

CENTER FOR AMERICAN PROGRESS

DOING WHAT WORKS

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JOHN PODESTA: Good morning, everybody. I'm John Podesta. I'm the president of the Center for American Progress and I want to welcome you. We have a pretty full house here for our launch event for our new project, "Doing What Works," which we are undertaking in partnership with the Rockefeller Foundation's Campaign for American Workers. I think now more than ever, it is important that the federal government spend money wisely.

The increase in spending under the recovery act helped ensure that the great recession did not turn into another Great Depression, as was noted yesterday on the anniversary of its signing. But looking forward, President Obama has announced his intention to freeze non-defense discretionary spending over the next 3 years as part of the administration's long-term strategy to reduce the deficit. Major challenges in health care, in energy, in education and other priority areas may have to be addressed with little or no additional funding.

This reality demands that the federal government operate efficiently, boost its productivity and direct its resources where they're needed the most, to efforts that generate the greatest returns. Approaches that prove effective should be replicated. Those that perform poorly should be redesigned to boost results. And those that are redundant, misguided or misdirected should be eliminated. We need a government that does work. I will talk a little more later in the presentation about our project and, specifically, what we think it will mean to this field.

But first, we're privileged to have with us President Obama's Chief Performance Officer, Jeffrey Zients, who is charged with making government more efficient and results focused. Jeff and the administration have already taken a number of important steps to set high goals, strengthen performance evaluation and cut waste in federal contracting and other operational systems. These actions, I believe, preview a far more ambitious agenda to transform and modernize the way the government does its business.

Jeff's understanding of how to drive organizational change is gained from a successful career in the business world and it puts him in a strong position to deliver on the agenda. You have Jeff's full bio in your packets but I would just note that he was confirmed by the Senate on June 19th, 2009, is the deputy director for management of the Office of Management and Budget and as the nation's first chief performance officer.

He has 20 years of business experience as a CEO, management consultant and entrepreneur with a deep understanding of business strategy, process re-engineering and financial management. His deep experience in performance benchmarking and best practices extends across a broad range of industries and geographies.

Today, Jeff will tell us about the administration's plans to boost productivity and performance in government. I want to thank him for joining us. We're honored to have him

here today and we look forward to working closely with you, Jeff, as part of our “Doing What Works” project. So let me turn the podium over to Jeff Zients. Thank you. (Applause.)

JEFFREY ZIENTS: Thank you for the kind introduction. John, what you didn’t cover in that nice introduction is that I have a wonderful wife and four kids, three dogs, two birds, a tank full of fish and I’m told, a chinchilla on the way. If you were crazy enough to drop by my house this weekend, you’d feel like you were entering a zoo with no zookeeper. So you probably wouldn’t stay long and you’d walk away with serious reservations about this title of chief performance officer.

While I’m here at the podium today, I’m aware that I’m the new person to this challenge of improving government performance. Many of you here have been working this terrain for many years and you’ve been incredibly generous with your time in helping me get up to speed. John, thank you for your early counsel and for your leadership of CAP; Nancy, for our regular Starbucks breakfast sessions of counsel and for the McKinsey work that’s so pioneering in the field; and Reese for making today possible.

For those of you who I have not met, I’ve spent my whole life in the other Washington – growing up here and for 20 years in the business sector. For the majority of my career, I’ve helped lead two firms – the Advisory Board and The Corporate Executive Board. Both of these firms focus on helping companies improve performance and achieve operational efficiencies.

I always wanted the opportunity to serve in government. So when I got the call asking if I would like to be a candidate for the role of chief performance officer, I said, yes, almost instantly. I say “almost” because I did have to run it by that large committee back home. But the move felt instinctively right at that moment. And my experience across the past half year has only deepened that conviction. I know now that for the first time in memory we have three ingredients in place that are essential for a step function improvement in federal performance.

First, we have a president who is committed to opening government, to right answers wherever they come from. I can tell you from my private sector experience that this type of openness leads to innovation and improvement. Second, the president has refrained from wholesale government bashing. While it can be appealing in its simplicity, it’s counterproductive. To get real results we need to engage conscientious, hard-working people in the effort. And the president’s tone paves the way.

Finally, we have the urgency of the moment. Mounting deficits and debt are placing enormous pressure on government to cut spending and make every dollar count. Every corner of government needs to do its part to spend with great care. With these ingredients in place, we have an unparalleled opening to improve the performance of the federal government. And the opportunity for improvement is significant.

For a while, a productivity boom has transformed private-sector performance over the past two decades. As McKinsey and others have pointed out, the federal government has almost entirely missed out on this transformation. For example, the Department of Veteran Affairs still

processes disability claims by hand, passing manila folders six to 12 inches thick from metal desktop to metal desktop. Veterans wait 160 days to receive their benefits.

The VA is not alone. The Patent Office, the institution right at the center of protecting and promoting innovation, now receives more than 80 percent of patent applications electronically. That's good. However, these applications are then manually printed out, rescanned and entered into an outdated case management system. The average processing time for a patent is about 3 years. These types of antiquated processes are too common across government. They contribute to the continuing perception that government wastes taxpayer dollars.

Now, can we behave exactly like the private sector? No. The public sector does face unique challenges including compliance obligations that become real hurdles and objectives beyond the simple bottom-line motivation of the private sector. But many state and local governments and some federal agencies have been able to work around these constraints and have improved efficiency and raised service quality. We have to get the whole federal government on track to make that kind of progress. To understand how, I've spent a lot of time listening to front-line workers, career managers and agency leadership.

It's been an education and an inspiration to get to know these very talented individuals. They are truly committed to getting government working for the American people. I've also studied the efforts of past administrations and gotten counsel from the good government community, including several of you in this room who've taken all that input and are now focused on six strategies that offer the greatest potential to improve performance.

Here are the six performance strategies, moving left to right: eliminate waste, drive top priorities, leverage purchasing scale, close the IT performance gap, open government to get results and finally, attract and motivate top talent. These are the six strategies that represent the biggest opportunity to boost performance and get government working for the American people. I'll spend the rest of my time fleshing out each strategy.

Starting with strategy one, eliminate waste. The most sustainable way to save is not to trim around the margins but to cut what doesn't work, what is duplicative and what is outdated. Through the line by line review of the 2010 budget, we identified 121 program terminations, reductions and savings totaling \$17 billion. None other than the Washington Times congratulated the president for the administration's success in discretionary budget cuts in 2010, noting that it was higher than any reductions under the prior administration.

For the 2011 budget, the president has proposed 126 additional program cuts totaling \$23 billion. Going forward to make good choices about where to invest and where to cut, we need a systemic way to evaluate what works and what doesn't. To this end, the president placed a major emphasis on increased funding for rigorous program evaluations in his 2011 budget. These evaluations will help agencies find out whether they're getting the most bang for their buck.

If we have 40 different job training programs going across seven different agencies, where are we getting the greatest impact? Programs that are effective we'll continue and those that aren't we'll either fix or terminate. But wasteful spending isn't just about ineffective programs. In 2009, the federal government reported improper payments of \$100 billion. These are payments to the wrong person or to the wrong entity or for the wrong amount. \$100 billion of waste is not just a waste of money, it also erodes citizen trust. It's unacceptable.

We've committed to reducing this quickly and have set hard targets. Agencies are designating senior accountable officials to own specific reduction targets. We are partnering with states by investing in state pilots to reduce error rates and we're setting up incentives for states to bring their rates down. Agencies are moving aggressively. For example, the Department of Education is reducing Pell Grant payment errors by half a billion dollars by transferring data directly from the IRS to the students' applications.

Across all these efforts, we are actively engaging our partners in Congress. Doing so to ensure that the drive to eliminate waste is not viewed solely as an executive branch initiative but rather as a common goal across government. Beyond cutting where we are not getting our money's worth, we also need to make sure that the government is doing what we want it to do.

Our next strategy is to drive our top priorities. In most organization, leaders set priorities and then drive the organization to meet these goals. This is hard in government because senior political leaders tend to focus on policy development in crisis management – not execution and not implementation. To focus senior agency leaders on getting the most important things done, we've launched the High Priority Performance Goal initiative in June 2009.

Agency heads have committed to a limited number of goals with high value to the public. These are front and center in the president's FY 2011 budget. Agency leadership, secretaries and deputy secretaries have taken real ownership here. These management goals set ambitious targets to be achieved within 24 months. The targets are quantifiable. They're well defined and they're outcomes based.

If you take a look at the High Priority Performance Goals, you will see three attributes. First, the goals are aligned closely with the agencies' missions. For example, the Department of Labor has a goal to train more than 120,000 Americans for green jobs by June 2012. You will also notice that many goals span across agencies, attacking the problem that the government too often works in tight silos, in programs, bureaus and departments. HUD and VA are not. They're working together with a shared goal to reduce the homeless veteran population by 70 percent by the end of 2012.

And finally, you'll see a lot of goals to improve the quality of customer and citizen-facing services. All of the available data suggests that the best way to change someone's impression of government is through favorable, direct interactions. To that end, the United States Citizen and Immigration Service has a high priority goal of moving 40 percent of its service delivery online by 2011. This will bring transparency and speed to a process that has historically frustrated applicants.

So that's High Priority Performance Goals. We will review them regularly. We will immediately course correct if things are off track. So the first two strategies are about concentrating it on what matters – cutting what's not working and then focusing on a few key priorities. To support these initiatives, we need strong infrastructure – most notably, in contracting and information technology. Currently, they both have big problems. When we fix them, we'll get immediate savings and we'll have a strong platform to get other things done.

