EXECUTIVE OFFICE OF THE PRESIDENT
OF THE UNITED STATES

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PRESIDENT'S MANAGEMENT ADVISORY BOARD

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MEETING MINUTES

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FRIDAY
SEPTEMBER 12, 2014

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The Board convened in Room 350 of the Eisenhower Executive Office Building located at 1650 Pennsylvania Avenue, Northwest, Washington D.C. at 10:30 a.m., Beth Cobert, Chair, presiding.

<u>PMAB Members Present</u>
BETH COBERT, Chair
SAM GILLILAND
JEFF KINDLER (via telephone)
GAIL McGOVERN
SHANTANU NARAYAN (via telephone)
ENRIQUE SALEM
LIZ SMITH
RON WILLIAMS

<u>Staff Present</u>
STEVE BROCKELMAN, Designated Federal Official and Executive Director, President's Management Advisory Board

<u>Administration Officials Present</u>
BRUCE ANDREWS, Deputy Secretary, Department of Commerce

NANI COLORETTI, Assistant Secretary for Management, Department of the Treasury

CAROLYN COLVIN, Acting Commissioner, Social Security Administration

MIKE CONNOR, Deputy Secretary, Department of the Interior

BILL CORR, Deputy Secretary, Department of Health and Human Services

CHRIS CUMMISKEY, Acting Under Secretary for Management, Department of Homeland Security

MIKEY DICKERSON, Administrator, US Digital Service (USDS)

SLOAN GIBSON, Deputy Secretary, Department of Veterans Affairs

DAVID KLAUS, Acting Deputy Secretary, Department of Energy

HELEN KANOVSKY, Acting Deputy Secretary, Department of Housing and Urban Development

PAT KENNEDY, Under Secretary for Management, Department of State

LEE LOFTHUS, Assistant Attorney General for Administration, Department of Justice

CHRIS LU, Deputy Secretary, Department of Labor

SARAH BLOOM RASKIN, Deputy Secretary, Department of the Treasury

MEGAN SMITH, U.S. Chief Technology Officer

STEVE VANROEKEL, Federal Chief Information Officer, Office of Management and Budget

Mr. Brockelman called the meeting to order at 10:30 a.m. He welcomed those in attendance. The meeting was webcast live. Under provisions of the Federal Advisory Committee Act, PMAB meetings are open to public observation.

Chair Cobert said two excellent groups of people were present at the meeting: the PMAB's members and members of the Administration who came to brief the Board. Several practical insights came out of the PMAB's closed subcommittee discussions. In addition, customer service is very important to the President and his Administration. Every Federal agency has designated an individual whose focus will be on improving their agency's customer service.

Update on the President's Management Agenda
Chair Cobert provided an update on the President's Management Agenda. The Agenda is framed around four pillars: Effectiveness, Efficiency, Economic Growth and People & Culture. PMAB has spoken previously on ways to improve efficiency and the importance of benchmarking. The Chair has worked with GSA Administrator Dan Tangherlini to help agency components create their benchmarks for cost-effectiveness. This effort will be integrated into continuing work in IT reviews and PortfolioStat. Progress continues with Strategic Sourcing and Shared Services. Making government data more open will help drive economic growth and hacks, jams and paloozas have been held. Employee engagement will help drive the federal mission. OPM has reviewed the results of the Federal Employee Viewpoint Survey and taken several steps: accelerating the delivery of response data back to the agencies, creating a dashboard for leaders, identifying successful workers and managers to be held up as exemplars across government. New pilots around SES development are being rolled out for leadership development and on-boarding of new SES members. All future PMAB meetings will include progress updates on Federal efforts in response to PMAB's advice.

Discussion on Implementing the Digital Services Strategy
Chair Cobert said the President has been focused on improving the digital services experienced by Americans. All activities within the federal government are touched in some way by technology. Several agencies are working together to determine how to take the government's digital services to the next level.

Steve VanRoekel, US Chief Information Officer, said many of the government's initiatives in this area came about on advice from the PMAB. As IT budgets grew it has become clear that new efficiencies in IT services are necessary. The near-complete implementation of PortfolioStat has provoked conversations around data, metrics and customer outcomes. What was originally thought of as an efficiency imperative has inflected toward effectiveness, as well. How do we go about delivering better customer-centric solutions? Government is more than an enterprise; it is a segment of the economy. PortfolioStat 2014 is different in that it asks agencies to identify not more than two mission-critical solutions they provide.

The U.S. Digital Service (USDS) constitutes new capacity to carry out the Administration's mission by centralizing IT solutions for Federal needs. Presidential Innovation Fellows (PIF) and a team of IT specialists at GSA (known as "18F") work as

"tiger teams" to develop solutions. Innovative flexible hiring practices are needed for tech positions. A pilot program testing rotations from private-sector to Federal government positions is under way. The Digital Services Playbook is being vetted as a set of best practices to address agencies' gaps in developing and enhancing web- and mobile-based service delivery to citizens. Some legislative changes are needed; conversations with key members of Congress are happening. Agencies that have undertaken these principles are developing better, faster and cheaper IT solutions out of the gate.

