Best Practices for Improving Efficiency in Government

Department of the Interior (DOI)

INTERIOR ENTERPRISE ARCHITECTURE

IBM

6th Annual IBM Cognos Government Forum

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Topics:

- **Expectations for Efficiency & Transparency**

- **Enterprise Process Improvement**

- **Business Process Transformation**

- **Process Center of Excellence**

- **What has worked at DOI**

Expectations for Efficiency & Transparency

The New Administration and the Mantle of Change

- Government Reform
- Assigning the Chief Performance Officer
- Transparency of agency performance and operational data
- Streamlining operations and improving efficiency

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Expectations for Efficiency & Transparency

Government Programs and Processes

- How does change trickle down?
- Facing 21st century challenges with a 20th century bureaucratic structure
- Revisions to the PART
- View into Administration operations (VueIT)

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Expectations for Efficiency & Transparency

Focus on Producing Results

- How can we do this?
- Where do we start?
- What should be transparent?
- What can we use to streamline operations?
- How do we measure efficiency?
- What tools will we use?

What is Enterprise Improvement?

Enterprise Improvement is a collaborative approach to achieving enhanced value and performance of Interior business operations utilizing the synergy and collective knowledge of program managers and process owners DOI-wide.
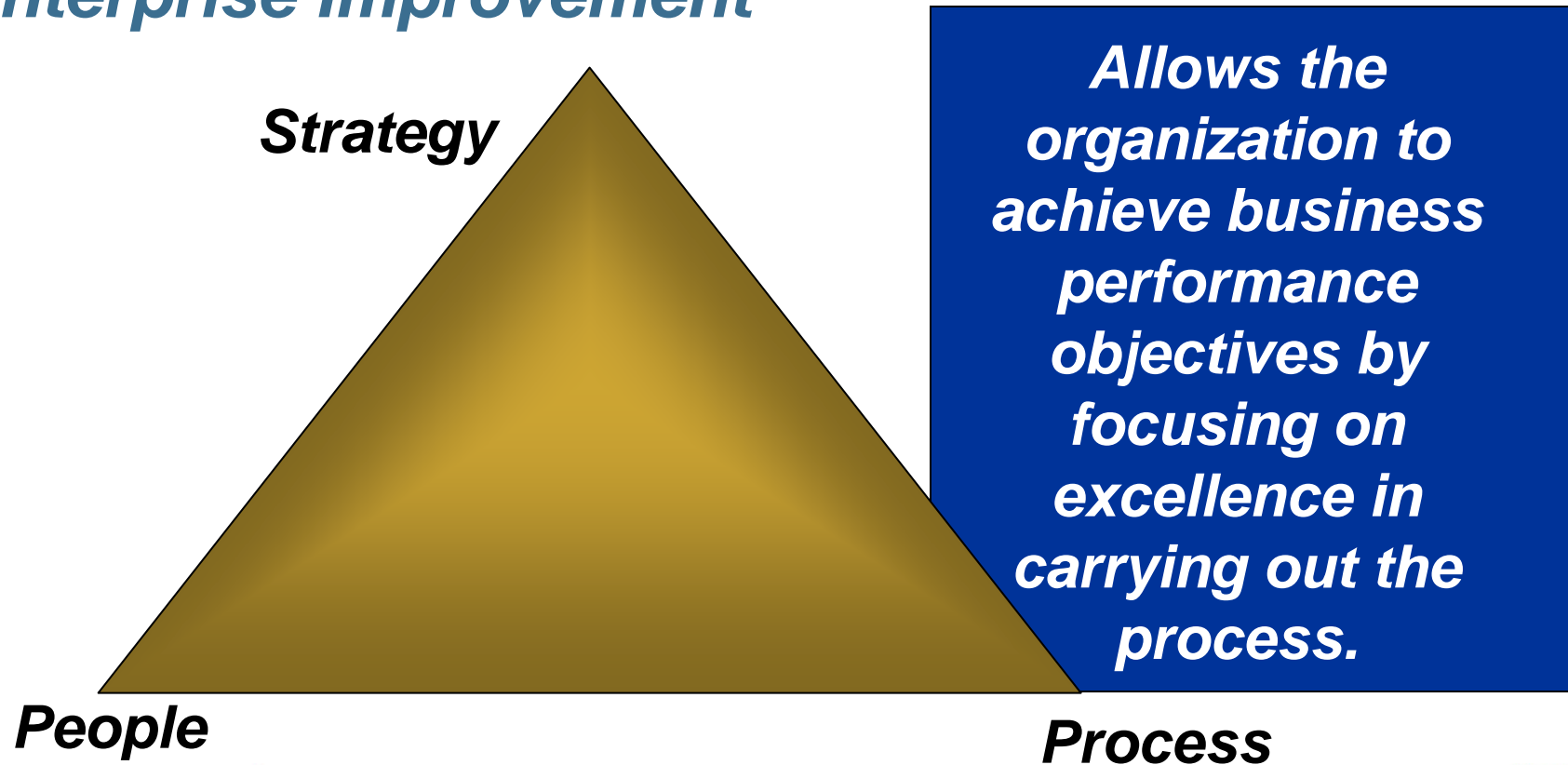
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What value can we expect from Enterprise Improvement?

The Enterprise Improvement strategy:

- Provides a DOI business community platform for learning and collaborative innovation to affect operational change.

- Includes a focus on business performance, but delivers greater value through the synergistic effects of collaboration

- Works with program managers and process owners that have an intimate knowledge of business challenges

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Enterprise Improvement has a business management perspective.