Let's start with contracting, where we need to leverage our purchasing scale. The federal government is far and away the world's largest purchaser. We buy over \$500 billion of goods and services every year. Despite this scale, we too often do not get the best prices or value for our money. And our contracting processes are slow and cumbersome. I do appreciate that contracting in the federal government differs from the private sector. But that doesn't make it any less important to figure out what's working both in and outside our four walls and reform contracting.

The president has committed to saving \$40 billion through contracting reform by the end of FY 2011. This serves as an important catalyst to push us to action. How do we do this? To start, we need to leverage our purchasing power and buy smarter. We need to work across agencies to take advantage of our scale. Take the simple example of office supplies. Over 100 federal organizations have separate contracts for office supplies. As a result, they're paying 30 to 50 percent different prices on any given day for the exact same pens and paper.

We do our purchasing like we're 100 medium-sized businesses, not the world's single largest purchaser. By standardizing specs for commonly purchased items and working together across silos, we can pool our purchasing power to leverage our size and lower cost. But it's not just about pooling purchasing power. We also need to build up the capacity and the capability of the contracting work force. While dollars spent on contracting doubled during the Bush administration, the size of the work force responsible for managing federal contracts remained flat.

The growth in contracting volume has outstripped the capacity and capabilities of these professionals. Our contracting work force lacks the bandwidth to coordinate effectively with program managers. As a result, contracts are often times awarded before the government has figured out exactly what it needs and without full competition. This leads to cost overruns, delays and dissatisfaction about performance. We're investing here. The FY 2011 budget requests \$158 million for agencies to build the capacity and capability of the contracting work force.

Given the hundreds of billions of dollars in play here each and every year, a small investment has a very high return. This investment can save the government tens of billions of dollars and get better results. I mentioned earlier the president's commitment to save \$40 billion from contracting by the end of FY 2011. We're off to a very strong start as we've already identified \$19 billion in savings for 2010. So that's contracting – important to fix because we can save money but also because so many other things are dependent on getting contracting right.

The same is true for information technology and the gap between where we are and where we need to go is significant. In fact, I believe IT represents the largest gap between the private and public sectors. Technology has been at the center of those private-sector productivity gains across the past two decades – both efficiency gains and service quality improvements. For the most part, the federal government hasn't participated in these gains.

In service quality, we're falling further and further behind. If you can book dinner for an airline flight online, then why shouldn't you be able to make an appointment at the local social security office the same way? On the efficiency front, the story is the same. We have antiquated systems and processes throughout many agencies.

For example, the government system for managing retirement records is stuck in a different era. Here it is, a cave in Boyers, Pennsylvania. Yes, a cave and, yes, the retirement records are stored in 35,000 metal file cabinets. It reminds me of that famous last scene at the end of "The Raiders of the Lost Ark."

Clearly there is a better answer here. However, it's not as if we're not trying. There've been several attempts to move the retirement records from the cave era to the digital era. And each time, the efforts have come up short. Unfortunately, this is not an isolated example. Across government we spent \$76 billion in information technology last year. And we've spent more than \$500 billion across the past decade. But we've got a poor track record of getting our money's worth. When we try to upgrade systems, projects frequently run behind schedule or over budget.

Too often, projects never accomplish what they were intended to do. To close the IT gap, we need to change how we manage and spend IT dollars. To that end, the president appointed the first ever federal CIO and federal CTO to lead and coordinate our technology investments across agencies. We've also launched the IT Dashboard, where leaders in government and the American people can monitor every technology dollar we spend on major projects. Here's the president reviewing it.

Every major IT project is rated against performance expectations and we've launched tech stat review sessions and accountability sessions. If a project is over budget or behind schedule or not performing up to expectations, we will either develop a credible turnaround plan or we will terminate it.

We're also reaching out to the private sector for input. In mid-January, the president hosted 50 leading CEOs to advise us on how to improve our IT operations. Attendees included Indra Nooyi from Pepsi, Gary Kelly from Southwest, Steve Ballmer from Microsoft and Craig, Craig Newmark from Craigslist.

Dozens of concrete ideas and best practices service, some of which reinforced our early reform efforts, others that suggested new solutions for us to pursue. Ideas such as getting objective, outside experts to review projects upfront to make sure that we're setting off on the right path. Making sure we have the right people with the right skills tasked against each project

and breaking projects into manageable chunks with well-defined milestones. This kind of best practice sharing works and we will continue to engage with the private sector going forward.

So all of this is improving our management of large-scale IT projects. At the same time, we're also focused on the types of solutions we pursue – looking to take advantage of more agile, light technology such as cloud computing and to shared services wherever possible. If chosen well, these new technologies can be cheaper, faster and less risky than the big, custom solutions that have too often failed in the past.

As we embrace these new technologies, we are very mindful that we operate in an increasingly interconnected and complex environment. For this reason, the administration is pursuing a comprehensive cyber security approach to securing our digital infrastructure.

And we integrating cyber security into the designs of systems rather than bolting it on as an afterthought. Whether it be cyber security, large-scale project management or the adoption of light technologies, we are making progress and we will close the IT gap.

Let's turn to the next strategy, open government. That's about opening ourselves up to get feedback that can help us perform better. The president has committed to an unprecedented level of openness. In terms of performance, opening government gets us two things. First, it makes us more accountable by holding our feet to the fire. Second, it accelerates innovation by engaging the best minds to get to the best solutions.

Let's start with an example of accountability. Here is usaspending.gov. This Web site aggregates every dollar the federal government spends, whether it's a contract, a grant or other form of assistance. We're launching version 2.0 soon with new features to increase usability and expose critical data. For example, a user will be able to compare data on a state-by-state basis and also drill down to the congressional district.

Data will be sortable by the type of contract award, by size and by recipient. As we add new features, we're also focused on improving data quality. We're working with agencies to integrate rigorous data quality checks into the regular financial reviews. This kind of openness leads to accountability for the administration, for federal managers and for Congress that results in a better use of taxpayer dollars.

And opening up also gets us innovation. In the fall, we tapped into the collective wisdom of government employees through the SAVE Award. Federal employees submitted 38,000 ideas for saving money and improving services. Some ideas were bold. One brave soul suggested abolishing the IRS. He used to work there. (Laughter.)

There were many great ideas, ideas as simple as eliminating paper pay stubs and as big as rethinking return to work incentives for those on disability. Fifteen SAVE ideas are included in the president's FY2011 budget. In another example of innovation this summer, the Veterans Administration hosted an innovation contest to solicit ideas from frontline workers for reducing the backlog of disability claims.

Lots of participation – over 3,000 ideas surfaced. A panel of internal and external experts selected 10 winners. The secretary hosted them in D.C. and their ideas are now being funded and implemented. So that's how open government helps performance, holding people to a higher standard and engaging the best minds.

But to get the most out of people, we have to do more. That's why our last strategy is about attracting and motivating top talent. The federal government's human resources practices are based on a personnel system that was created 60 years ago. Many of our practices are bureaucratic, cumbersome and outdated.

Too often, we don't focus on people as a primary tool for achieving our missions and we underinvest in training and development. To attract and retain the best people, we need to fundamentally rethink how we both hire and develop our employees. Does anyone have any idea what this is? Or this? Or this for that matter?

You need all three of these slides in eight-point font to map out the hiring process at HUD. It's a 40-step process. Nineteen different signatures are required, 139 days from start to finish. Not surprisingly, this results in terrible satisfaction scores from both managers and applicants. And HUD's 139 days to hire is not the exception.

In fact, it's right at the average across all agencies. I spend a lot of time recruiting in the private sector and my experience is that the best people don't loiter for five months. They find another home. The good news is that HUD is taking aggressive actions to fix this problem. And we're now supporting OPM and Director Barry as they work with other agencies' leadership to streamline the hiring process across government.

Our goal is to cut the hiring time at least in half. We will focus on making the process more candidate-friendly and less bureaucratic. Starting with short, plain language, job descriptions, not 20-page documents full of government lingo. Requesting resumes and cover letters, not burdensome essays that don't predict performance anyhow.

Creating a transparent process that make application status clear, not a black hole process that turns off applicants. Most importantly, we will be holding hiring managers, not just human resources departments, accountable for successfully recruiting the right people for the job. So that's how we're working to get great people through the door.

But what happens when they get here? We've got real problems engaging and retaining the best. For example, our performance appraisal process needs redesign. Out of 1.9 million civil servants, only 12,000 are rated below fully successful. That's less than 1 percent. Not surprisingly, only 29 percent of employees believe that steps are taken to deal with poor performers.

Where, in these numbers, is there good news for the many hardworking strong performers? Beyond appraisals, we need to invest in development. Training and development for our frontline workers is vital to achieving efficiency and service-quality gains. Given the difficult budget environment, we have to maximize the effectiveness of every dollar we spend on

training and we need to invigorate our 7,000-person cadre of senior managers, the SES, by giving them opportunities to take on new responsibilities and develop good leadership skills.

The president summarized the need to change how we hire, engage and develop employees and his aspiration to make government service cool again. As the retirement of nearly half of the government workforce approaches in the coming decade, we have a pressing need and also an opportunity to make this happen.

But we can only achieve the president's vision with hiring systems that attract the best, performance systems that motivate the best and development and training systems that strengthen the best. So that wraps up attract and motivate top talent. And that also brings us to the end of our six strategies.

Focus on what works by eliminating waste and driving top priorities. We build our contracting and IT infrastructure to 21st century standards and give people a stake in government by fostering a culture of performance through open government and better engagement of our talented workforce.

These are concrete, focused strategies aimed at the places where we can get the most performance gains. That's the what of our plan. Now, let's talk about the how. One consistent theme you've undoubtedly picked up here is an imperative to do more with less. With the discretionary budget freeze, the president has made the focus on cost control and efficiency very clear.

