieving results.

### **Understand legal authorities, precedents and constraints in making decisions in a governmental context.**

- Even before taking office, transition teams and future agency leaders should create a catalogue of legal authorities, precedents and constraints. Precedents should examine the successes and failures that the government as a whole and those that agencies experienced going back several administrations. Constraints include legal authorities, internal and external regulations, and various reports from agency inspectors general and the Government Accountability Office.

## CONNECTING THE DOTS

Connecting the dots from results to risk to resilience is straightforward, but not simple. An example from a particular community may help to illuminate the topic. This community wants to reduce its risk of relying too heavily on tourism as its basic industry. In the recent economic downturn, tourism experienced a significant decline. The same was true of housing values, sales and real estate taxes. The community is relatively isolated and has limited sources of electric power and little arable land for food production. About two thirds of its population receives some form of federal subsidy.

To counter these risks, “The community is prioritizing resilience to strengthen the area’s ability to bounce back from harm to the local

economy, whether from wildfires, poor snowfall or global economic conditions. Addressing these risks—including from energy insecurity, water scarcity, food availability and costs, and by investing in greater resilience through critical infrastructure such as for communications and health care—is key to preserving the region’s quality of life” (Sun Valley Institute for Resilience).

Expanding solar power use with a goal of significant energy independence, rethinking how local consumers can support food production, working closely with federal and state agencies on wild fire response and potentially suppression, and actively seeking new innovative companies to diversify the economy are all actions that the community is taking.

# Getting It Done

TIMING AND WHO DOES IT

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How decisions are made will often determine the success or failure of new administrations and new agency leaders. New leaders must be able to focus on presidential priorities, while at the same time handling the myriad demands placed on them by ongoing, routine but highly important operations that will require time and attention.

Transition teams should create an expectation for new agency leaders and their chiefs of staff that they will need to understand the existing decision-making frameworks and put in place their own procedures to deal with the deluge of pressing issues they will face, especially in the first 100 days. Leaders should also understand the various administrative tools for framing decisions and defining who makes them, such as the delegation of authority.

## WHAT IS DELEGATION OF AUTHORITY?

A delegation of authority is the formal assignment of certain responsibilities along with the necessary authority by one agency to another, such as when the Office of Management and Budget delegates power to agencies consistent with statutory authority to do so. A delegation also can involve transferring authorities from a superior to his subordinate managers. This latter case can be a key tool for improving agency management while retaining accountability. As one academic notes: "Delegation does not mean surrender of authority by the higher level manager. It only means transfer of certain responsibilities to subordinates and giving them the necessary authority, which is necessary to discharge the responsibility properly."

For example, there is the legal authority for the formal delegation of personnel management authority in the U.S. Code:

"(1) the President may delegate, in whole or in part, authority for personnel management functions, including authority for competitive examinations, to the Director of the Office of Personnel Management; and

(2) the Director may delegate, in whole or in part, any function vested in or delegated to the Director ... to the heads of agencies in the executive branch and other agencies employing persons in the competitive service."

The Department of Housing and Urban Development is one of the few agencies where an inventory of the delegations of authority is readily available.

## How Do Leaders Use This Authority?

Many organizational units in departments and agencies operate relatively autonomously, and they treasure their independence. This independence to act is often derived from one or more delegations of authority from the agency head or departmental secretary. Oftentimes, these delegations evolved and expanded incrementally over a period of years. And often, there is no central inventory of even what authorities have been delegated—and the units that received them rarely advertise them to new bosses outside their unit!

## In Your Agency

If there is an effort to create a common approach across organizational units, one step might be to look for an inventory of delegations of authority to determine what has been delegated versus what authorities are maintained at a higher level. It also is important to figure out who has the authority to grant or withdraw these delegations, either formally or informally. This may be a first step in creating the incentives for others to participate in a common approach to decision-making that may benefit the agency or department more broadly.

# CONCLUSION

The next president will inherit a web of decision-making frameworks and processes that can either help or hinder his or her efforts to get things done. Some are statutory and others can be readily re-framed by incoming leaders.