Three major components of delivering Enterprise Improvement

Strategy

Allows the organization to achieve business performance objectives by focusing on excellence in carrying out the process.

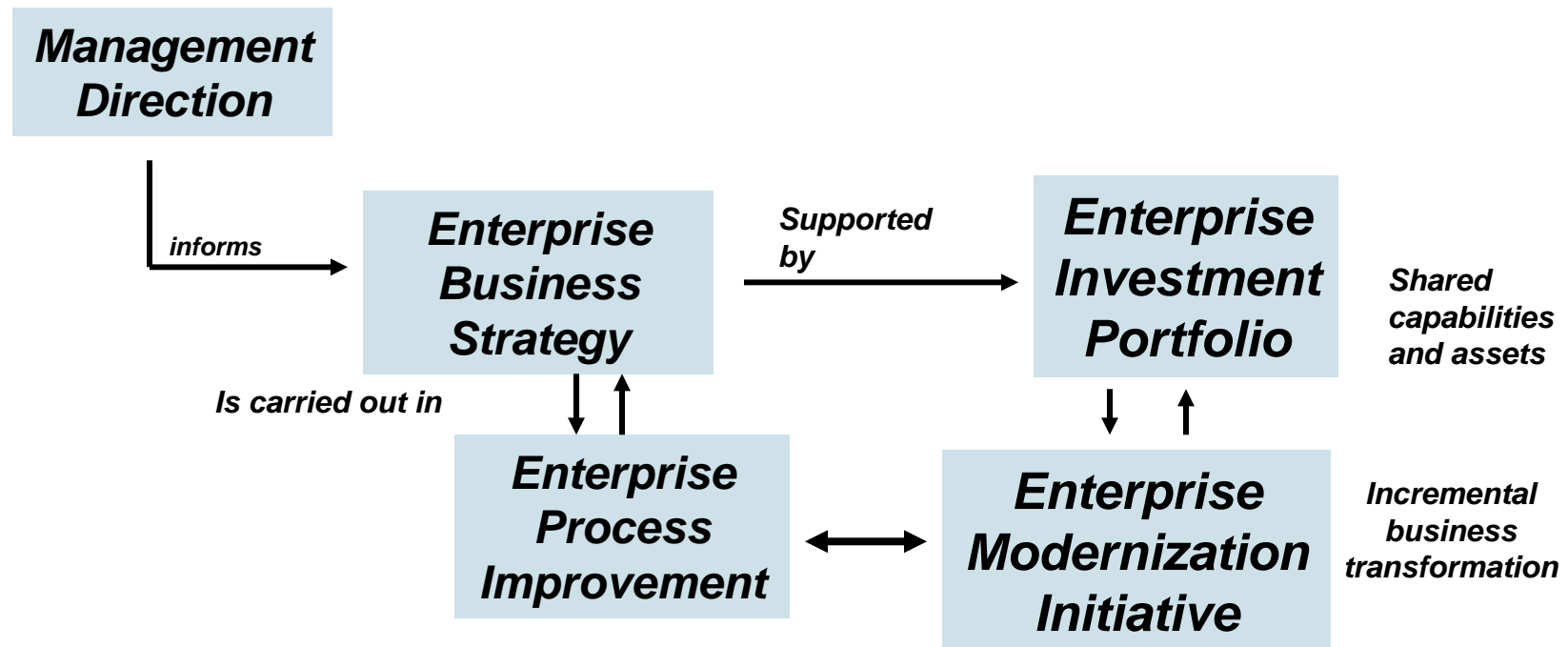**People**

Process

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Enterprise Improvement has a business management perspective.

Why is Enterprise Improvement important?