And at the same time, we've talked a lot about the need to up our game on quality. But often thought of as being mutually exclusive, cost and quality are not a tradeoff. The private sector productivity gains of the past two decades came about because companies got lower cost and better quality at the same time.

For example, Southwest Airlines has relentlessly lowered cost and increased quality. They provide self-service check-in because it's faster, easier and cheaper than doing it in person. And they settled on a single plane type because they save money and make it much less likely that passengers sit around waiting for spare parts.

Southwest is part of the larger trend. Since 1990, private-sector labor productivity has increased by over 50 percent. At the same time, quality levels have risen across all major industries. The point is, the organizations who have been part of the productivity boom haven't just worked cost or quality. They've worked both at the same time.

And to make sure we do the same, we're setting up public dashboards to track progress and holding regular performance reviews with agencies to drive results. You'll be able to see this on our government-wide performance portal launching this summer. But let me step back and anticipate the question you're asking yourself right now. How do they actually think they're going to get this stuff done in a place as vast as the federal government?

I've studied change in the private sector for two decades and I've managed my fair share of it. One thing I've learned is that most leaders try to change either through command-and-control from the top or by broad empowerment of employees. Command-and-control gets you focus, but it's hard to tap into employees' intrinsic motivation.

Empowerment gets engagement, but not necessarily direction. It's hard to tackle the really big problems. We're aspiring to a third path, one that focuses on the really big things, but that does so by tapping into the desire for collaboration. The high-priority goals are a great example. They focus agencies on the really important challenges, but the agencies determine them based on their mission and urgency.

We're working with the agencies not from a compliance perspective, but with a collaborative spirit that acknowledges that we're all after the same result. This focused collaboration is a key lever for driving change. But leaders have also got to convince people within the organization that change is possible.

Too often, I believe, organizations spend too much time thinking about and planning for change management and all the steps that are needed to prepare the organization for change. My strong belief is that the best way to prepare an organization for change is by changing and by celebrating the early wins that build change muscles and convince people that change is not only possible, but right within their reach.

Across the government, there are examples of public servants and agencies who are demonstrating this point with early wins. Like Nancy Fichtner, who recently won the SAVE Award and met with the president for suggesting that veterans, leading VA hospitals should keep their medications rather than throwing them out and then having to reorder them at the local pharmacy.

Or the procurement executive at NNSA who saved 18 percent through eBay-like auctions in reverse, where contractors bid down the price for the services they're competing for. Or the CIO and his team at the VA who pulled the plug on 12 IT projects when they saw how off-track they were. Or the team at Citizen and Immigration Services, the old INS, which in just 90 days, replaced its opaque application process with a transparent tracking system that allows people to check their status online, better and cheaper.

So how do we spread this belief across government? Leaders of major change efforts tell you that there's a moment when people shift their perspective, when they stop looking at change as someone else's job and instead embrace it as my job. When they stop spotting problems and start implementing solutions, that's when we'll begin to turn, to build the belief that changes not just possible, but that it's happening.

That's where all of you come in. I ask of you today, is that you help build the critical mass of public servants who choose to believe that change is possible. Help me by calling out great examples and recognizing heroic efforts. Help me by pointing out things that run counter to the strategies I've outlined.

Help me by continuing to provide the thought leadership and creative solutions that allow us to do more with less. As for me, I have the honor of being the nation's first chief performance officer, the key word here being performance. That means you should hold me and my team accountable for results, whether we get them and whether we've helped make government more capable of getting them in the future.

That is the most important standard you should use to judge our success. With your belief and support, I'm certain that we can deliver on the promise of a government that is as effective and as extraordinary as the nation we serve. Thank you. (Applause.)

MR. PODESTA: Well, let me – let me again thank Jeff Zients for his work, for his dedication, for that tremendous overview of the strategy that they're trying to use to implement across the government. I think Jeff has a huge task in front of him, but I think as the presentation indicated, I think it's clearly focused and moving in the right direction.

And we hope that our Doing What Works Project will help those efforts by providing serious analysis, needed ideas, highlighting success stories as he said at the end and building broad support for government transformation. Before I get to the substance of our project, I want to first point out that there's also a strong political rationale for doing this.

The public tells us that they want government to do more, to address key national priorities. According to one recent survey, 70 percent or more of the public favored greater government involvement in energy, in health care, in the economy and education. But a similarly high proportion distrusts government to do what's right.

Sixty-one percent agreed that government spending is almost always wasteful and inefficient. This mistrust is a significant barrier to advancing the policies that we just talked about to address even broadly-shared goals that span the political spectrum. Hart Research, led by Geoff Garin who's here with us and you'll be hearing from in a couple of moments – on the panel discussion will be conducting public opinion research for Doing What Works Project.

We want to better understand sources of mistrust and how this mistrust might be addressed. But we're clear on one thing. Attitudes will not change unless the public sees that government is acting responsibly and working to deliver maximum bang for the taxpayer's buck. Our project has three key objectives to improve government performance.

In the interest of productivity, we've already got six down to three. But I noticed Jeff's chart at the end had three as well. First, we plan to identify misguided spending programs and tax expenditures that should be eliminated or reformed as well as cost-effective investments that should receive greater priority.

And like Jeff, I invite you to help us be informed about that and help us analyze those programs, particularly those that you think are not working. We'll soon be releasing a paper looking at educational programs that could be reformed to increase efficiency. Similar papers will follow focusing on energy, health care and other priorities.

A key objective in this effort is making sure support is appropriately targeted to people, communities and areas where the need is greatest. Money ill-spent is money diverted from smart investments to ensure quality schools and teachers, build a cleaner, more secure energy future and deliver affordable, quality health care.

Second, we intend to examine ways to boost government productivity by modernizing how government does its business. Even the best policies can be sabotaged by operational problems. As just presentation highlighted, federal agencies currently suffer from bloated management and ineffective systems for contracting human resources and information technology.

Addressing these deficiencies would give government productivity a significant boost, the kind we've seen in the private sector over the last two – 20 years. I'm delighted that McKinsey & Company and Nancy Killefer, our good friend are partnering with us to contribute research and analysis for this component of the project.

And finally, we're going to look at how to reform decision-making and harness new technology to promote open, evidence-based government. Advances in information technologies provide the ability to shine a light on government performance in a way not possible a few years ago. Yet, basic policymaking and management systems remain rooted in another era.

Reforms are needed to put decision-makers in a position to capitalize on these new technological capabilities. I think, therefore, those of us on the NGO side or in the private sector, I think we see that in our daily work and we need to drive that into government decision-making.

There are successful examples we can look to as models in the private sector and in government. We're publishing a paper today – was in the back – called “Golden Goals for Government Performance” by Jitinder Kohli that provides five case studies of state governments and foreign governments that are showing the way.

These three project objectives are explored in greater depth in the paper that Reece Rushing and I have put out today, which describes our philosophy and previews the work for the coming year. This is a major long-term project for us and we intend to work with not just the executive branch of government, but with Congress and others outside the government to bring about reform.

We've assembled 25 esteemed members of an advisory group from people with deep experience in this area and as I noted, our funding is provided by the Rockefeller Foundation. And I've already mentioned a number of the CAP team members, Reece Rushing, who's leading the project, Scott Lilly and Jitinder Kohli and Matt Miller, our senior fellows are working on it and I want to note Sima Gandhi and Ian Millhiser, who are primary staff contributors on tax expenditures and government transparency, respectively.

This overall effort will be lead by CAP's cofounder and my partner, our Executive Vice President Sarah Wartell. And we intend to work with our policy experts so that our work

informs each other. The policy informs the performance side and the performance side informs our policy work.

Given the commitment of President Obama to Doing What Works, the leadership of Jeff Zients and the determination of so many of you in this room, I believe together, we can have a profound and lasting impact on the way the government is built and the way it actually performs. So thank you for coming here today. I'm going to turn it over to Jitinder Kohli, who will lead our panel, which includes Eleanor Hill – who I did not mention, but please come on up for our panelists. And Jitinder, I turn things over to you.

JITINDER KOHLI: Thank you so much, John and thank you everyone for coming to today's event. I found Jeff's remarks incredibly interesting and in some ways, kind of demonstrate the breadth of work that we have to cover in our project. So somewhat humbling as well as interesting.

We have a brilliant panel today and we have about an hour with our panel. And let me introduce the members of the panel. Nancy Killefer in the middle here, mentioned by various people prior to myself is senior director at McKinsey. She's cofounder and leader of McKinsey's global public sector practice and also served as assistant secretary for management at the Treasury under the Clinton era.

Matt Miller, political commentator and innovative thinker and new weekly columnist on the Washington Post hosts "Left, Right & Center" and the author of two bestselling books, "Tyranny of Dead Ideas" and he's a senior fellow at CAP. Geoff Garin, also previously mentioned, president of Hart Research and has worked with leading foundations, educational institutions and politicians. And we are very lucky that Geoff will be working with us as part of this project, helping us with our opinion polling.

And lastly, Eleanor Hill, who wasn't on the advertised program is a late entrant. We're very pleased that Eleanor was able to join us at relatively short notice. Eleanor's a partner at a law firm, King & Spalding. Under Clinton, she served as the inspector general to the Department of Defense. But she's also spent 15 years working in Congress and also as a federal prosecutor prior to that.

So we have an incredibly diverse panel and an incredibly diverse range of issues to cover. We're probably going to spend about 40, 45 minutes having a discussion amongst ourselves and then open it to the floor. I wonder if I could start by asking members of the panel for reactions to Jeff's comments. Is the administration on the right track? I suppose is my rather open question to start with. Who – Matthew? Matt. (Laughter.) Tell me more.

NANCY KILLEFER: Yes, I do think they are. I think Jeff outlined what I think is a pretty comprehensive program trying to focus on core priorities, recognizing that there are core – what I would call – operating areas of government that need to be improved and I think this is often an area that administrations don't tackle early in their agenda.