Developing a framework and communicating how decisions will get made will be a key to success. Leaving the various decision frameworks that leaders need to navigate—policy, budget, acquisition, strategic planning, etc.—undefined or ad hoc will stymie concerted action.

Assess what is there, develop what works and is comfortable to incoming leaders, and clearly communicate and enforce the frameworks and processes.

In this report, we have harvested the experiences of many leaders who have faced these issues and hope that they will be helpful so the next administration can get off to a quick start and focus on achieving its priorities rather than churning in ineffective decision processes.



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APPENDIX ONE  
**NOVEMBER 2015 DECISION-MAKING ROUNDTABLE ATTENDEES**

Bethann Barnes Office of Management and Budget	Nancy Potok Census Bureau
Jeri Buchholz Federal Management Partners	Bill Reinsberg Government Accountability Office
Dan Chenok IBM Center for The Business of Government	Dion Rudnicki IBM Global Government
Tom Conroy Pew Charitable Trusts	Kristine Simmons Partnership for Public Service
Doug Criscitello Massachusetts Institute of Technology	Tom Skelly Department of Education
Ed DeSeve Brookings Institution	Hal Steinberg Association for Government Accountants
David Eagles Partnership for Public Service	Howard Steinman AT Kearney
Andy Feldman Department of Education	Max Stier Partnership for Public Service
David Fisher SRA International	Paul Verkuil Administrative Conference of the United States
Scott Gould Boston Consulting Group	Cynthia Vitters Department of Education
Karen Hardy Federal Interagency Enterprise Risk Management Council	Kathy Walman Office of Management and Budget
Harry Hatry Urban Institute	
Alan Howze IBM Center for The Business of Government	
Ed Hugler Department of Labor	
Ken Hunter World Future Society	
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Gwynne Kostin Partnership for Public Service	
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Eric Popiel US Coast Guard	

APPENDIX TWO  
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APPENDIX THREE  
**SUGGESTED APPROACH FOR IMPLEMENTING RECOMMENDATIONS**

**RECOMMENDATIONS AND ACTIONS**

**Recommendation 1: Early On, Define and Explain How Decisions Will be Made**

Agree on a “unit of analysis” to use in framing decision-making processes.

Create clear linkages between mission, goals and objectives.

Define the relationship of organizational units to goals and objectives.

**Recommendation 2: Use an Enterprise Approach when Creating Decision Frameworks**

Leverage existing statutory decision-making processes, including budget, acquisition, grants, planning, performance management, risk management and personnel.

Link policy development to program implementation.

At the agency level, the deputy secretary or chief operating officer should conduct regular strategic reviews of progress.

At the cross-agency level, the President’s Management Council should agree on a framework and embed it in guidance such as OMB Circular A-11.

Create a central data analytics capacity that connects data silos used by decision-makers.

**Recommendation 3: Enhance Analytic Decision-Making by Integrating a Range of Perspectives**

Ensure perspectives of various decision-support functions are reflected in agency decision making processes: foresight, results orientation, risk management and institutional resilience.

Understand legal authorities, precedents and constraints in making decisions in a governmental context.