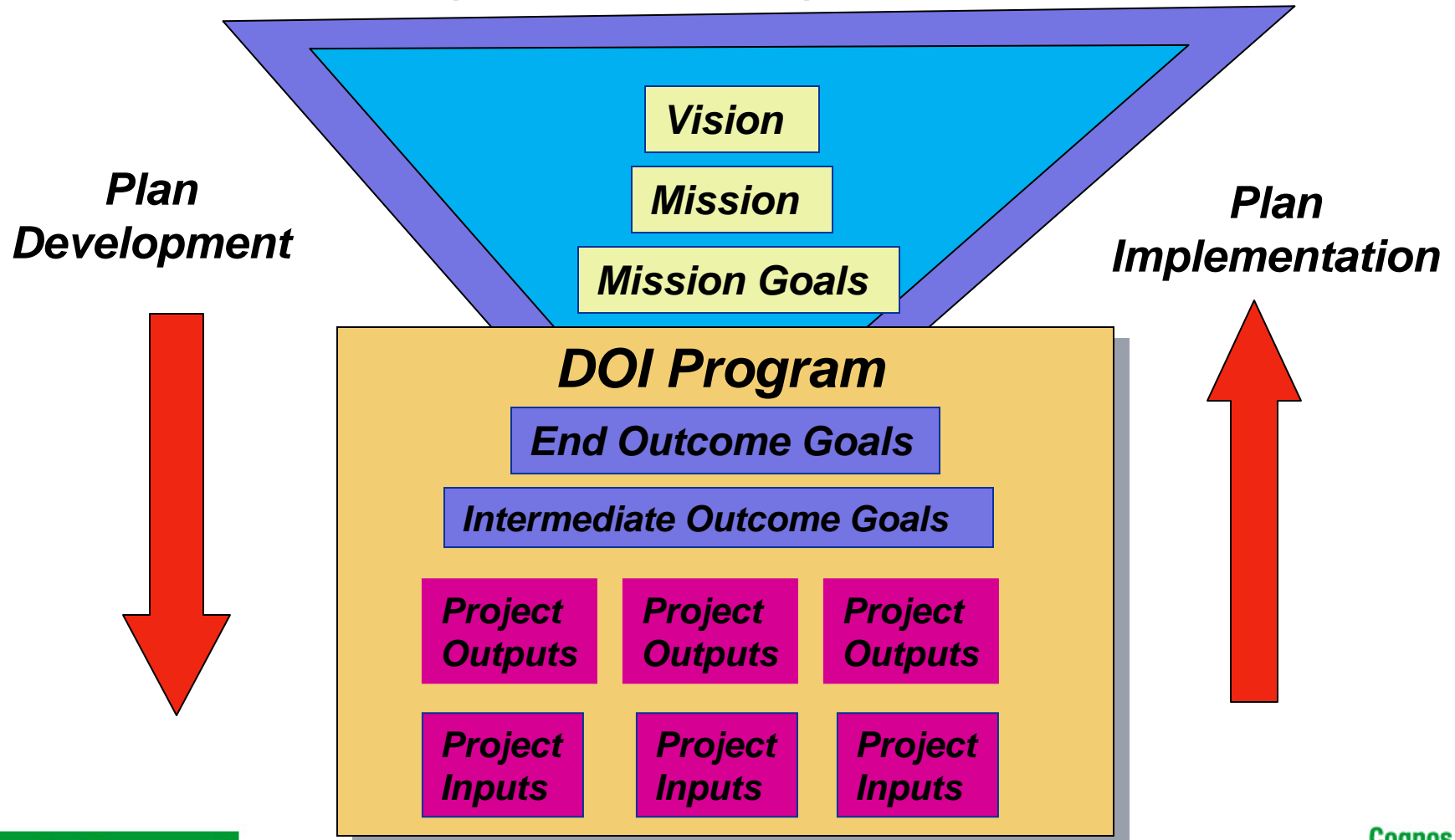- **Complexity of the DOI Mission**
- **Critical nature of things for which we are responsible**
- **Ability to achieve strategic goals/objectives**
- **OMB mandates for Investment performance and "Line of Sight"**
- **Management of DOI resources**

Enterprise Improvement has a business management perspective.

Context for Enterprise Improvement


```
Management
Direction

        │ informs          Enterprise          Supported          Enterprise
        └──────────────►   Business            by        ──────► Investment      Shared
                           Strategy                               Portfolio       capabilities
                                                                                  and assets
           Is carried out in    │  ▲                                 │  ▲
                                ▼  │                                 ▼  │
                           Enterprise                             Enterprise      Incremental
                           Process          ◄──────►             Modernization   business
                           Improvement                           Initiative       transformation
```

Enterprise Improvement has a business management perspective.

Structured Planning: from Strategic to Tactical

Vision

Mission

Mission Goals

Plan Development

Plan Implementation

DOI Program

End Outcome Goals

Intermediate Outcome Goals

Project Outputs

Project Outputs

Project Outputs

Project Inputs

Project Inputs

Project Inputs

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Enterprise Improvement has a business management perspective.

Supports establishing the "Line of Sight"

OMB requirement for investments:

Establish a **"line of sight"**

from the **investment**

to the **processes and activities**

it supports

and ultimately,

to its **outputs** and **outcomes**.

Enterprise Improvement has a business management perspective.

Establishing the "Line of Sight"

Program

Measure the _effectiveness_ of program strategy, products, and services.

Strategic Goal

Outcome Goal

Effectiveness Measures

Intermediate Outcome

Efficiency Measures

Output

Project

Process

Measure the _efficiency_ of inputs and outputs, processes, and project deliverables.

Enterprise Improvement has a business management perspective.

Establishing the "Line of Sight"

1. **Performance Improvements** can only be attained by understanding and adjusting the business process.

2. **Programs** are better positioned to meet performance goals when there are plans that address enterprise-wide process improvements.