And if they're going to make real progress, it needs to be front and center. And I'm very pleased that it is and I think it's a combination of the talent equation, which I think they are tackling. Without great people in government, we will not get great government. And so I think understanding that it is the employees, it is the government workers and it is engaging them, engaging their talents that will actually drive performance is critical.

And then noting even with that, that areas that I think have historically been difficult for the federal government to actually lead on around contracting and IT are critical, actually, to make these kind of changes. I think on the contracting side, this stuff will not happen without the partnership of the private sector and contracting gets in the way, right now, frankly, even in spite of reforms that have been attempted in the past.

And then I think in terms of IT, our patience – Congress and other stakeholders' patience with IT projects is limited so I actually – I was interested and I have talked to Vivek Kundra a lot about how to actually move major projects along. I think the notion from those of us that have worked in the private sector for, you know, 30 years, projects – defining them up front with broad goals is the right way to go.

But assuming that you can define any step of a multiyear project and define the budget up front is a fool's errand. Right? And I have seen federal agency after federal agency be forced to do that and therefore continue to pursue actually wrong architectural decision and actions, because that's what they said they would do. It is no wonder they fail. So I actually think stakeholders need to actually be educated and understand, in fact, in fast-moving technology areas, that this is an iterative process.

MR. KOHLI: Thank you. Geoff, I want to –

GEOFFREY GARIN: My reaction is not only to the rightness of the direction but of the importance of the mission and its centrality to everything else that's going on. Really, I think we're at a moment where if you have a commitment to progressive government, this is the price of admission – that it is crucial to the way people think about who they trust to lead government.

We went through a period in the second half of the Bush administration where there was a kind of rejection of what people perceived to be its view of government, which is that government, by and large, should be off the playing field. And the elections we had in 2006 and 2008 were, I think, in significant part a response to that.

But the election of President Obama and the Democratic majorities did not repeal voters' skepticism and cynicism about government and that in order to create a permission structure to do big things, there has to – the public, the taxpayers need to know that this commitment exists, and what happened in the economy makes this even more important.

I can't – there's a disconnect between how people think about this outside of Washington and inside Washington. The truth is that the recession was as an emotionally powerful experience for people as 9/11. In fact, the further away you get from New York and Washington, D.C., the more powerful it is. And they've made these major adjustments in their

lives. Even all the way up the income ladder, they've cut back, they say they're focusing on the basics and the fundamentals, they're getting rid of the frills.

And they look at government and they say, none of that is happening in Washington, that it is business as usual at a time when nobody else in America is experiencing business as usual. And it creates not just a cynicism about the effectiveness of government but a real anger about the people who are here. So the ability to make this connection – I was, I think, not frankly, not all the parts, but there are lots of parts of what Jeff presented that I'd love for the American people to hear and know about, and I think it ought to – communicating that ought to be a priority in the administration.

MR. KOHLI: Brilliant. Thank you. Matt?

MR. MILLER: Building on that, I want to build on the permission structure idea because I remember – I think this is always true for Democratic administration that have a bigger stake, arguably, in wanting to use government for affirmative purposes, and I remember when I worked in the Clinton OMB, there was the reinventing government initiative, which in addition to the substantive good things it was trying to do to reform government, was felt to be an important part of getting permission from the American people and the trust to do bigger things. So this is not, obviously, the first time we've been down that road.

The question is, is there reason to be more hopeful now that we can make this push more successful? And I guess, sort of for a paradoxical reason, I think the answer's yes because, in part because the debt and deficit situation is so much more dire and so the – even though there were deficits back then – the deficit's always with us – the boomers' retirement coming means that we are – I mean, the era of fiscal pressure now is permanent. It's going to be going on for the next 30 years. There's no question that the imperative to be more productive with every dollar is going to be an entirely at a new degree of intensity across the aisle.

And I guess I hope that in addition to the kind of leadership and commitment from Obama, through Jeff Zients and down through the agencies, this new, sort of new, enduring, permanent fiscal situation may help scramble some of the traditional obstacles, I think, in some of the constituency politics, et cetera that have stood in the way of some of the common sense reforms that probably most of us would want to see.

One thing I'd like to just toss into the mix, if we're going to go around this a little more, is on the question of public trust. I'm always stunned by the polls that show that people think that 60 percent of every federal dollar is wasted, blah, blah, blah, and it's always something like that; it always has been. And I find – this is a real pet peeve, as an old OMB wonk, to me, because seven things make up 75 percent of what big government is. That's Social Security, Medicare, Medicaid, defense, military and civil service pensions and interest on the debt.

Those seven things are 75 percent of the government and then there's only a quarter on the dollar left for everything that we think of as government, which is from NASA to national parks to border patrol to school loans, and both parties support those big seven things. Most Americans support a lot of the others but it's never – when I in my own little venues try and say,

seven things are 75 percent, most people go, oh, I didn't know that; I guess it's not 60 percent waste. I think as part of this there ought to be a big affirmative effort to communicate that in a way, in a way to link the performance improvement to the trust, permission, et cetera.

MR. KOHLI: Eleanor?

ELEANOR HILL: Well, I think Jeff was extremely impressive, not only because he hit issues that unfortunately have been around for years but are very right on the forefront of change and getting things better, like contracting and human resources, getting better people, the silo issue, which has been with government since anyone can remember: How do you get these agencies to think in terms of the whole government and not just in terms of the agency?

So he hit the issues but he also hit it in a way that you can tell that this administration has really focused on some specific strategies on what to do about this and not just say, we're concerned and we're going to go fight waste, fraud and abuse. They're talking about how they're going to do it: what specific strategies and performance goals. So I do think it would certainly help the public to hear that kind of a presentation because I think they would feel that at least something is being done that's concrete and not just pie-in-the-sky.

On Matt, I just want to comment on Matt's point about government and the issue of waste. That's absolutely true and people don't realize that so much of it is in things like health care and defense, education, et cetera, the entitlement programs. But the problem is, with that, it's a good argument but the comeback to that is well, wait a minute: We like defense and we like health care but there's a lot of waste in those defense programs and there's a lot of waste in those health-care programs. That's a very good start; it doesn't get you past the whole argument because that's true: There is waste in all of those programs.

So I was very impressed. I particularly – I think the IT area and the combination of contracting and IT, as Nancy referred to, is extremely important because I have seen, as IG and doing congressional oversight, I can't tell you how many times we have seen agencies start down that expensive path, very expensive path, to put in a new IT program – they never get there. They don't have their requirements right, they don't know what they want, and they don't have the expertise and the agency to find out what they want and it's a tremendous waste of money.

MR. KOHLI: Yes. Certainly my experience in Britain is that over-engineered IT programs always fail and the ones that succeed are the vanilla solutions. And this concept of vanilla is really taking off: simple, easy solutions. They actually don't deliver everything you might ever want but they work, which is frankly a lot better, and they're a lot cheaper to deliver.

MS. HILL: And huge amounts of money are wasted that way.

MR. KOHLI: Yeah, absolutely. Absolutely. I wonder if we could draw on your perspective, both from having worked in Congress and worked in the administration. The role of Congress in this space and –

MS. HILL: Well, Congress would tell you there's always a role for Congress in this space. (Chuckles.) Congress and the executive branch – having worked in both – are two very, very different animals. I always say they have different institutional personalities. They work differently, they move differently, they focus on things differently.

Agencies are focused on their agency and they are, in some ways, protective of their agency and they are very into what is going on in their jurisdiction, their territory. Congress tends to be more across the board because they get blamed for if anything happens wrong with government, not just with what happens at the Department of Defense or Department of Agriculture. The White House should have that – I've never worked in the White House, but obviously that should be their mentality too and OMB, because they are responsible for all of the government.

So I think there's a big potential to get those two centers of power in our government together. Obviously they are separate and equal branches but the more we can coordinate, the more they can hear what each has to say and address the issue together, I think the further chances we have of getting somewhere.

Part of the problem is the U.S. government is huge, as Geoff alluded to. I used to say at DOD, it's impossible to manage DOD because it's too big and it's just one part of the government, but it's a big part. So getting from the top, where Congress is and where the White House is, down into those trenches to find out what's really going on and to change what's going on, is a monumental challenge.

And I don't think you're going to do it just by the White House doing it on its own or by Congress doing 15 different hearings about 15 different issues. We stand a much better chance of making progress if they're on the same page, they know what the goals are, they can get some – they'll never agree on everything, but they can get some agreement on where the priorities need to be.

MR. KOHLI: Kind of ways to make that happen? I wonder if I can bring in others?

MR. GARIN: Well, I do think the political rewards are a little bit different in this environment, is that there are times, frankly, where if you are a candidate for – an incumbent member of Congress, thinking about what advertisements you want to run when you're up for reelection, you think about what you deliver to your district, the legislation you passed. There have been moments, and we are in such a moment, whether you are a Democrat or Republican, where the money you have saved, the waste you have stopped, the \$300 toilet seat that you discovered, is as powerful as the program you delivered to your district.

So Congress is not geared, from my experience, to spending a lot of time on oversight for a variety of reasons, to do real oversight. But we are at moment where, not only from a substantive perspective but from a political perspective, there are lots of reasons for Congress to invest in the time and the resources in that.

MS. HILL: Oversight is a pet project of mine because I spent my entire career in government doing oversight, whether for Congress or as an IG or as a prosecutor on criminal cases, and you're absolutely right. Congress is not geared to do real oversight. In my view, the agencies aren't geared to do it either. That's part of the problem.