	Time Period		Organizational Responsibility			
	Transition Period	First Year	Transition Team	White House	OMB	Agency
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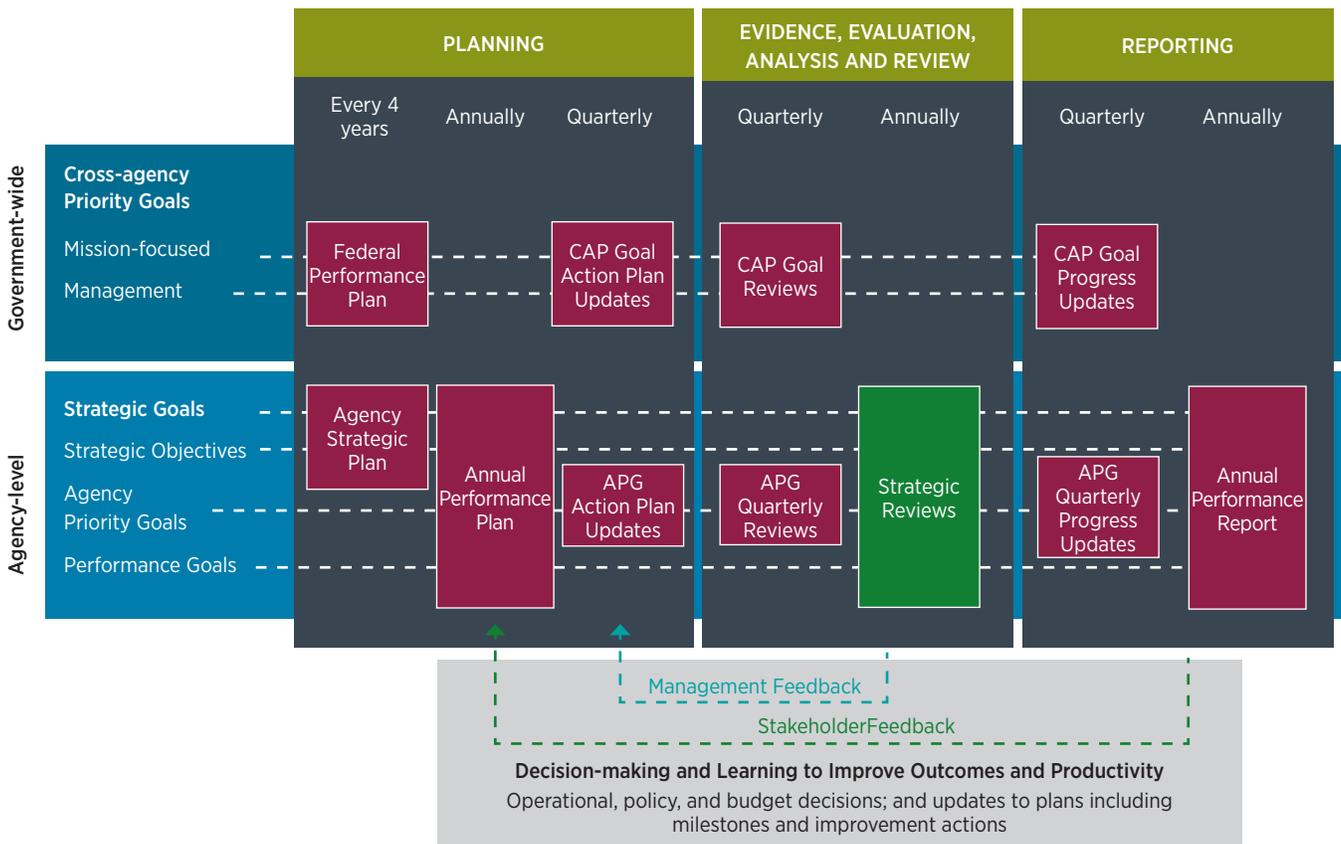
APPENDIX FOUR  
**SAMPLE FRAMEWORKS FOR FEDERAL DECISION PROCESSES**

Following are several sample frameworks for different federal decision processes, such as:

- Performance Management
- Budgeting
- Enterprise Risk Management
- Acquisition

There are other similar frameworks for other decision processes such as human capital, grants management, financial management, program evaluation, program management and regulatory management. The challenge for top leaders is identifying where these different processes intersect, reinforce or overlap, and understanding their different time frames for action.