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Process is at the center!
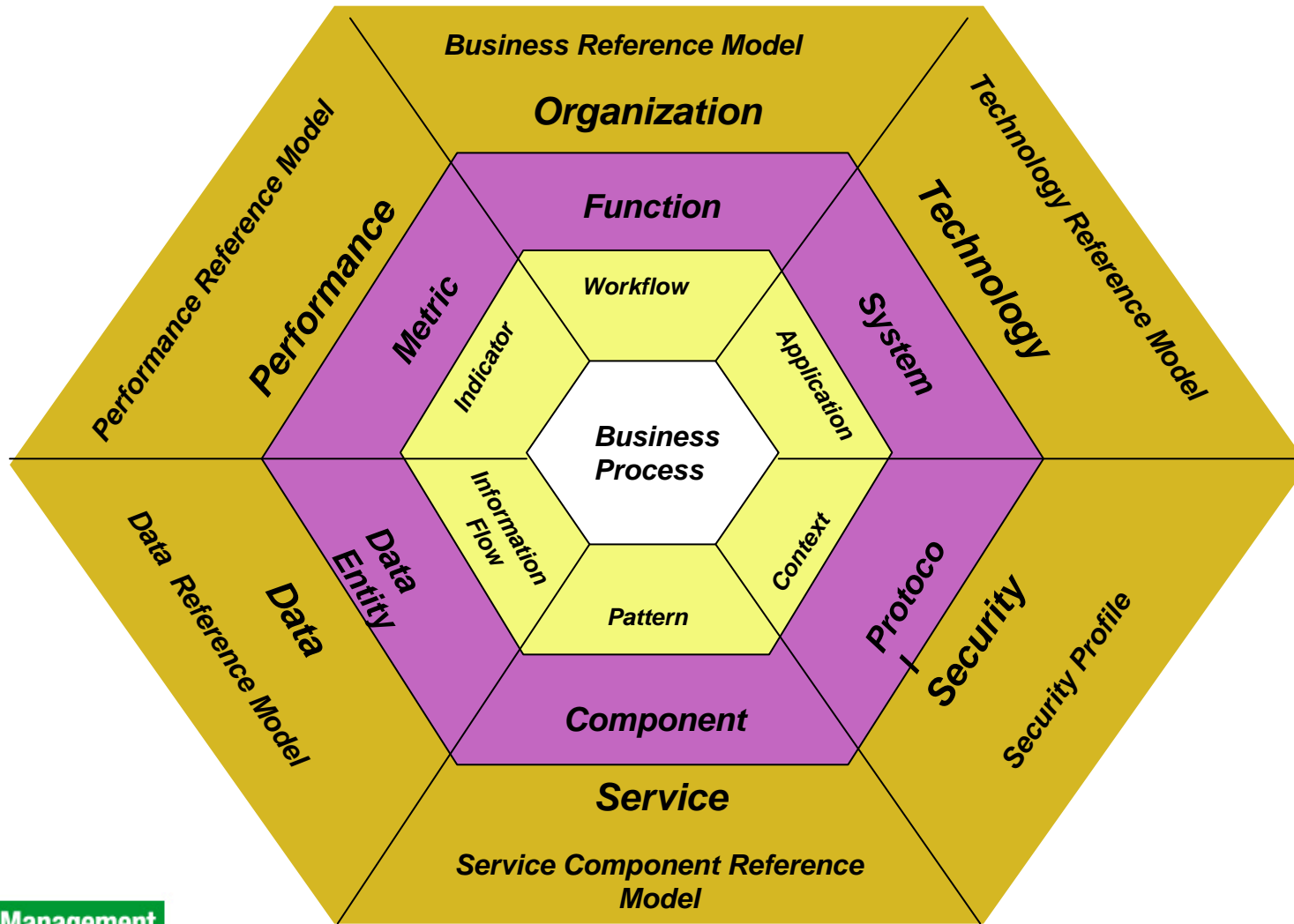
Business Process Transformation

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Business Process Transformation

Stages of Process Maturity
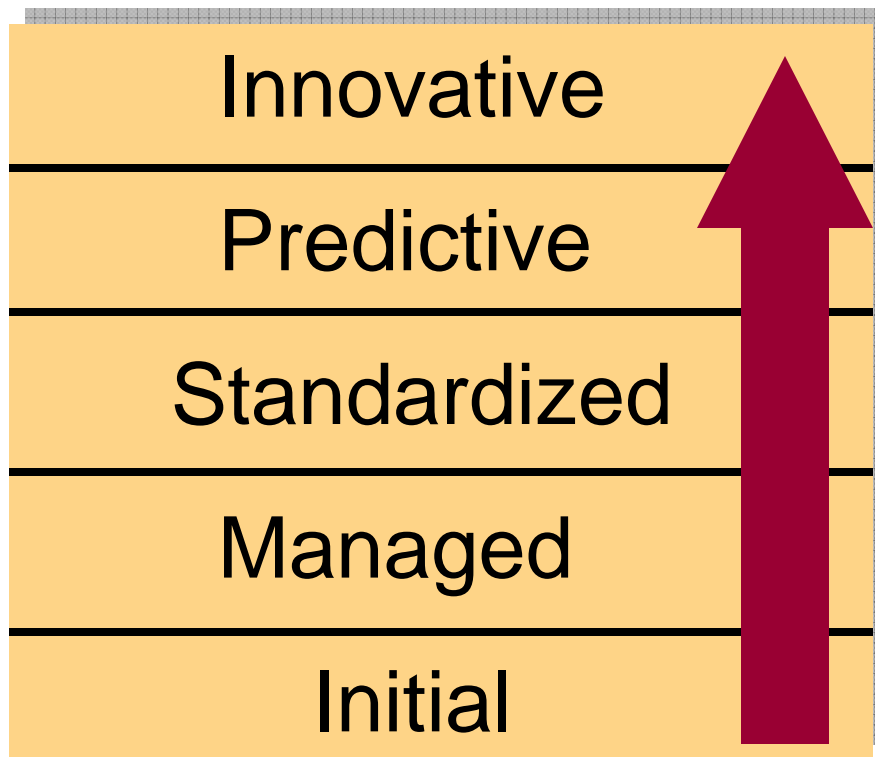
Stages	Description
Innovative	Proactive closure of gaps versus strategic objectives
Predictive	Capability quantified, results predictable
Standardized	Common processes and measures
Managed	Local stability from repeatable procedures
Initial	Overloaded roles

Business Process Transformation

Key components:

Process Center of Excellence	Performance Management, Program Management, Collaboration, Standards, Support Tools and Training
Process Evaluations and Consultation	Process Consulting, Process Evaluations, Process Improvement, Process Measurement
Enterprise Improvement Map	Business Modernization Priorities. Segment Strategy, Enterprise Portfolio Management,

Process Center of Excellence

Who receives the Benefits?

Everyone!!!!