Part of the problem is we have limited pockets of oversight and it's a funny thing: You can't overdo it, you don't want to stultify government by too much oversight that you hamstringing everybody; on the other hand, my experience is if you do away with that oversight or the oversight is so high up they never find out what's really going on, that's a recipe for disaster and we've seen that time and time again over the years. So that's – oversight is a key part of this: figuring out where you do it, that it's done right and that it's effective and it's not too burdensome. It's a fine balance.

MR. KOHLI: Nancy?

MS. KILLEFER: I think one of the challenges that both the executive branch and the legislators face is a willingness, patience and persistence in dealing with these issues. I think in many cases, there are snippets that are fun and sexy – the \$300 toilet seat. But actually fixing those problems – building a capable acquisition workforce, dramatically reforming contracting procedures that are now burdened by an assumption of waste and fraud that actually shut out innovation. Your best private sector contractors do not serve the government – it's too difficult.

It's sort of like Wal-Mart: You have to think about the end-to-end costs of what – the burdens that we put on, and say, we've got to clean out the whole system. Those things take time. Those things aren't sexy and I remain concerned about how, as the leadership of the country, between the executive and legislative branch, they're going to have the fortitude and patience to tackle these issues. I'm not particularly partisan so I don't have a point of view, but I have seen it too quickly devolve into the 24-hour news cycle as opposed to the hard work that it takes.

MR. MILLER: One question is how to create a safe space for the unsexy but essential things to persist, and CAP will be solving that in the month ahead as part of this project. (Laughter.)

MR. KOHLI: Absolutely. One of the themes that I think we are particularly interested in is this theme around experimentation and innovating. How do you develop public policy in a way that you have the space to really work out whether it's going to work? And when it doesn't always work in the way you thought it might, because experiments don't always succeed, you change it.

And how do you create that kind of culture, both in the executive and in the legislative branches? And I think that's a really big challenge for governments all around the world, not just in the U.S.

MS. HILL: Bureaucracy sometimes gets – they get locked into one way of doing – and you see that with IT programs. Too many times, they know that program's going wrong but they

don't want to admit it's going wrong and it continues and the overrun's gone. So that is a real – you have to put them in a position, the career people, that they are not – they don't feel at risk by being innovative because if they do, they're not going to innovate. They're going to stick with what's safe.

MR. MILLER: One example in that regard – I know there's different, obviously passionate views about the Federal Reserve in Washington – but I thought the way, and you can argue that they were behind the curve on identifying the problems that led to our situation, but in terms of an organization, they put together and launched a set of these incredibly innovative liquidity injections very quickly, in a way that, in my view at least, helped save us from going off the edge.

And that had to be a few hundred people with intense leadership under a crisis situation with the degrees of freedom to do some things that hadn't – were just on, sort of, Ben Bernanke's list in his drawer in case of crisis. And I don't know how many organizations – and the Fed itself is structured to have more degrees of freedom. It pays a lot more than the typical agencies and so has certain flexibility in attracting and retaining talent and maybe there are lessons – when you think about things that – where people had to act in government on a dime to do stuff, it's an interesting example.

MR. KOHLI: It's amazing what you can achieve in a crisis – how quickly you can make progress and all those rules disappear. I'm sure the hiring process doesn't take 139 days if you're in the middle of a crisis and you need to bring in the right people. I think in the U.K. where we did find it took us a little while when we had to hire a lot of people into our treasury to deal with the financial crisis, but nowhere near 139 days.

And I wonder if I can take people into tax expenditure. One of the areas that the project wants to look at is this area of tax expenditure. I suppose the hypothesis is that it gets even less scrutiny than other forms of expenditure. I wonder if I could get comments on that.

MR. MILLER: Can I take a stab to start?

MR. KOHLI: Yeah – Matt.

MR. MILLER: There's no question for anyone who's looked at federal resources that tax expenditures remain the least scrutinized of the shadow budget. But it's over a trillion dollars a year now, compared to three plus on the spending side, and it's become, because it's a tax cut that you're arguing for, it's the preferred policy initiative for politicians of all stripes. It's essential, given the magnitude of it and given the inefficiency of it and often the regressivity of it, that these things really get gone through line by line, the same way the administration talks about doing it on the spending side.

I give the administration a lot of credit for – they proposed originally, last year as part of trying to fill the pot for a health-care reform financing, and they've come back again and are talking about limiting the deductibility of the tax expenditure to – instead of being able to deduct it at the highest bracket, to deduct it at the 28-percent bracket, and I've thought for years that the

idea that a millionaire's mortgage is worth more to him than the average American's is to he or she is wrong and can be communicated in a way that should work politically.

Now, that hasn't been the case yet with the folks on the Hill and all the interest groups. This is a classic species of the broader question that is behind all this, which is how do you change the political molecule to make it safe to do a lot of these very sensible things? You have the charitable groups and the realtors – everybody comes out saying that the sky will fall if you just take the deductibility back to what it was under Ronald Reagan, that socialist. But I give the administration a lot of credit and I hope it's something that we're going to make a lot of headway on trying to really go through and expose and offer some sound ideas on.

MR. GARIN: From a public opinion perspective, the category doesn't really exist in the public minds. There are tax deductions, there are tax incentives and there are tax breaks – the latter in a pejorative sense. And so tax expenditures that would be evaluated in the same way that an outlay would be evaluated doesn't compute quite as much. It's a harder narrative to present to the public.

But certainly there's a lot of resonance in unwarranted or unjustified tax breaks that don't really produce any benefit, just a private or individual benefit. And that really does speak to the broader narrative of what makes people angry: the perception that so much of the decisions that get made by government about what it does and doesn't do is not driven by a keen sense of what the broad public good is, but that it's all done at the behest of the special interest or somebody who's political powerful or somebody who lobbies better than somebody else. And that is very tightly connected to the feelings of frustration people have about how their tax money gets spent.

MR. KOHLI: Eleanor, I wonder if I can bring you in on this.

MS. HILL: I think that's a valid point. I think people are frustrated. The general public is frustrated because they don't – it's an access issue. They don't feel that they have the access, that big lobbyists and money, corporations and that sort of thing. Right. Right. And it's the more attention that gets, I think the more frustrated people get.

I think one of the things, when I spent so many years on the Hill, that it's not the way the public looks at this – and I'm not defending special interests – but the problem with our system or the way our system is, the reality of our system is that we are an extremely diverse country with all sorts of different interests. To define "the public good" in this country – I mean, I'm not saying it's impossible – it can be hard to do sometimes because there are so many different aspects geographically, ethnically, industries, all sorts of interest groups in this country. And so after I first spent a few years working in the Senate, I think what I learned, I thought to myself, it's amazing government works at all in this country!

It's not that it's not working well. The fact that it works, period, is amazing. When you think about all those different interest groups and those different priorities that we have to meld in this country into a single government and a single set of policies – it's a huge challenge.

So doesn't mean we shouldn't strive for it; we should. And we should try and get the best public good for the biggest number of people, but sometimes people lose sight of the fact, this is not a monolithic nation. And this is not one group of interest groups. I mean, everybody in this room probably has different views on a million different subjects. And the task of our government is to make sense of all that for the most good, most of the people. And that's a big job.

MR. GARIN (?): I would draw a small distinction between special interests and special influence. It's the special influence that people are – (inaudible, cross talk).

MS. HILL: Right, right. And that's an access issue. And you shouldn't, you know, because you have money and because you have a lobbying group or connections, you shouldn't have better access, which is a different issue. But the issue of how do we get the policy and which policy is better is a tremendous challenge in a country the size of ours with many different groups and interests.

MS. KILLEFER: I would just comment on kind of the outcome of the use of tax expenditures, which is a tax code that in and of itself is – if anybody's read it here, God bless them – it's harder to get through than "War and Peace". And I think that also has been a point of pain for the American public. You know – why is the tax code so complex? Why can't we do these things – you know – why isn't it understandable?

As everybody knows now, the vast majority of taxes are prepared by tax preparers. The individual citizen can no longer file their taxes. Over 80 percent of them use some other means. And that's reality. And I think that is part of using the tax code as the vehicle to deliver social and economic benefit. It will never be simplified. The IRS will not go away in the system we have.

MS. HILL: And the people –

MS. KILLEFER: Are not happy.

MS. HILL: – will never understand it because they're too far removed from the actual – I mean, they couldn't tell you what's in the IRS code. And so it's a foreign entity and they don't understand and that's going to be hard to convince them.

MS. KILLEFER: And it seems unduly burdensome and complex.

MS. HILL: Right, right.

MR. KOHLI: Yeah, it's – I think by international standards, it's enormously complex.

MS. HILL: Yeah, it is.

MR. KOHLI: The idea of most people using a tax preparer to help them do their tax return I find incredible coming from abroad. I don't know what proportion of Brits would do it,

but it would be sort of 5 percent, maybe 3 percent of Brits would use someone to help them? But it would be very, very rare. And you'd have to be pretty rich and pretty complex in your tax affairs to get to that point.

I wonder if I can change the subject into agency culture. What are the kind of barriers within agencies to the kind of changes we're talking about? And what are the barriers to agencies working together? That was an important theme of Jeff's comments. I don't know.

MS. HILL: They're both very valid concerns, I mean, and I go back to the Department of Defense because I spent some time at the Department of Defense. They have both of those issues. They have fiefdoms – is what I used to call them – within the Department of Defense. So we have problems with this arm of the Department of Defense having the same policy as another arm of the Department of Defense.

They do not – you know, there have been all kinds of efforts over the years to get them to share information, to get them to have unified policies. When I was IG, that was still – we were still trying to break down those barriers. So that's been there for a long time. And that's a culture issue. The four services have different cultures. They are different institutions. They're all in DOD. The intelligence agencies, the Defense Intelligence Agency – different cultures. So that's an issue. That doesn't help government, if you can't get one department to have uniform policies.

