Overview of the Transition Study Group

- IAC Chartered, Non-partisan, issues based

- Objective:
  - Lead IAC members in providing a single, consistent voice on education, advice, and insights regarding the effective management and use of technologies in government.
  - Compile and provide high quality, insightful papers and briefings for government executives and IAC members.

- Term: March 2008 until the 2009 Management of Change Conference.

- TSG: MARK FORMAN-Chair, ROGER BAKER-Co Chair
  - Mary Ellen Condon, Judy Douglas, Brien Lorenze; Deidre Lee; Leslie Steele
  - Sarah Lindenau (IAC); Ken Allen
IT as a Strategic Innovation Factor

Make & Sell

Industrial Society

Enterprise Performance

Sense & Respond

Information Society

Process Integration Era
- SOA
- SAAS
- Cloud Computing

Knowledge Era
- Web 2.0+
- Mass Collaboration
- Social Media
- Knowledge Process Engineering


DP Era
- Mainframes
- Financial and Administration
- Specialized Applications

Micro Era
- PCs
- Office Automation
- Single Purpose Applications

Network Era
- WAN/LAN/Web 1.0
- eMail/eBusiness
- Client/Server
- Single Purpose Applications

Societal Discontinuity

Organizational Discontinuity

Technological Discontinuity

• **Government Management**
  - Focus on: Government IT spending as economic strategy and actions needed to improve value from IT investments

• **Budget Challenges**
  - Focus on: How to set-up a process to identify, assess, and implement approaches that can have huge budget and productivity improvements

• **War on Terror**
  - Focus on: Cross agency and Federal/State/Local collaboration; fixing the role and structure of IT leadership at DHS; Incorporating innovation, especially in Identity and Access Management

• **Healthcare and Entitlements**
  - Focus on: Cross-Agency information sharing and collaboration, information security and privacy

• **Energy and Environmental Policies**
  - Focus on: Motivating and managing innovation in government (including Green IT)

• **Disaster Protection**
  - Focus on: collaboration and continuity of operation

• **Identity and Access Management**
  - Supporting multiple papers: Healthcare, government management, immigration and border protection, disaster protection

• **Financial Industry Regulatory Reform**
  - Focus on: collaboration, information sharing, and risk management
• Using Federal information technology spending as a strategic asset to strengthen the American economy
  • Government is single largest influencer of U.S. IT
    • Federal IT ($100B) accounts for 10+% of US IT spending
    • 1 million Federal IT workers (90% employed by Industry)
  • Federal IT does not contribute to global competitiveness of US Industry
    • Government processes constrain innovation; lag leading practice
    • Approach to managing risk eliminates high-reward options
  • Ensure investments in internal IT management improvements are consistent with the national strategy. The strategy should favor IT investments that offer a significant impact on economic growth and stability. Early victories are essential to sustain political capital and momentum to drive change.
  • Drive change through inclusion- Work more closely with Industry and communities

• Returning Innovation to the Federal Government with Information Technology
  • IT systems are fundamental to performance improvements in most federal programs, and innovation is required to drive transformational changes.
  • The new administration must address federal executives’ aversion to change and the overly constricting risk management mentality.
  • Innovation must be injected into the processes that control modernization spending while appropriate risk management is retained.
  • A new Government Innovation Agency should serve as an incubator and source of best practices for bringing to government technology-enabled performance breakthroughs.
  • Agencies would maintain two portfolios of IT investment: run the agency and change the agency
Siloed Versus Strategic Alignment in Program Budgeting

Leadership Policy Level (Cross-program)

Policy Area/Line of Business Level Cross-Program Data:

Agency Leadership

Agency Budget Leader

Program Owner

Current Approach

Each Program Independently Determines & Requests Resource Request

Proposed Approach

Strategic Themes

Strategic Realignment of Resources and Investments to Improved Achievement of Results Within a Policy Area/Line of Business

Program Resources are Aligned with Strategy and Optimized across Agencies
1. Policy-Strategy Formulation

2. Strategy Maps

3. Balance Scorecard:
   - Themes
   - Objectives
   - Accountability
   - Measures
   - Targets

Strategic Initiatives

4. Enterprise/Segment Architecture

5. Government-Wide Shared Services

Integrated Strategic Plan

8. Cost Management OPEX

9. Investment Management CAPEX

6. Strategic Business Cases

Portfolio of Strategic Initiatives (by Theme)

7. Total Strategic Investment (STRATEX: Strategic Expenditure)

Budget Elements

Strategy
Business works in Strategic Cycles

Policy Area A

Strategic Theme 1 → Strategic Theme 2 → Strategic Theme 3

Plan 1.1 → Plan 1.2 → Plan 1.3 → Plan 1.4 → Plan 2.1 → Plan 2.2 → Plan 2.3 → Plan 2.4

Performance Improvement Plan

Balance Scorecard:
- Themes
- Objectives
- Accountability
- Measures
- Targets

Time | T1 | T2 | T3 | T4 | TN

Operating Model 1 → Operating Model 2
Conceptual Budget Transparency and Alignment Architecture: Early Concepts

- **Public Budget Portal:** Views
  - www.usaspending.gov
  - www.recovery.gov

- **Budget Policies/Policy Themes**

- **Strategy Aligned Budget Analysis**

- **FSAM Extended Budget Frameworks:**
  - Opex, Capex
  - StrategEX

- **Policy-Based Special Budget Analysis:**
  - Fiscal Responsibility Rules

- **Registered Users:** Protected

- **Predictive Budget Models**

- **Budget Mapping Change Tracking**

- **Budget Formulation & Mapping Process**

- **VUE-IT and MAX extensions**

- **Budget Content-Mapping Model**

- **Budget Portal:** Strategic Views-Collaboration

- **External Data Sources**

- **Budget Drivers Parameters:** Uncertainty Factors

- **Governance for Performance Improvement Plan:**
  - GOAL-Questions- Indicators-Metrics

- **Projects:** Business Cases:
  - Tracking to Results

- **www.usaspending.gov**
- **www.recovery.gov**