- *Program Managers*
- *Finance Managers*
- *Senior Managers*
- *Employees*
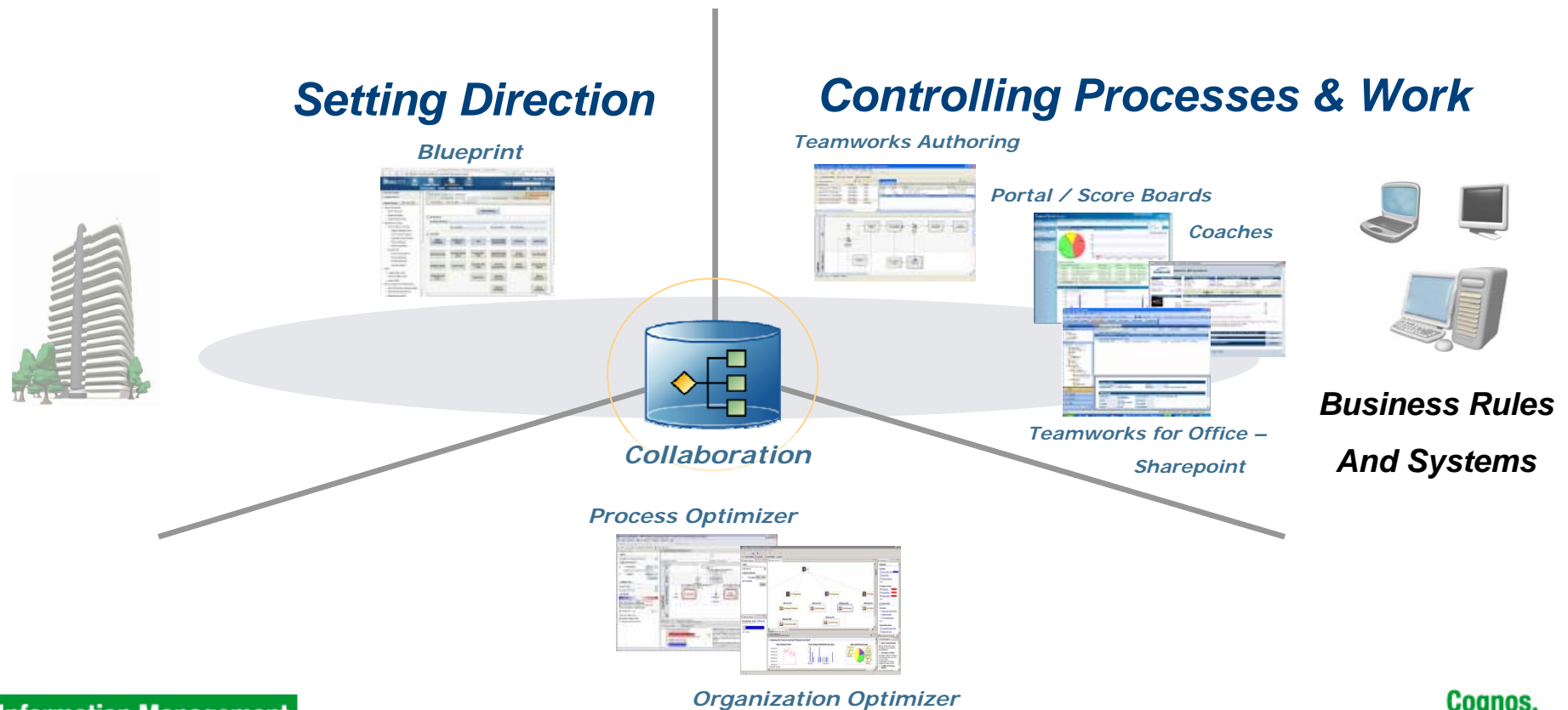- *Technology Managers*

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Process Center of Excellence

Requires coordination and structure

- Implement an Enterprise Improvement Roadmap

- Optimize the flow of work rather than emphasizing functional performance

- Establish an enterprise process design capability

- Facilitate a collaborative enterprise improvement focus

- Educate/lead business transformation

- Establish process infrastructure

- Enterprise portfolio management

- Enterprise project management

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Full Lifecycle Approach to BPM