Beyond that, you have the even bigger problem of how does DOD relate to the Department of Agriculture and relate to OMB – OMB is a little bit different because they all report to OMB, but you start talking about Justice and State and Agriculture and Defense and HHS and the issue is – do they talk to each other and do they identify that each of them are really focusing a lot of the time on the same sorts of issues?

And do we try to find out what lessons each of these agencies has learned and share those lessons learned across government? Because if we did, we might actually find out that we have some solutions that have – and without having to have ran it (ph) all over again, we can use what somebody else has done, adapt it to that agency, deal with it across government. That is extremely difficult to do.

I can tell you just when I was an IG, I was vice chair with OMB of something that at that point of time was called the President's Council on Integrity and Efficiency and it was all the IGs in the federal government. And our job was to try to come up with issues that everybody could address and find solutions. And we made some progress.

But even with IGs – which all have the same mission – there's a huge diversity. Some of them are very small shops with very few issues. Others are huge with all kinds of issues that are of no importance to an IG at a small agency. So you have this sort of institutional differences and difference in institutional focuses that is very, very hard to get over. It's not something we should give up on because I think the benefits of breaking that down and really having cross-government efforts would be tremendous. I mean, that is the way to go. But it's how to get there – is the issue.

MR. KOHLI: Well, one of the things we present in this – one of the papers we published today is this very radical model where Scotland – small country, small place – have effectively abolished government departments and replaced them with a sort of sense of what the goals should be for government and say, you should work together for these goals. Now, I'm not sure that's at all feasible, but actually there might be some learning from thinking about very radical solutions. Nancy, I wonder if I can bring you in on this space.

MS. KILLEFER: Yeah, a couple of things. I think that given the size and scope of any given department and agency, there's a lot to be done within. So Defense has a lot. I think DHS is the classic example of it. It has a long way to go to bring together its whole culture that was effectively one of the largest post-merger management exercises that any private sector entity has ever even conceived of going through.

They thought about it as building new; it wasn't building new. It was bringing 17 cultures together that are still not together, right? So I think actually there's a lot of work to do within even before you consider radical structural change across – I would suggest that some of the many important goals that cut across could be better dealt within taskforce-like efforts.

You know, the reality is people have a lot of day-to-day work to get done that really could be done within the scope of a department, but those things that rise above – if you bring together, which is – I think, having largely served in the private sector – it is a classic tool to both bring important issues to the attention of senior management, create a sense of urgency and bring the requisite individuals out of their hierarchical pyramids together to solve the problem. And I think the use of that should be done a lot more in government than it is.

The other thing I would say that any agency and department is dealing with is a culture around the stakeholders – and I would include the IGs – so I'd love to hear your thoughts Eleanor – of the kind of risk culture that exists. So it's all around compliance. It's all around not screwing up. It is not around taking a risk, doing something innovative, making a difference. There's no support for that. There is none. None.

You know, so a few ideas – I was actually shocked that, if you heard Jeff talk about it, that the call for ideas – 38,000 ideas of which 15 got through. How is that even possible? I don't think the rest of them were bad. So I'm kind of shocked that you launch a huge effort like that, yet 38,000 ideas from that many people and 15 make it? That's not success.

That doesn't send a message of – we care what you think, we're going to make changes, we're going to make things happen. It says anything but that. This is a PR event, it's not serious, I'm not going to take the risk again. So I think how do we create a set of programs, incentives to actually engage the workforce, truly engage them, truly listen to their ideas and demonstrate – demonstrate that you'll take those ideas and put them into action.

MR. KOHLI: Yeah, definitely.

MS. KILLEFER: Huge way to go on that. Huge way to go on that.

MR. KOHLI: Right. Absolutely. And the role of leaders in that I think is absolutely important to unleash the creativity and the innovative potential of staff in organizations. And that's a very different world to the – well, they're not – some agencies will be in. Some agencies will absolutely be there already.

MS. KILLEFER: And frankly, I think one of the challenges – and it's a time management challenge for most senior leadership is – they tend to be focused up and on policy instead of down and working with their agencies and departments. And I'm not saying they shouldn't obviously have a policy hat and that kind of stuff, but how do we get some of their attention, some of their energy focused down, focused on improving stuff that actually the results may not happen on their watch.

You know, the average political appointee is there for 12 to 24 months, so why should they care that they change the hiring process and bring in grade 7s. They don't, right? It's not going to produce a result. Why do they care about fixing a major IT project? It's not going to happen on their watch that the success is going to exist. So how do we change that set of incentives I think is a real challenge. I think it's a real challenge for the administration to think though.

MS. HILL: Well, and that issue goes the other way too with the people in that organization. There are agencies that people know – I mean, the line people know that that political appointee – even if the administration is here for 4 years or 6 years or 8 years or whatever – that appointee probably isn't going to be here that long.

And there are agencies where people basically wait out – I mean, the agencies are big enough that they know that those change directives and those things are never going to happen within that appointee's lifetime. And if they just slow it down a little and keep slowing it down, the appointee will be gone and they can start all over again. I mean, that happens in the bureaucracy. And that's another problem. And you're right, it's hard to get the incentive at the top level. And it's hard to get incentives in the workforce, at the operations level.

MR. KOHLI: But part of the answer must be finding places which have actually got over this, or got over these barriers, and showcasing them – and, sort of, demonstrating that it can be done. Matt?

MR. MILLER: I was going to say – I certainly don't have the answer to some of these huge questions, here today, but it may be that one useful area for CAP to explore is part of this project which your own work has started doing – in looking at what other governments are doing, or where there's models of success, like the VA health-care system, which has made such huge improvements in quality.

But I have kind of a Singapore fetish, which I mentioned to you on the phone, where, I mean, Singapore spends 4 percent of GDP on health care – less than 4 percent of GDP on healthcare – and has first-world health outcomes. We spend 17 percent. I mean, that's a

stunning factoid. They have, you know, this impeccable civil service. They pay senior ministers close to \$2 million per year. And so there's no issues of –

MR. KOHLI: It means that they only have one source of income.

MR. MILLER: Oh, yes, right.

MR. KOHLI: Unlike many other countries, our ministers only have one source of income.

MR. MILLER: Yes, but looking at where – and I realize, it's a smaller place, you could call it a benevolent dictatorship – but there have got to be lessons from effective, highly effective, society-moving government organizations that we could help draw lessons from here. One of the things on culture I was struck with – I've worked at OMB and I've worked at the FCC, both of which are very small, and I think the challenges of these bigger places are phenomenal.

And one thing I was struck by was that, I just did not recall if I ever knew, when Jeff said that there's 7,000 SES. And that struck me as a small number of senior people for an organization the size of the federal government – I assume a huge chunk of whom are near retirement. And figuring out how to reinvigorate, and I guess, broaden the number of successful leaders who are dedicated and passionate about their work ought to be high on the agenda, if we're going to try to renew and invigorate the cultures of these organizations in the period ahead.

MR. KOHLI: Geoff?

MR. GARIN: It does strike me, from my experience with other non-governmental clients, when you talk about leaders, that what matters is the leader at the very top. We do a lot of work for the Bill and Melinda Gates Foundation. It's several hundred people, not several thousand people, but every single person who works there know that Bill and Melinda Gates care about metrics – that, at the end of the day, whatever grants they're making, they better be able to demonstrate that it's working, and that if you're going to continue to fund it, there's a reason why you're continuing to fund it.

And, you know, Bill and Melinda Gates have lots of things to think about, but they communicate this all the time. And it strikes me that this really starts with the president, and the vice-president, and the cabinet secretaries. They're the ones who have to communicate that this is a priority, and people will be held accountable for it. And I think accountability – I'm slightly more partisan than you are – I think, for progressives, is a word that we have to be able to own in a genuine way – that we believe in accountability in government and elsewhere.

MR. MILLER: Building on the Gates point is, one of the things that I think helps make some of that work is that they are also open about being in a high-risk business, and they will shut down things that don't work. And even there –

MS. KILLEFER: And not take out the leader who was part of it.

MR. MILLER: Right. And even there – and that can even be stressful for the foundation sector to actually honor that sentiment. But the risk aversion, talking about the culture, is – you know, I don't know what the answer to that is.

Philip Howard has a good book out, called “Life without Lawyers,” which is, kind of, his third version of the book about why we need to get back to common sense, and let – you know, teachers make decisions, and not feel like they're trapped by litigation if they talk to a student privately. How we get to that agenda – changing that culture would be important. Even marginally changing it could be important.

MR. GARIN: But one of the things the Gates Foundation says explicitly, in its approach to grant-making, is that we can afford to take risks that others can't. And it, sort of, animates what they do.

MR. KOHLI: You know, I used to run a unit which was based around innovation and organization in government. And I say to my staff: If 50 percent of your projects don't fail, we have a bit of a problem, because you're just not thinking creatively enough. If you're only picking the ones that are always going to succeed, then you're just not breaking through the, kind of – you're just not thinking outside that box. And so we're never going to be innovative.

MR. GARIN (?): Probably not an acceptable number for government work.

MR. KOHLI: Well, no, because within government, we just didn't make the investments. We, sort of, just worked out early enough that they weren't likely to succeed. But we're willing to put a bit of staff time into developing ideas that might not fly. But also, I think, there is this tension where if you work in government, you always feel that, you know, if something goes wrong, that's the thing you're going to burn for. If something goes right, no one really gives you any credit, because it's always about the scandal, the thing that's gone wrong.

And how do you change that culture? And how do you get public opinion to give you the space to have that open dialogue, which says: We won't always get everything right. Actually, governments can't get everything right. This is hard. And sometimes we're going to get some things wrong, and sometimes we're just going to have to change it after trying it the first time.

