EXECUTIVE OFFICE OF THE PRESIDENT
OF THE UNITED STATES

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PRESIDENT'S MANAGEMENT ADVISORY BOARD

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MEETING

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FRIDAY
APRIL 25, 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 9:00 a.m., Beth Cobert, Chair, presiding.

PMAB MEMBERS PRESENT:

BETH COBERT, Chair
SAM GILLILAND
JEFF KINDLER
GAIL McGOVERN
ENRIQUE SALEM
LIZ SMITH (via telephone)

GSA STAFF PRESENT:

STEVE BROCKELMAN, Executive Director and Designated Federal Official, President's Management Advisory Board

ADMINISTRATION OFFICIALS PRESENT:

KATHERINE ARCHULETA, Director, Office of Personnel Management
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
LISA DANZIG, Associate Director of the Office of Performance and Personnel Management, Office of Management and Budget
THERESA GRUBER, Assistant Deputy Commissioner for Operations, Social Security Administration
ELLEN HERBST, Chief Financial Officer and Assistant Secretary of Administration, Department of Commerce
VALERIE JARRETT, Senior Advisor, Office of the President of the United States
HELEN KANOVSKY, Acting Deputy Secretary, Department of Housing and Urban Development
CHRIS LU, Deputy Secretary, Department of Labor
TYRA MARIANI, Chief of Staff to the Deputy Secretary, Department of Education
VICTOR MENDEZ, Acting Deputy Secretary, Department of Transportation
SARAH BLOOM RASKIN, Deputy Secretary, Department of the Treasury
JOE SALVATOR, Deputy Assistant Administrator, Office of Security Operations, Transportation Services Administration, Department of Homeland Security
ERIC SELEZNOW, Acting Assistant Secretary,

Employment and Training Administration,
Department of Labor
DAN TANGHERLINI, Administrator, General
Services Administration

C-O-N-T-E-N-T-S

C-O-N-T-E-N-T-S (CONTINUED)

C-O-N-T-E-N-T-S (CONTINUED)

P-R-O-C-E-E-D-I-N-G-S

9:04 a.m.

MR. BROCKELMAN: Good morning.

I'm Steve Brockelman, Executive Director of the President's Management Advisory Board.

Welcome to our meeting this morning.

As I think many of you know, the PMAB, as we call it, is a formal Advisory Board, and it is governed by the Federal Advisory Committee Act. Our meeting today is open to the public via webcast. The public is in listen-only mode.

So, I think we are actually ready to get underway. Let me turn it over to the Chair of the PMAB, Beth Cobert.

CHAIR COBERT: Hi. I'm Beth Cobert, the Deputy Director for Management at OMB.

It's delightful to have everybody here today and to have this terrific group gathered for a discussion around a number of management issues and how we can continue our efforts to improve management across the government in a way that really impacts citizens and businesses in a positive way.

We're delighted to welcome Valerie Jarrett to join us for at least a part of this morning. I know your day is really busy and we really appreciate you stopping by.

Valerie's responsibilities at the White House are numerous. It includes overseeing the Offices of Public Engagement and Intergovernmental Affairs and chairing the White House Council on Women and Girls.

Before joining the Administration, Valerie had a distinguished career in the public and private sectors. She was the CEO of Habitat Company, Chairman of the Chicago Transit Board and the Board of the Chicago Stock Exchange, and Deputy Chief of Staff for Mayor Richard Daley.

She has been a Director of the Federal Reserve Bank of Chicago and Chairman of the Board of Trustees at the University of Chicago Medical Center. She also practiced law at two private firms.

As someone with wide experience in government and in business, and as one of PMAB's most active supporters in the White House, she and I have had many conversations about how we really capitalize on this unique opportunity to benefit from all the talent in this room. We thought Valerie would be a perfect person to host our first meeting of 2014.

So, thank you for coming, Valerie.

MS. JARRETT: Well, thank you very much, Beth and Steve, for your leadership.

On behalf of the President, I want to welcome everyone to the White House. This entity is extraordinarily important to him. As I hope everybody heard in his State of the Union this year, this is going to be a year of action, and we have a big agenda in terms of what we would like to do working with Congress, but the President is also committed to do everything possible in the Executive Branch of government to make sure that we are running as efficiently and as smoothly as possible. And we know that many of the best practices that you bring to the table are ones that we can transfer here.

And I know a lot of the focus today might be on customer service, but there are just a whole wide range of issues that you have expertise in that could be extraordinarily helpful to us.