Project teams need integrated methodology and technology support that provides concrete connections from plans to activities to improvement
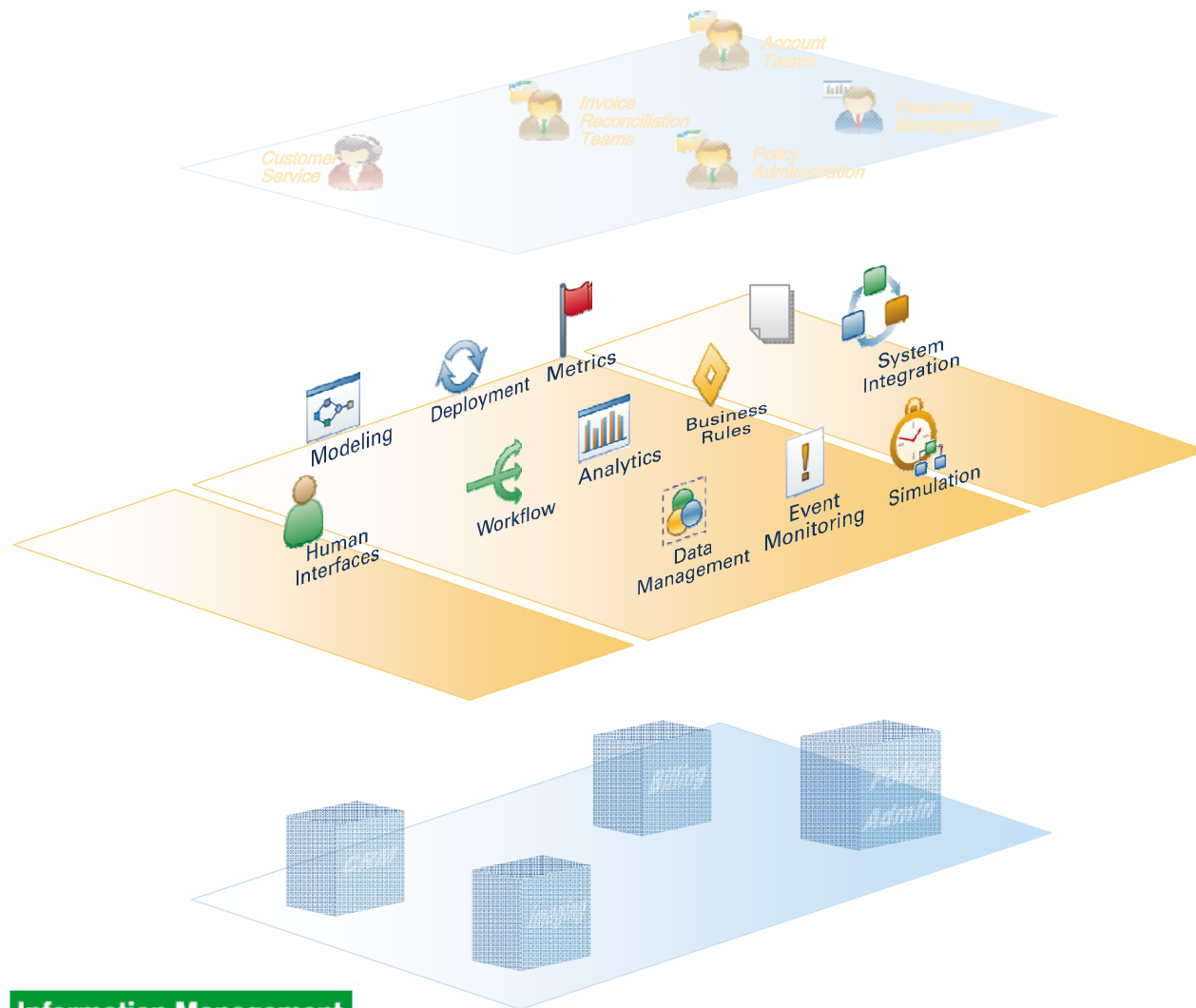
Setting Direction

Blueprint

Controlling Processes & Work

Teamworks Authoring

Portal / Score Boards

Coaches

Collaboration

Business Rules

And Systems

Teamworks for Office – Sharepoint

Process Optimizer

Organization Optimizer

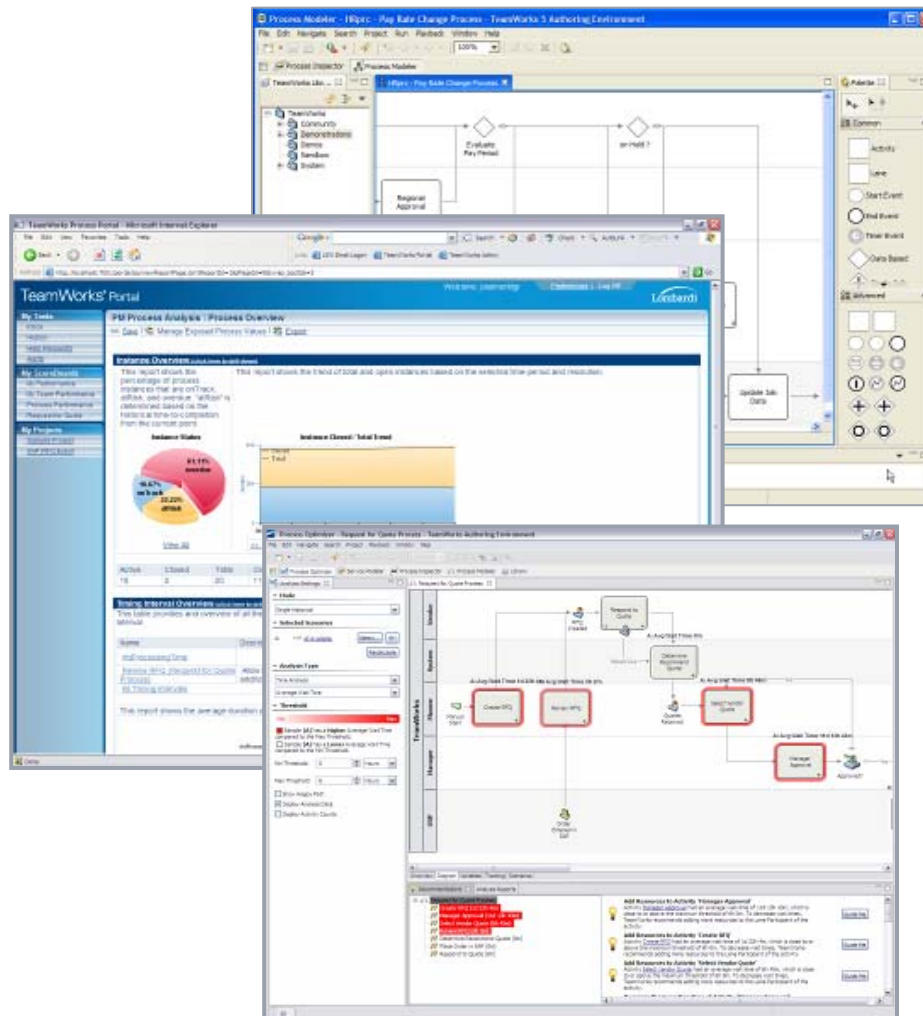# Core Capabilities to Control Process and Work

- Modeling
- Simulation + Optimization
- Workflow
- Rules
- Business Data Mgmt
- Human Interfaces
- Documents
- Event Monitoring
- System Integration
- Metrics
- Analytics

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Improving Business Performance

***Lifecycle Efficiency* through integrated environment and Iterative "Playbacks"**

***Drive Performance* with better visibility and collaboration**

***Know what to change* with interactive optimization**

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Improving Business Performance – by Optimizing Your Key Processes

Business Process Transformation will not occur overnight!