Geoff, I wonder if I could bring you in to talk about Virginia. I know you've done some work with Virginia.

MR. GARIN: Yeah, I think that there is a model for all of this. Mark Warner has been a client of mine for a very long time, and he came in – was elected governor of Virginia in November, 2001, and arrived at his desk in the very beginning of January, and found that the state's fiscal condition was much, much worse than had previously advertised when Governor Gilmore left office. But there were a lot of unmet needs in the state, in terms of funding for elementary and secondary education. Higher education was severely underfunded. The transportation system was severely underfunded.

And Governor Warner did, for his first 2 years, in a very systematic, purposeful and intentional way, set out to, sort of, restore the sense of integrity in government – fiscal integrity in government. He appointed what was, I think, the first chief performance officer in government. He went around the state talking about efforts to improve government, identify waste and inefficiency, get rid of it, and so before he addressed the great needs of the state in education and transportation, he took 2 years to do this other thing.

And so for his second 2 years, he said, okay: We've really made a good-faith effort. People believed it was a good-faith effort. And he then came to the people of Virginia and said, we need to reform our budget – including, in a way, that meant a lot more money for education at the elementary and secondary level, and higher-education level. He substantially increased the total revenues of government.

There was some tax reform in the way, but he had the credibility to ask for those things, and do those things, because he had invested these first 2 years in demonstrating a commitment to give taxpayers their money's worth – to do what works in government. And there was, in that case, for a guy who raised \$1 billion in new revenue for his state – he left with a 77 percent approval rating. And a large part of that was based on his demonstrated commitment to making government work for taxpayers.

MR. KOHLI: He now chairs a task force, you know, in the Senate, which is exactly in this space. So we're hoping that he will have an impact across the board.

MR. GARIN: There's been a field experiment in whether it makes a difference in how the public reacts to you, when you ask to do things. And in that case, the field experiment was pretty successful.

MR. KOHLI: Another example, Washington state – which had a budget crisis, and redid the way it thought about budgeting – you know, both Virginia and Washington are featured in one of the papers we've published today. Nancy, I wonder if I can bring you in to talk about, sort of, learning from the private sector, and the work McKinsey have done around IT and HR, and the, sort of, backroom functions of government.

MS. KILLEFER: Yes, so while I think there are unique challenges in government, and Jeff highlighted some of those, it's very clear to me, from having worked in both sectors – in the management side of both sectors, and then as a consultant – that many of the best practices in the private sector actually do transfer very well.

So whether it's hiring processes with the addition of some of the needs of, you know, the public sector – you know, I've actually worked with an agency that had a hiring process that was over 200 days. And the reaction was, from the group, all right, fix it – and they came back – the internal task force, trying hard, came back – and had reduced it by 20 days, and thought that was success. And my question to them was, well, where did you come up with it that 200 days was okay? So, we thought 20 was a good number to reduce. I said, well, how did you get that?

We ended up with a process that was 18 days in total. I said, no, no, no: Go back to the core basics. Let's go back to the core basics. Let's look at this whole process. Let's take the time and the waste out of it. Let's stop treating every job as unique. Let's consolidate job postings. Let's let people apply one, and keep it in the inventory. Let's qualify them, that way, when a manager needs them, we have a set of people that have applied, that are qualified – you can go to that list. You can have someone in the seat in 18 days. You do not need to run it this way.

And that's just logic from the private sector. You know, how do you do these things? The same thing would be true for IT projects, and the concern that I do have for IT projects is – and I think you talked about it, too – in an IT project that's successful in the private sector, it's not that they got every requirement down and then launched the project. It's not how it happens, folks.

It is that you have a business goal that you want to achieve. You're looking to the contractors to help you architect a solution. You're going to learn along the way, and p.s. new technology options will arise. And you're going to modify as you go in a collaborative process between the NGs (ph) and the customer, and the IT department or the contractor.

That's actually how it happens. And a willingness to tolerate that kind of learning and iteration is not one that, historically, the government has felt comfortable with – because, understandably, they don't actually have the talent inside to monitor an outside contractor, and know that they're getting good answers and the right deal. They don't.

MS. HILL: I mean, part of the problem – because, government, I'm familiar with several where they've done exactly what you're talking about. They've started with very general, sort of, business goals or requirements, and then what has happened is – we've devolved into these unlimited modifications and requirement changes with the contractors, which the contractor is trying to fix. And then there's disagreements on whether we want this, or we want that, and the end result cost overruns, takes forever, and they end up scrapping the project.

So it's not that they don't do mods. They do mods to the nth degree, but they don't know what it is they want, I think.

MS. KILLEFER: I don't disagree, but the notion is: The mods come because you've scoped a set of requirements, to begin with, that are detailed, and then you have to mod them, versus – you've said, okay, I've got to go. I want you to start architecting this and come back to me, and then we're going to jointly decide what the scope of this project is, based on the costs. It's like working with an architect.

MS. HILL: They're really, on a big picture, here's what we want. They really don't know what they want, and they don't have the technical expertise to know what's out there. So they give it to the contractor, and then you go through all these mods – not because it was too specific to start with, because it was way pie-in-the-sky to start with – and they don't know what the capabilities are out there. So as they learn that, they have to change it. The costs go on; it takes forever, and the whole thing goes down the drain. And that happens, so –

MS. KILLEFER: No, no, I don't disagree.

MR. KOHLI: I'd like to go to the audience in a minute, but before I do that, can I just ask one final question, which is around the Internet and open government? You know, the potential of transforming the relationship between government and citizens using tools on the Internet. Just your thoughts on that.

MR. MILLER: I think it should be big. I guess I think – the analogy that, sort of, crops to mind, and I know that we're just at the early days of the transparency stuff that Jeff showed. And the data, and some of it, in the earliest stage, may be lumpy, and you're not sure what to make of it – or what citizens should make of it.

But it seems like it should have the potential – you know how, like, when everybody's got a cell phone, then everyone's a photographer and everybody's essentially a videographer, and you had outlets like the Huffington Post breaking stories about what Obama said to a San Francisco fundraiser, privately, becomes national news because you can have eyes and ears everywhere.

And there ought to be some way that this, if the right tools – hopefully, with some of the work we can do, also, to help develop them – that this data becomes enabling to a citizen army of folks who want to watch what's going on – to become a real consumer force, to bring that dimension in accountability. So I have high hopes for that. I don't have a feel for how long it will take for some of the stuff to become really actionable for folks.

MR. GARIN: I don't want to prejudge our research. I have low hopes, really. I think it's as likely to breed – given the way the Internet works, in the real world – I think it's as likely to breed more cynicism.

I do think that there is – that is because somebody's out – they'll look at the data, somebody's going to find something, kind of, bad news spreads a lot quicker than good news and it's not that people will feel empowered to change it; they are going to feel empowered to do ah-ha. So I do – I worry a little bit about that.

But I also think it's not – in terms of kind of the solution that people are looking for. It is that – or the change in mindset that people are looking for is – I think that we're kind of at a – you know, especially as a new generation rises, there's kind of a feeling that government can't do it all by itself and that we have to be engaged somehow as part of the solution.

I think that is part of what the promise of Obama was is he would deal people back in. And people want to be dealt in not just as, sort of, as the auditors, but as participants in solving problems. And the more that you can give people a sense that they are being engaged that way, I think they are kind of confident, their trust in government will increase.

MR. KOHLI: Right, right. And I think that's the way in which to use technology is to see whether – you know, the way TripAdvisor has transformed the way people buy hotels – can you use applications like that in order to transform the way people interact with public services?

MR. GARIN: Right. But what we saw there I think will create a lot of ah-has, I gotcha – a lot of gotchas, as opposed to anything else.

MR. KOHLI: Right. I'm going to move to the audience and collect some questions. So I've got a woman over there – a lady over there?

Q: My question is –

MR. KOHLI: There's a microphone coming your way.

Q: My name is Debbie Alves. I'm a consultant with a company called Spider Strategies which, among other things, does performance software for the U.S. Army, tracking absolutely everything.

But on a somewhat different note, my background is both as an economist and management consultant and as a former corporate communications person. So my question's primarily directed to Jeff, but a little bit to the rest of you – one of the things that seems to be a huge problem is actually – and Jeff touched on this – communicating some of these things to the public.

We don't seem to have been doing a very good job of that. Is that something that y'all think needs to be increased? Is it something that you think is always going to be devolved to a sound bite scenario? Or do you think there's any kind of potential for really coordinated and extremely aggressive grassroots communications efforts on some of these issues?

MR. KOHLI: Brilliant, thank you. I'm going to collect a couple more questions. Gentleman over here? And then after that, the hand right at the very back. I can't tell who it is, but yeah, just over there.

Q: Okay. Thank you very much. Chris White, with BWC Capital. We do socially responsible financial innovation for the G-20 governments. My question is, there have been enormous evolutions in the sort of services that it's possible for governments to provide to the citizenry. Could innovation in that space, for example – one in four American households is currently under water.

There are new policy tools that can be used in budget- and deficit-neutral programs that would allow individual homeowners to pay, for example, \$2500 to HUD and in return, HUD would execute a risk-management transaction that would reduce the homeowner's debt by 100,000 (dollars). Now, there are obviously political returns to that but could that sort of initiative, properly implemented with the appropriate controls, help to create some of the psychological space to make it safe for career staff to innovate?

MR. KOHLI: Brilliant, thank you. And then the person at the back? Yep.

MS. : Name and affiliations.

Q: Ira Sachs, High Performance Technologies Incorporated. My question is about accountability. One of you mentioned, and I've seen it in my career certainly, the very short tenure of senior appointees – 12 to 24 months, I believe, was the number – and, in fact, I've seen a lot of 15 level folks move a lot.

