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## The Next Stages of Government Transformation

Over the last twenty years, U.S. administrations of both parties have introduced agendas focused on improving government. The National Performance Review in the 1990s established many initiatives to help government work better and cost less. The President's Management Agenda in the 2000s raised the bar across mission support areas, including: financial management, technology, human capital, sourcing, and performance. The Open Government movement of the last decade led to agencies leveraging open data and digital technologies in ways that mirrored private sector best practices.

Given this history of promoting good government, where are public sector leaders headed next in transforming their programs and operations? Governments are facing tremendous change both in the U.S. and around the world, with demographics, technology, data, and citizen expectations among the major factors driving new solutions to help achieve key objectives. The U.S. is one of several nations (including Canada, the UK, and France) where these new initiatives are being framed in the context of a new central administration and new agency leaders.

A transformation agenda has started to emerge across the U.S. government, building on the efforts of prior administrations, and with bipartisan support. Components of this agenda include:

- **A set of strategic management priorities** in the Budget Proposal for FY 2018. The budget outlines four sets of goals to be achieved by 2020:
  1. Manage programs and deliver services more effectively by using hard data to make decisions
  2. Eliminate costly and unproductive compliance requirements
  3. Fix mission support service by adopting leading practices
  4. Report critical performance metrics and show demonstrable improvement at agency level
- **A reform agenda** announced by executive order (integrated with the budget process via the Office of Management and Budget [OMB] memorandum 17-22) asks that agencies take a fresh look at what they are doing, whether they should be doing it at all, and, if so, are there better ways to operate. The emphasis of these proposals is more about "rethinking" or "restructuring" rather than "reorganizing." OMB's guidance creates a framework and timetable for action that's rooted in the use of existing management, planning, and budget decision-making processes, instead of creating a separate effort.

- **Modernization initiatives** being developed by the new Office of American Innovation (OAI), a small White House team charged with working with private sector executives to “improve government operations” in part by “scaling proven private-sector models.” OAI has stressed that its focus is on long-term, sustainable actions to promote better government.

Such approaches being taken by government leaders in the U.S. and around the world create a backdrop for the IBM Center’s research agenda. We recently announced a new set of seven drivers for research on improving government, based on what we have learned about forthcoming trends and challenges from public sector officials, private sector executives, and academic experts. These drivers are outlined in the new IBM Center report, *Seven Drivers Transforming Government* and include:

- **Insight** – using data, evidence, and analytics to create insights that influence decision making, actions, and results
- **Agility** – adopting new ways for government to operate, using agile principles and putting user experiences and program results at the forefront
- **Effectiveness** – applying enterprise approaches to achieve better outcomes, operational efficiency, and a leaner government
- **Risk** – mitigating risks, managing cybersecurity, and building resiliency to meet the mission of government
- **People** – cultivating people: reforming processes for hiring, developing, and retaining workers; and leveraging data and technologies to build the workforce of the future
- **Engagement** – fostering a citizen-driven government through real-time interactive feedback, data visualization, and other tools to engage, co-create, and co-produce services and programs
- **Digital** – optimizing new technology and infrastructure models, focusing on the user experience and incentivizing innovators to modernize how government does business

As governments proceed in seeking effective pathways to transformation, the IBM Center will continue to work with leading experts to produce strong research and actionable recommendations on these topics and more to foster positive change in the way government does business. ■