- Cultural change can be a hindrance

- Can begin with informal education and communication messages

- Strategize to address areas of greatest need with high value for many

What has worked?

**Department of
the Interior (DOI)**

What has worked?

DOI Business Model

CORE MISSION AREAS

Intelligence Operations	Landscapes & Watersheds	Energy	Forage	Wildland Fire	Community & Social Services
Homeland Security	Biological Resources	Water	Forest	Law Enforcement	Tribal Consultation and Services
Correctional Activities	Cultural & Heritage	Non-Energy Minerals	Recreation	Science Knowledge Advancement	Indian Trust
International Affairs	Insular Economics	Public Health & Safety	Environmental Management	Disaster Management	Education

BUSINESS SERVICE AREAS

Administrative Management	Information & Technology			Compliance & Enforcement	Controls & Oversight
Finance	Planning & Budgeting			Inventory Management	Geospatial Services
Grants	Public Resources & Facilities	Procurement	Asset Management	Land Management Planning	Ownership Management
Human Resources	Supply Chain Management	Legal Services	Public Affairs	Use Authorization	Policy and Directives

LEGEND: Notional | Planned Blueprint | In Progress Blueprint | Completed Blueprint

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What has worked?

Methodology for Business Transformation

- Includes "best Practices" for developing and improving the efficiency of processes

- Integrated into the Federal Segment Architecture Methodology (FSAM)

- Used by Modernization Blueprint Teams to identify the problem area and work with business representatives to re-engineer the process

What has worked?

Other Tools of the Trade

- ITIL
- OMB LoB initiatives
- Lean Six Sigma
- Six Sigma
- Balanced Scorecard (BSC)

What has worked?

An Example:

Project: IT Governance Process BPR

- DOI Portfolio Management
- Governance Decision-making Structure

IT Governance Framework BPR

What's the problem we're trying to solve?

Current Governance processes:

- Take too long

- If it takes too long, it costs too much as well

- Lack of visibility into investment status

- Lack of integrated decision-making information

IT Governance Framework BPR

Benefits:

- **Enables a structured decision framework** that facilitates better decision-making with high value in less time

- **Allows tracking of project allocations and spending** against the goals and outcomes of programs

- **Establishes performance-based, results-oriented activities**, linking IT investment spending to DOI outcome goals and top departmental priorities

- **Promotes Dept/Bureau/Office OCIO as expert consultants to the business**, supporting business needs with streamlined processes and effective service delivery

IT Governance Framework BPR

Our Goal: Optimization

Motivating Factors:

- Budget Limitations
- Performance Metrics
- Resource Constraints
- Business Transitions
- Openness and Transparency
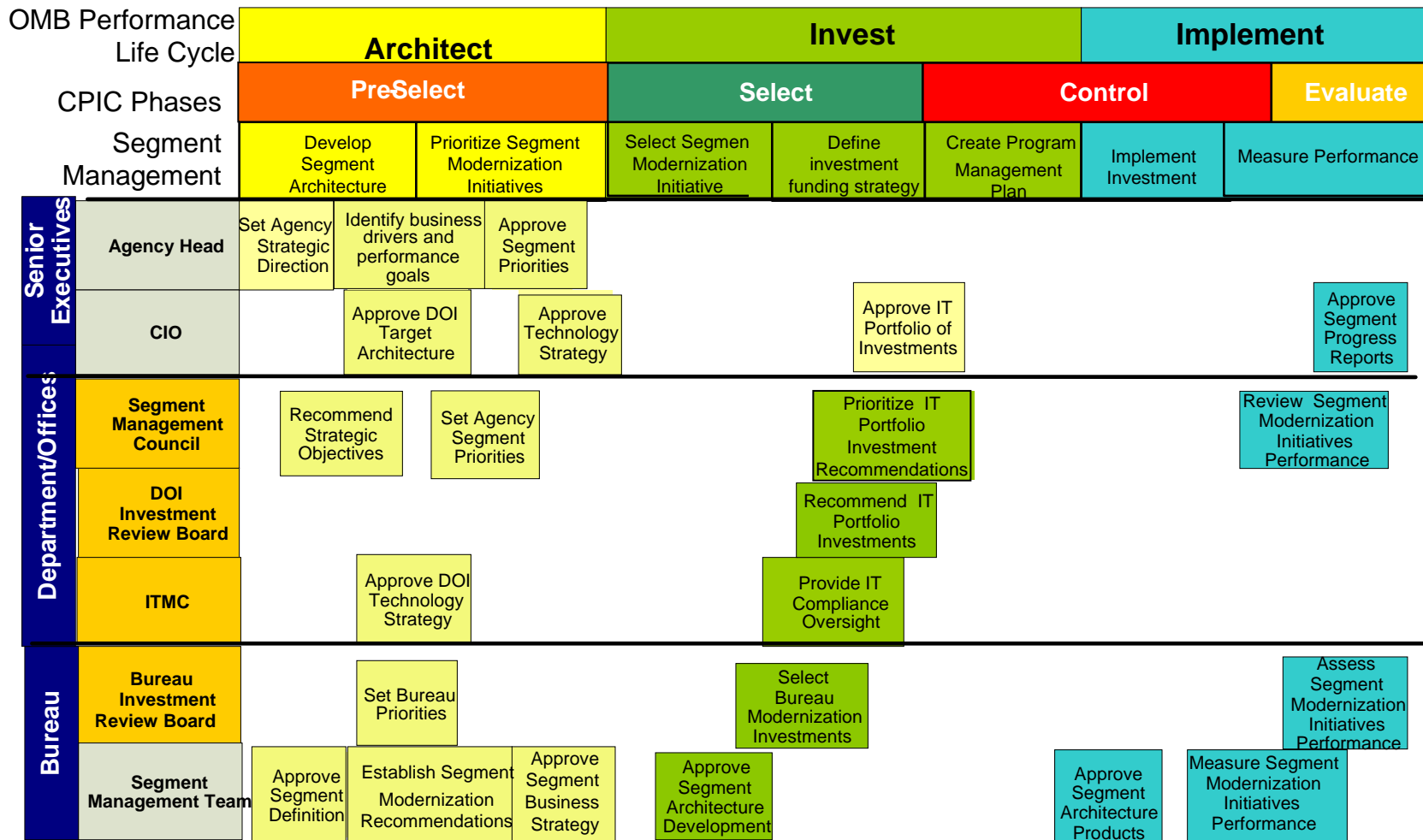- Security Challenges