So there's, I think, some issue in the long-term projects that are more complex in terms of accountability and keeping a business case that was maybe started okay, on track through multiple people, multiple project managers, multiple executives and I'm curious of your thoughts for how to improve the accountability side of things on the chance that that'll improve performance longer term? Thank you.

MR. KOHLI: Brilliant. Thank you so much. I might turn to Geoff first.

MR. GARIN: Well, let me start with the – A, I think it – based on the Warner template I think it's incredibly important to communicate about this. That's really, you know, a matter of throw-weight. It's a, you know, the important communicators have so much time to communicate so they have to decide what you want to be talking about. To me, this rises to the level of something that deserves presidential attention and ultimately, the attention of others, in terms of what we're talking to the public about.

I also think it is important to be candid that not all six of Jeff's boxes are equally interesting to the public. And that in thinking about how you communicate, you do all six things but from a communications perspective you can't treat all six things equally and by far the most important of the boxes was the first one – dealing with waste.

MR. KOHLI: Right. Right. Eleanor, did you want to come in?

MS. HILL: Yeah, I just had a couple of comments. I mean, I think on the communications things, I think you do have to make an effort. I do think it's important. I did share Geoff's sort of concern about this kind of thing and that I think it is going to spark a lot of gotcha with the public.

The comparison – and this is not on – it's the administration's efforts, but it's not this issue – but I thought was a terrific example of how you can positively use communication was in the aftermath of the December Christmas Day bombing incident on the plane in Detroit. And I did the 9/11 review for the House and Senate, so I'm familiar with this whole how we went about it that time and how that administration went about responding on that to the public.

The difference this time was that there were issues in that incident as to what caused it, but rather than taking a long time and a dragging this out, the administration went with it right away and issued not a sound bite, but they actually issued a report within an amazingly short period of time which acknowledged the problems and explained it. And kind of, I think, at least

made the public feel, you know, yeah, they may not have gotten everything, but at least they were honest about it and they were upfront about it. And that's one example in an intelligence issue.

And I think that's the kind of communication – not so much, do we have a Web site with bits and pieces about contracts? When a real issue that people are worried about and suspect something went wrong comes up, you want an administration that's going to be very upfront about that and respond quickly – not take 2 years and fight every inquiry and withhold information. You want somebody who's going to set up an inquiry, get their people on it, report to the public, do it quickly. And that builds credibility.

And the same thing can happen with this sort of initiative. You need to explain it more than a sound bite. I think there are people – some people will only listen to a sound bite, but people who are interested and care are going to read the report or they're going to look at a short piece on the Web site. So I think you need to do more than just put a chart with contracts – you know, names of contractors. There's not much else on there other than the amount and the name. But it's that kind of willingness to be open, be honest, say, hey, we made a mistake, we're going to fix it, here's what happened. I think that speaks millions to the public.

MR. KOHLI: Brilliant. Nancy.

MS. KILLEFER: Yeah, I do think I would agree with this point. It's the old saying of, don't tell someone you're funny, tell a joke. So I think it will be in the actions that people take that demonstrate an openness and transparency and using facts and sharing those facts with the public as opposed to a Web site, which I think is an admirable effort, but I don't think it will turn the tide.

I would also agree with you that there needs to be – this needs to be a theme and a message of the administration from the top all the way through all of the department and agency heads through the Cabinet. And I don't think it's there yet, but I think if they could get that going and maintain it over time, that could be quite powerful.

The other thing I wanted to comment on the person's question about accountability when you have turnover. And the actual average turnover is 18 months, so it's not even 24. You know, I think that a lot of that for day-to-day operations, accountability is going to rest in the SES corps, in the career civil service.

And one thing I'd note in the talent management is – and I told this to one agency head – I've never seen this before, you underlap positions; you don't overlap them. So it's not unusual in the federal government that someone actually gets moved to another job; that job remains vacant. Someone's acting, but they don't feel responsible. It remains vacant for three months, six months, nine months. That other person is long gone.

The tradition in the private sector is that you overlap people. You allow for the transition of knowledge and expertise. You plan that into your processes. You don't allow people to just get yanked, willy-nilly, out of jobs with no replacement. You have a succession plan. You

know the three people that can replace that person in that job and you're developing them over time.

Those are personnel practices, some of which have challenges in the public sector because people can view those as biasing the selection process. They are actually good management, so how we get around these things is a question. But those sort of things have to start happening when you have major programs that need continuity because it's not going to be in any one individual. But there needs to be a transition plan.

MR. KOHLI: Brilliant. Thank you. I'm just going to squeeze in one or two more audience questions. I've got the lady over there.

Q: Hello. I'm Beryl Regan (sp). I'm a professor at American University. And for the last 20-some years, I've either been watching, participating in or writing about various of the issues that really touch on things that are going on that have been discussed today. So I think about the National Performance Review, I think about GPRA/PART – and I have the sense that I've seen this movie before. (Laughter.) And I don't know why I should believe this pot when not too much happened with the other pot.

And I think that the other comment that I would make about Zients' presentation is that he is really looking at these issues from the OMB perch. And although there was rhetoric about focusing on people in the agencies – and we're not talking about necessarily even the SES, we're talking about middle management probably more importantly – where he says that he really cares about it, but I don't really think that we've touched on the reality of the career person in the public service today.

And in many agencies the career person feels caught in a vice between what the expectations are of the White House and what the expectations are of the Congress and its various committee locations. And I think it's not just a matter of partisanship, now that we supposedly have Democrats in control and all of those place – it's really institutional conflict where those institutions look at the world really quite differently.

Now, a lot of great ideas have been proposed and they are probably appropriate in some agencies but totally inappropriate in others. And one of the difficulties of looking at these issues from the OMB perch is that we do tend to do one-size-fits-all and we don't really – we're not really sensitive to what's the incredible variety which we've already discussed that exists in the federal government.

Now, I thought it was interesting that Matt Miller talked about the economy as something that's spurring people to make change. But there's also a real downside for the career person in the government with today's mood because those economic issues have really led to very emotional takes on issues, people are worried about the kinds of response the “tea party” demonstrations have generated, the fact that there's amazing partisanship.

And so I think we really – and this discussion, I think, has focused much more on the general public, but I think we have lost track of the people inside of government who are the

ones that have to deal with these issues on a day-to-day basis. And they're not stupid. They're trying to survive. They've been put through – in the last 20 years – an incredible amount of change. And there is a cynicism. So I'm not sure that what we heard earlier this morning really would have given them much confidence.

MR. KOHLI: Thank you. Very quickly, Greg. And then – I mean, ask very quickly.

Q: Yeah, quick. And it's got a question mark at the end. I'm Greg Parston from Accenture. I welcome the what that Jeff outlined. I'm more impressed by his concentrating on the how. But one of the things I'm a little disappointed by is the lack of – I guess a related question to Merrill's point – the lack of focus on the 2 million federal employees and what we're doing to aggressively train them.

There are countries – Singapore amongst them, Finland, Norway, others – who are using performance management to put in place aggressive training to increase the capabilities and capacities of extant workforces, not just recruiting new workforces. Why aren't we doing that?

MR. KOHLI: Thank you. Couple of quick responses in that space? Nancy?

MS. KILLEFER: No. I'd agree. I don't think there is a successful, you know, sort of, developmental, if you will, training ladder that exists. I haven't seen it, short of the military, that actually gets it right. It doesn't exist.

MR. KOHLI: Thank you. Eleanor, do you want to come in?

MS. HILL: Well, I had reactions to a couple of things I heard. One, I sympathize and identify with the comment that we've seen some of this before. Washington is famous – part of we need is institutional memory, which goes to the gentleman's comments back there, which is a big problem when you have this turnover all the time because we lose that institutional memory in the agencies which is very important because these issues have been around the block before.

I mean, contracting reform, acquisition reform – you know, you've gone from one pendulum with, I guess, 10 years ago or whatever – everything was about contracting out, getting it to outside the government. Now the concern is now we contracted too much out so we have to go back the other way. You know, it was go commercial. And then they went into the GSA MOBIS contracts – the contracts where they can buy everything and they can go commercial. Now the concern is, well, that's too much issues with sole source and too much leeway and we have to go back the other way.

So all of this stuff has been around the block before in different packages. And it's a legitimate question is what are we doing differently this time other than maybe packaging it or saying it differently? I was encouraged by – as I think opposed to a lot of what we've heard previously – is that there are some specific, like we're going to do this program, we're going to do that. And it's a new administration so they're intent on doing it.

But I think it would help to – history is a great teacher. And somebody needs to look at the prior acquisition reform movement, what they did then, why it didn't work and maybe take some of those lessons learned so that we're not making the same mistakes all over again on some of this stuff. And that would be comment.

The only other issue I would comment on, on the turnover in federal employees – one thing we didn't focus on here and I didn't hear Jeff focus on – we talked about training, recruitment, development – retaining quality people. And that – and I suspect one of the problems with that is that has to do with the pay scale in the federal government.

There are a lot of people who love working for the federal government, but they leave because it's so much more economically beneficial to them to go to the private sector. And they leave when they've learned it, when they've done very good at their job. And we lose a lot of very qualified people that way. So that's an issue that somebody needs to address. And that's a people issue. That's an employee issue.

MR. KOHLI: Brilliant. Thank you so much. Thank you very much to everyone for coming to today's event. I fear we've run out of time. It's demonstrated just how broad this subject is and quite how challenging this project is going to be for CAP. It's a 2-year project. There's going to be lots of events over the next – over the coming months. And I do hope many people that are in the audience can participate as we go along and can help us get this project right.

It only remains for me to say thank you very much to our panelists for giving your time – incredibly valuable conversation and very generous of you to give your time. Thank you.

(END)