

By Michael J. Keegan



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From forging a unity of effort in homeland security to strategizing today how to field the U.S. Army of tomorrow; to pursuing affordable housing, eliminating fraud, waste, and abuse in healthcare, and securing cyberspace, this issue of *The Business of Government* magazine delves into a diverse set of topics and public management issues facing us today. With each edition, I present the leadership stories of a select group of public servants and complement their frontline experience with practical insights from thought leaders—merging real-world experience with practical scholarship. The purpose is not to offer definitive solutions to the many management challenges facing government executives, but to provide a resource from which to draw practical, actionable recommendations on how best to confront such issues.

Our present concerns always make significant demands, but the risks and threats of the day cannot usurp the strategic focus needed to chart our future. Government leaders need not bow to the tyranny of the present—bedeviled by the conundrum of balancing mission delivery with tightening budgets. For today's government leaders and managers, it is imperative to work toward strategically executing their missions. This strategic intent focuses on an organization's vision, goals, and objectives necessary to achieve its mission; it is marked by clarity of focus, a desired end, a flexibility of means, with criteria used to chart progress. It represents a need to think ahead and plan backward from an envisioned future, making it clearer how to take effective action in the present.

Conversations with Leaders

Throughout the year, I have the pleasure of speaking with key government executives and public sector leaders about their agencies, accomplishments, and visions of government in the 21st century. The four profiled manifest the leadership and strategic foresight needed to meet their varied missions.

- **Shantanu Agrawal, M.D.**, director, Center for Program Integrity, Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services (HHS), leads the department's efforts to combat fraud, waste, and abuse of federal healthcare programs. CPI uses innovative data technology and expertise to protect the integrity of our healthcare programs and safeguard taxpayer resources. Dr. Agrawal discusses the strategic priorities of the Center, moving beyond the "pay and chase" approach, and exploring new ways to engage the private sector to combat fraud, waste, and abuse.
- **Nani Coloretti**, deputy secretary, U.S. Department of Housing and Urban Development (HUD) spearheads the department's efforts to achieve operational excellence. With a mission focused on issues of affordable housing, responsible homeownership, homelessness, and contributing to economic development, Coloretti outlines HUD's key strategic priorities, its opportunity agenda, and its work to build a stronger HUD for the next 50 years.
- **Major General John Ferrari**, director, Program Analysis and Evaluation (PA&E), Office of the U.S. Army's deputy chief of staff, G-8, plays an integral role in shaping the U.S. Army in an increasingly uncertain environment. The office he leads develops and explains the Army program and Future Years Defense Program (FYDP); develops and maintains the Army's authoritative resource position database; and coordinates programming and budgeting phases. He highlights the U.S. Army's key strategic and



operational objectives, budget challenges, and efforts to reshape its force, with the goal of achieving an optimal balance between resources and requirements.

- **Alejandro Mayorkas**, deputy secretary, U.S. Department of Homeland Security, is charged with leading the department's "Unity of Effort" initiative. The overarching goal of this effort is two-fold: to deepen understanding of the DHS mission space and to empower the department's components to effectively execute its operations. Over the last year, DHS has pursued this unity of effort against the backdrop of challenges including tightening budgets, low morale, and complex oversight structures.

Insights from Leaders

This edition introduces five government executives who share their insights on the work they do and the efforts they lead. Their respective missions force them to look ahead, and although they come from diverse disciplines, they are all focusing on finding what works.