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IT Governance Framework BPR

What's required by law?

- **Clinger-Cohen Act 1996:** CIO requirements for effective management of agency IT investments

- **OMB A-11:** requires all major <u>IT initiatives to align</u> with FEA Reference Models

- **OMB A-123:** defines management's <u>responsibilities to implement, test, and assess</u> the effectiveness and reliability of internal controls to maintain confidence over financial and operational information systems and the integrity of the data…

- **OMB A-130:** agencies must <u>produce an integrated information plan</u> to control and secure information collected and used…

- **GPRA:** requires agencies to <u>report actual performance</u> against stated goals on an annual basis to measure effectiveness of IT improvement and execution

- **Inspector General Act of 1978:** Allows for an <u>independent audit review</u> of agency programs and operations to ensure information management controls are adequate

- **M0902 Memorandum:** <u>requires alignment with the Information Technology Management Structure and Governance Framework.</u>

IT Decision-Making and Planning

OMB Performance Life Cycle	Architect		Invest		Implement	
CPIC Phases	PreSelect		Select		Control	Evaluate
Segment Management	Develop Segment Architecture	Prioritize Segment Modernization Initiatives	Select Segmen Modernization Initiative	Define investment funding strategy	Create Program Management Plan	Implement Investment / Measure Performance

Senior Executives

Agency Head	Set Agency Strategic Direction	Identify business drivers and performance goals	Approve Segment Priorities			
CIO		Approve DOI Target Architecture	Approve Technology Strategy	Approve IT Portfolio of Investments		Approve Segment Progress Reports

Department/Offices

Segment Management Council	Recommend Strategic Objectives	Set Agency Segment Priorities	Prioritize IT Portfolio Investment Recommendations	Review Segment Modernization Initiatives Performance
DOI Investment Review Board			Recommend IT Portfolio Investments	
ITMC	Approve DOI Technology Strategy		Provide IT Compliance Oversight	

Bureau

Bureau Investment Review Board	Set Bureau Priorities		Select Bureau Modernization Investments		Assess Segment Modernization Initiatives Performance
Segment Management Team	Approve Segment Definition / Establish Segment Modernization Recommendations / Approve Segment Business Strategy		Approve Segment Architecture Development	Approve Segment Architecture Products	Measure Segment Modernization Initiatives Performance

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IT Governance Framework BPR

What Performance Improvement is needed?

PROCESS

STEP 1
STEP 2
STEP 3
STEP 4

Governance Process

- Portfolio Oversight
- IT Compliance and Enforcement
- Segment Prioritization
- Integrated Lifecycle Management

Governance Tools

- OCIO Decision-Support Tool
  - Management Dashboard
  - Governance Dashboard
  - Project Performance Dashboards
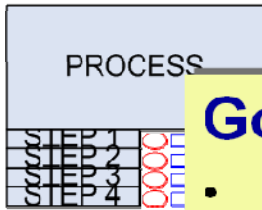- IT Governance and Policy Framework

Governance Products

- DOI IT Portfolio
- DOI Target Architecture
- DOI Segment Priorities
- DOI Technology Strategy

Governance People

- Bureau CIOs
- Portfolio Managers
- Business Case Owners
- Project Managers

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IT Governance Framework BPR

Where do we want to measure?

PROCESS

STEP 1
STEP 2
STEP 3
STEP 4

Governance Process

- Portfolio Oversight
- IT Compliance and Enforcement
- Segment Prioritization
- Integrated Lifecycle Management

Governance Products

- DOI IT Portfolio
- DOI Target Architecture
- DOI Segment Priorities
- DOI Technology Strategy

- Which process directly contributes to the problem?
- Which process if adjusted will allow us to shorten the time needed to approve an investment?
- Which process do we have the capability to measure?
- Does that capability include a reporting mechanism already in place?
- What about the products?

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IT Governance Framework BPR

Challenges:

- People are afraid of measuring

- People think it will take too long

- People disagree about what is important

- People forget to measure

Computers don't!!!!

In conclusion…….

IT Optimization can improve Performance!

- Collaborate to strategically optimize technology investments

- Ensure that technology is strategically aligned to address business performance issues

- Work with IT managers to help them understand business direction and needs

- Help IT managers partner with the business by optimizing their operations in direct support of the business

- Ask "why"

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Remember:

Change is Good!!!

You go first….

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