Member Gilliland asked how targets for PIF and 18F assistance are determined, and what expectations are in place with respect to their interaction with agencies. Mr. VanRoekel said the PIF program "starts with people and backs into need" while the 18F program does the reverse. Mr. Dickerson said the two cadres also have different business models, where PIF is developing forward-looking solutions while many of 18F's projects fix existing programs that have gotten off-track. Lessons learned in developing solutions will be applied to future challenges.

Member McGovern said leaders need to ensure that new solutions and capabilities in technology are located and identified. Mr. Dickerson said building competition into the Federal technology contracting system will cultivate a more vibrant ecosystem of service provision. Member Smith said IT developers must be aligned with government business units; how are these partnerships arranged? Mr. VanRoekel said those determinations are part of the Investment Review Board process. The process is designed to start with the customer and their service goals, then work back toward solutions.

Chair Cobert asked Members to provide comment on how organizations can be made to see their problems as their own, as opposed to challenges that someone else should fix. Member Williams said it helps to think of IT strategy as one aspect of business strategy. Training of management staff in IT is necessary. Member Smith said business leaders need to be "in the room" as IT solutions are developed, to demonstrate the priority of the work. Member McGovern said IT is no longer an aspect of back office operations; IT is often central to customer service. Deputy Secretary Gibson said the customer must remain in control of the process. VA has created its own 18F-like team to solve problems and create better outcomes for veterans.

Remarks by Megan Smith, U.S. CTO
Ms. Smith said it was her sixth day of work as U.S. Chief Technology Officer. CTO is a strategic role, not an operational one. Her mandate is to unleash the power of Federal government technology, data and innovation. Her priorities are to grow the economy and empower the country's talent, create jobs, improve healthcare, education and public safety, and advance clean energy. PIF and USDS is the cross-functional "tip of the spear" in Federal government, developing new solutions to new problems. She says she is still in a listen-and-learn mode, and wants to stay out of the way of people as they develop solutions. Some cities in the country are "brain hubs"; how can the government maximize potential in these areas in order to create jobs and improve quality of life? In the next five years, US industry will create 1.5 million science, technology, engineering

and math (STEM) jobs, but only 400,000 Americans will be qualified to fill them. Training the U.S. workforce will help fill this gap.

Member Gilliland asked Ms. Smith for comment on the role of the budget process in developing IT solutions. She said government must open up avenues to attract talent to solve procurement challenges. Virtual networks and the connective power of the internet may be integral in this area. Technology is so integrated in business processes, a shift is needed to make sure development is done efficiently and effectively. Innovative hiring practices are needed to get the right technical people in the right seats. Mr. Dickerson said the budget process is burdensome. How can needs be projected two years in advance? "The budget process is the antithesis of agile development." Member Liz Smith said budgeting should be viewed in a nimble/agile framework since the landscape is changing so quickly. "Give yourself room to pivot" and build in contingencies for scenarios. She suggested the Federal government partner with online universities to tackle the training challenge in STEM jobs. Ms. Megan Smith agreed and added that community colleges will also have a role to play in this effort.

Key Insights and Proposed Action Items from Subcommittee Dialogues

Chair Cobert said PMAB has been focused on customer service throughout 2014, and conducted two subcommittee meetings that morning before the full committee meeting.

One group addressed digital interactions between government and customers, and methods for obtaining feedback on those processes. The second group discussed strategies for recognizing and rewarding customer service excellence in the Federal workforce.

Mr. VanRoekel provided the report of Subcommittee #1: Transforming the Customer Service Model. The group focused on two main work streams: collecting feedback and acting on it. With respect to collection, efforts should be customer-focused: understanding who the customer is, what they want, and the nature of the end-to-end experience. High-volume transactions and highest-value transactions must also be understood. Employee feedback on customer experiences should be incorporated. With respect to acting on provided feedback, it is important to collect both quantitative and qualitative data, and these two types of data should be connected by means of validation. Leadership must make a case for change when it's warranted, using data and leveraging employee feedback on the customer experience. Celebrate success and cross-pollinate.

Chair Cobert provided the report of Subcommittee #2: Driving Change at the Front Lines, which focused on awards and recognition. The Federal government has an incredible breadth of customers. Recognition should be meaningful and visible. Maintain exclusivity of awards (i.e. not everyone should get an award) to reinforce that an award is a significant achievement. Recognition from the top is valuable, but so too is peer recognition. Employees should have a clear "roadmap" to how excellent customer service aids the agency in accomplishing its mission. Make and keep the recognition processes simple. Spontaneity is very powerful. Rewards systems may be different when customers are internal or external to government. Member Williams

said customer-service recognition should be clearly linked to the values of the organization.

Chair Cobert thanked PMAB for their time and effort both at and away from meetings. PMAB will next meet on November 21, 2014. Mr. Brockelman adjourned the meeting at 12:01 p.m.