Beth is right, we have had many a conversation about the importance of re-energizing this entity, now that Beth is onboard, and figuring out how we can aggressively pursue an agenda together. And so, we are like a sponge. We are looking for all of the best practices that you have and suggestions that you have that can be transferred to government.

And I just want to tell you, on behalf of the President, how seriously he takes your advice and counsel. And there is really no better team than Beth and Steve to take all of the feedback and input that we have from you and absorb it into the government. And we are fortunate to have many of the government agencies who are instrumental in implementing the recommendations that you come up with who will be actively engaged as well.

So, I apologize for not being able to stay. The Chief of Staff called a meeting. And so, I must go. But I leave you in very good hands, and just close by saying thank you so much for your effort. Everybody here has a full-time job, and the fact that you're willing to come and give back to the government in this way, we just so sincerely appreciate. So, thank you all.

I thank you, Beth.

CHAIR COBERT: Thanks.

So, what I thought I might do is just give a brief overview of the agenda, so folks know what we are trying to get done today.

And then, I thought we would also let folks go around the room and just introduce themselves. Some of us can read the name tags without our glasses -- (laughter) -- but I thought it would be helpful just so everybody knows who's who.

And, Liz, you can hear people's voices.

Our agenda today is twofold. What we are doing first, one of the things we wanted to do is update the PMAB and get your continued input on the President's Management Agenda. I know that has been a focus area that we have talked with you about in the past.

What we wanted to do is update you a little bit on our progress. Some of that you can see in the materials we sent. You can also read some of it because it is very much a part of the President's FY15 budget.

But, importantly, in each one of these areas we wanted to pause, because we want to talk a little bit about what we have done because we want to show you how much you have actually influenced our work. But we also have a set of questions as we are trying to take each of these issues forward. And so, in each case we have got a little bit of where we've been, but, importantly, we have got a set of questions about where we are going. And we will have the folks who are leading a couple of those initiatives to talk you through each of those.

We'll also provide sort of a broader overview of where we are in the

Management Agenda overall. That is kind of the first chunk of the agenda. That will take about an hour; plus, we are going to take a break.

And then, we are going to turn to the meat of the areas we are going to focus on today, which is about achieving world-class service. This is a very important part of the Management Agenda. We will come back to that in a minute.

But we thought, given the breadth of experiences across industries and sectors, across different kinds of ways of interacting with customers, whether those customers are individuals or businesses, whether it is through a service or through a product, the folks around this table would have a lot to add, as we within government really try and up our performance on this issue.

And we thought a good way to do that was to actually do a few case studies of different areas within the government that have specific issues. Each of these agencies has volunteered. Actually, we sort of raised the question to the President's Management Council at one of our last meetings. And actually, the hardest part was figuring out which few people got to come and talk about their specific case, as opposed to me having to twist anybody's arm, because it is an important priority for virtually every agency. And each of them has a different set of issues.

So, we have picked Carolyn Colvin, who leads Society Security, with Lisa Danzig, who works in the DDM's office, leads the Office of Performance Management, are leading this customer service as one of our cross-agency priority goals. So, there is a big effort around it that they are leading, but we are going to be hearing from three different agencies: Social Security, the Department of Labor, and DHS through

TSA, something I know that the PMAB members, I'm sure that one at least, are intimately familiar with. So, they can bring really the voice of the customer here.

But we wanted to use those as kind of emblematic, both for questions around them and broader issues. And so, I have encouraged the rest of the PMC who are here to actually ask their questions as well.

We would like to make this meeting as interactive as possible. This is not always the best room for that, but we are going to focus on that. And I know both the PMAB members and the PMC members who are here are not a shy group. So, the goal of this is to have a conversation, not to administer PowerPoint. But that is what we are going to do today.

We will go through that. We will adjourn our meeting at 12:15. And then, we have got some lunch for those of you, the

PMC and the PMAB. Just because you have been here all morning, we thought we could give you a nice box lunch. Don't expect too much.

(Laughter.)

So, with that, let me get started and sort of walk through some of these pieces. And we have got materials in front of you.

But let's do introductions first. So, Steve, why don't we just start? We can go down that side of the table.

MR. BROCKELMAN: Steve Brockelman, PMAB.

MR. SALVATOR: Joe Salvator with TSA.

MR. SELEZNOW: Good morning.

Eric Seleznow, Department of Labor.

MS. HERBST: Hi. I'm Ellen Herbst. I'm the CFO of the Department of Commerce.

MR. LU: Chris Lu, the Deputy Secretary of Labor.