**FEDERAL PERFORMANCE MANAGEMENT CYCLE**



Source: Office of Management and Budget

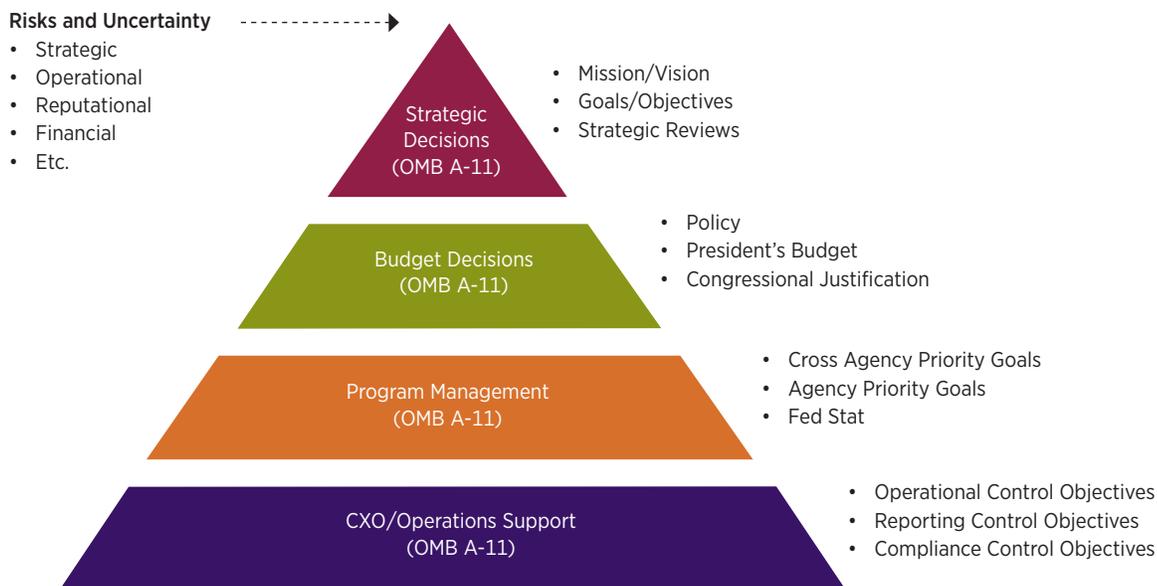
## FEDERAL BUDGET PROCESS SPANS 3 YEARS



- Budget Formulation**
  - Organizational Budgets Prepared
  - Management Review and Decide
- Budget Execution**
  - Financial Plans and Allotments
  - Reprogrammings/Realignments
  - Reports on Program/Financial Performance
- Congressional Action**
  - Submission of Budget to Congress
  - Review by Congress
  - Approval of Spending Authority
  - Budget Direction for Federal Spending
- Audit and Review**
  - Organizational Evaluation of Programs and Finances
  - Conducting of Audits; Prepare Reports

Source: Carl Moravitz, former budget director for the Department of the Treasury and the Department of Homeland Security

## FEDERAL ENTERPRISE RISE MANAGEMENT FRAMEWORK



Source: Office of Management and Budget

## KEY DECISION POINTS FOR ACQUISITION

	Q1			Q2			Q3
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Organizational alignment + leadership	Performance-based Acquisition Management Plan		Annual assertion of internal controls			FSIRA and Executive Order 13423	
	Input into GPRA performance and accountability report		Annual Report / Analysis of Service contract Inventories <sup>1</sup>				
	Acquisition input to agency strategic plan in support of upcoming budget cycle						
	Joint statement of duplication of IT investments or acquisitions						
	Assess the strength and weakness of the acquisition function						
	Quarterly CAP Goal status for Category Management			Quarterly CAP Goal status for Category Management			Quarterly CAP Goal status for Category Management
						Annual FedState Review	
Policies + processes		Draft CSTS to OMB		Category Management report <sup>2</sup>			
	Charge card management plan						
	Quarterly purchase card program report to OFFM						
	DATA Act Quarterly Spending Certification <sup>7</sup>	Budget passback		DATA Act Quarterly Spending Certification <sup>7</sup>			DATA Act Quarterly Spending Certification <sup>7</sup>
Human capital						Acquisition Workforce Development Strategic Plan <sup>3</sup>	
	Ensure workforce performance plans reflect appropriate accountability for mission objectives						
Knowledge + Information Management			Input to annual GPRA progress performance report for IT-related acquisitions systems for previous FY			FPDS-NG Data certification OFPP, GSA <sup>1</sup>	
	Input to agency strategic plan for IT-related acquisitions systems in support of upcoming budget cycle						
	Ongoing knowledge management initiatives to support the acquisition workforce						

■ Annually     
 ■ Quarterly     
 ■ Ongoing     
 ■ Report

Source: Revised and updated version of graphic in CAO Roadmap (2013) published by the Partnership for Public Service, Washington, DC.





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