- **Ellen Herbst**, chief financial officer and assistant secretary for administration, U.S. Department of Commerce, offers her insights on properly aligning mission support functions with mission delivery and responding more effectively to mission and management challenges.
- **Joseph Klimavicz**, deputy assistant attorney general/chief information officer, U.S. Department of Justice, shares his insights into the expanding role of the CIO within federal departments. He outlines the information technology strategy for DOJ and his efforts to build a future-ready workforce.
- **Jolene Lauria**, deputy assistant attorney general/controller, U.S. Department of Justice, describes the successful implementation of the department's Unified Financial Management System (UFMS), turning a longstanding departmental vision of operating a single modern financial management system into a reality.
- **Richard McKinney**, chief information officer, U.S. Department of Transportation, details insights on leveraging information technology to advance the department's mission: transportation safety. He discusses oversight responsibility over the entire Department of Transportation (DOT) IT portfolio and outlines the department's data strategy. He also shares insights into the requirements of the Federal IT Acquisition Reform Act (FITARA).
- **Dr. Phyllis Schneck**, deputy under secretary, Cybersecurity and Communications, National Protection and Programs Directorate (NPPD), U.S. Department of Homeland Security, leads an office responsible for enhancing the security, resilience, and reliability of the nation's cyber and communications infrastructure. She puts forward insights on the mission of the National Cybersecurity and Communications Integration Center (NCCIC) and how DHS is building capacity to accelerate the sharing of cyber threats.

Forum on Pursuing Risk Management in Government—A Leadership Imperative

It is a leadership imperative for government executives to mitigate the potency of uncertainty by managing the realities of risk. Employing an enterprise risk management (ERM) process can assist leaders in doing just that. When employed on a strategic level, ERM can help decision makers evaluate the likelihood and impact of major events and formulate the best way to either prevent them or manage their effects, if they do occur. Many changes are now occurring that have the potential to make government function better.

It is a positive change that an increasing number of federal agencies have recognized the value of ERM and are making ERM an important part of their operational model.

This forum presents government leaders with insights, recommendations, and best practices drawn from two recent IBM Center reports that focus on managing risk in government. The first contribution to this forum comes from Dr. Douglas Webster and Thomas Stanton's report, *Improving Government Decision Making through Enterprise Risk Management*. Webster and Stanton describe the evolution of federal risk management approaches and several agencies' experiences in adopting ERM. They present six challenges facing government leaders, and outline six steps that leaders can take to successfully implement ERM. The second contribution to this forum is excerpted from *Risk Management for Grants Administration: A Case Study of the Department of Education*. Authors Young Hoon Kwak and Julia Keleher examine the experience of the U.S. Department of Education in implementing risk management initiatives in 2001. Based on their examination of the Department of Education's experience, Young and Keleher present a series of lessons learned and recommendations for other agency leaders who recognize the mission-critical importance of managing risk more effectively.



This forum underscores the leadership imperative of taking risk seriously and highlights methods and ways to get out in front of an ever evolving threat environment.

Perspective on Presidential Transitions

The development of government-wide presidential transition planning in the U.S. has a relatively short history. The next presidential administration and senior-level appointees need to be ready to lead and manage the government effectively when they step into the office on day one.

- What are the characteristics of a well-prepared, successful presidential transition?
- How does the 2008-2009 presidential transition represent a model to be followed by future incoming and outgoing administrations?
- What more can be done to enhance the U.S. presidential transition process?

Martha Joynt Kumar, author of *Before the Oath: How George W. Bush and Barack Obama Managed a Transfer of Power* joined me on *The Business of Government Hour* to share her perspective on these questions and to discuss her latest book on presidential transitions. Her research underscores the importance of early planning in the presidential transition process among incoming and outgoing administrations. Kumar enjoyed unprecedented access to several incumbent and candidate transition teams, and her observations put readers directly behind the scenes.



Viewpoints

John Kamensky explores the Obama administration's innovation-fostering initiatives that have strengthened the connective links among and within federal agencies. Dan Chenok explains the IBM Center's year-long collaboration with the Partnership for Public Service to frame key management issues and opportunities for the next presidency and develop a management roadmap for the next administration.

I wrap this edition with overviews of recent IBM Center reports. If you have not read these reports, we encourage you to do so by going to businessofgovernment.org. I hope you enjoy this edition of *The Business of Government* magazine. Please let us know what you think by contacting me at michael.j.keegan@us.ibm.com. ■