MR. CORR: Bill Corr, Deputy Secretary of HHS.

I just want to say that I have been joined by our Assistant Secretary for Administration, Ned Holland, who is sitting behind Beth.

MR. CONNOR: Mike Connor, Deputy Secretary, Department of the Interior.

MR. MENDEZ: Victor Mendez. I'm the Acting Deputy Secretary at Transportation.

MR. CUMMISKEY: I'm Chris Cummiskey. I'm the Acting Under Secretary for Management at DHS.

MS. MARIANI: Hi. I'm Tyra Mariani, Chief of Staff to our Deputy Secretary at the Department of Education.

MS. KANOVSKY: I'm Helen Kanovsky, the Acting Deputy Secretary at the Department of Housing and Urban Development.

MS. GRUBER: Hi. I'm Theresa Gruber, the Assistant Deputy Commissioner for Operations at the Social Security Administration.

MS. DANZIG: Lisa Danzig, the Associate Director for Personnel and Performance at OMB.

MS. COLVIN: Carolyn Colvin, Acting Commissioner at the Social Security Administration.

MS. COLORETTI: Good morning.

Nani Coloretti, Assistant Secretary for Management at Treasury.

MS. BLOOM RASKIN: Good morning.

Sarah Bloom Raskin, the Deputy Treasury Secretary.

MS. ARCHULETA: Good morning.

Katherine Archuleta, Director of the Office of Personnel Management.

MEMBER SALEM: Enrique Salem, former President and CEO of Symantec.

MEMBER GILLILAND: Sam Gilliland,

representing Sabre.

CHAIR COBERT: Beth Cobert, Deputy Director for Management at OMB.

MEMBER McGOVERN: I'm Gail McGovern, the President and CEO of the American Red Cross.

MEMBER KINDLER: Jeff Kindler, former CEO of Pfizer.

MEMBER SMITH: Liz Smith, Bloomin' Brands.

CHAIR COBERT: Thank you, Liz.

So, what I would like to do first is talk about the Management Agenda and a little bit of how we got here and where we are going.

As you know, we started out -- and actually, all of the people in this room have been part of this process of developing the President's Management Agenda -- we started by listening. We listened to the PMAB. We listened to individuals across government from frontline through the

Cabinet. We listened to Congress. We listened to the American people.

And developed an agenda that has four central pillars. We think of this as a living agenda, but we know that these pillars are going to remain at its core. It is the specific actions underneath that we will continue to evolve over time, and discussions like this and the discussions we continue to have across government about the Management Agenda are the vehicle by which we are going to make things evolve.

We highlighted some of this in the budget last month. And for the PMAB members that are here, you will recognize a number of these things that are important, and these are all things that, in fact, you have worked on and helped shape for us. And for that, we are very grateful.

The pillars on the agenda focus on effectiveness, efficiency and value, economic growth, and people and culture.

This is held up on page 4.

By the way, do feel free to interrupt as we go.

What I thought I might do is give a quick overview about where we are, a very quick overview about the agenda, and then, we are going to come back to some of the specific areas that the PMAB worked on and talk about our progress, and talk about some places where our progress may not be as much as we would have liked and get some more good guidance about how we can accelerate.

But in each of these cases what we are trying to do is figure out how we can make improvements that will really be things that people can touch and feel. So, if we start on effectiveness, and if we turn to page 5, there are sort of two core elements around effectiveness. One is around customer service; the other is around what we are calling smarter IT.

In customer service, it is really

thinking about -- and again, we will talk about this today -- how can we get the government in the way it operates to meet the expectations that the American people have from, frankly, companies like yours that provide great service day-in and day-out?

I think from my private sector experience and here, I would say that individual's expectations about customer service, about responsiveness, have absolutely risen at an absolute level over time. They want to know things instantaneously. They want responsiveness. They are more than willing to make their points of views known, and they have many more ways to do that than they did in the past, besides writing letters that would make their way to the CEO's office. And so, we have got to do some things around that.

We are thinking about this in a number of different areas. We have done some work, for example -- and you can think of this as a service -- around infrastructure permitting. How do we unwind all the knots that it takes to get projects approved? We've got a team that has worked on this, has a big analysis they did of the process and the complicated ways things can move. So, how can we accelerate that? We have done a lot of work with Victor and the Department of Transportation on this one in terms of how can we bring all that together, take things and make them work in a more coordinated way, as opposed to sequentially.

We are also doing a range of initiatives, and that is what we will focus on later, technology-enabled and non-technology-enabled.

A second piece -- and we will come back to this a bit -- is around smarter deployment of IT. A lot of the efforts, and we spoke to you around this, around improving the management of IT started with making sure we're actually managing spending smartly. That's what PortfolioStat started as: how do we do things that have been done in the private sector like consolidate data centers, consolidate sourcing, all those pieces?

And we have made progress there. Much more to do, but we are still going to be focused on that, as well as thinking about how can we do a better job of delivering development of new initiatives and bring better companies in to work with the government.

FBOpen, which is this little icon at the bottom of the page here, is an effort that, working through GSA, is a new way, taking the old, complicated sort of Federal BizOps thing and making it a way that small businesses can get access and understand government services better.

So, that is an overview there. We will come back to each of those in a minute.

Efficiency -- again, we will talk about some of these -- there is a whole range of things about very much making sure we are getting the right return on the taxpayers' dollars and we're spending smartly, particularly for the more commodity-like things that go on in government. So, whether that is expanding shared services, the work on Freeze the Footprint that you helped us with -- we'll come back to that. We have done a lot of work on grants reform, taking what were eight different sets of hundreds of pages of guidelines and consolidating those into one.

So, whether you are a state or local government, a university, a nonprofit, receiving grants from the federal government, as we go forward, whether you get a grant from the Department of Health and Human Services or the Department of Labor, or someplace else, the basic guidelines and definitions are the same, and you don't have to figure out yourself each way to do this. And in the university community who gets grants from multiple science agencies across government, this is a very important issue to make sure that they are actually spending their time on research and not analyzing distinctive grants guidance.

In that process, we did a lot of reaching-out to stakeholders, particularly the grants community. The photo there is actually of a webcast that we did to announce the new guidelines. It's still through the comment period, and we continue to reach out and get input on how to make that better and, also, protect the government's interest. So, having audits that can be shared across governments and doing those appropriately, more risk-based in terms of how you think about doing things. So, a number of things on efficiency.

The next piece of it is on how can we use better management to help fuel economic growth. Big opportunities. Some of these things are on the lefthand side of the page, about how do we take innovation from lab, support the effort of innovation from lab to market, whether it is through programs with the National Science Foundation and bolstering their Innovation Corps, opening up federal labs, the entire open-data initiative that the government has been pursuing, datasets that have been released on adverse effects of drugs, continuing to work with information on weather and crops and performance that helps citizens, and that are being able to be delivered in a machine-readable way, so that citizens can access them and people can build tools on top of them, and create some of the growing companies we have seen that really leverage this data.

And the last piece -- and I won't dwell on it here because Katherine is going to talk about it in a minute -- is around people. When we did this work and reached out within government and beyond, one of the things we heard is about the criticality of the federal workforce and how we won't be able to get any of the things that we just described done without a real focus on how we have an engaged workforce, how we build the talents we need, how we bring the talents we need for the future.

There's a number of core initiatives around that that Katherine is largely leading with Jonathan McBride and teams from across government. And we have started to make some progress around using the wealth of data in the employee dashboard, the Federal Employee Viewpoint Survey, which is done across government every year, in a way that gets it to a granular level. So, as a manager, you can understand your performance versus others.

Tools that have been done to help take advantage of talent that exists in agencies. We have done ongoing work which Katherine can describe on the SES development effort, again, building off the work that we did with all of you.

So, those are the core elements of the agenda. We are very much focused on driving these forward.

If you go to page 8, which is the slide without the lovely pictures on it, one of the things that is I think important to all of us -- and I am sure you would all tell us if we asked you -- it is nice to have goals; how do you create a system that creates accountability for those, drives performance, and holds people accountable? You need some way of driving performance management.

The framework that has been put in place, partly through congressional mandate of the GPRA Modernization Act, actually sets a great framework for us to do that. The legislation requires us, but it requires us to do some good things. It requires us to explicitly pick a handful of priority goals at the agency level and across government. It requires us to identify who is going to lead those goals. So, you need to actually have a goal leader. It requires you to set targets, ideally quantitative targets, so you can measure performance. And it requires you to report publicly every quarter on how you are doing.

As I came into the public sector from the private sector, I said, well, what do I want a performance management system to do? I need to know what we're trying to get done. I need to know who's responsible. You've got to have something to measure them on. You've got to have some way to like figure out whether they're making progress.

So, the framework that was

established is actually quite helpful. And so, there is a process where we have these federal cross-agency priority goals. Every element of the Management Agenda that I just described is a cross-agency priority goal. So, you, too, whether you are in the room or watching on the web, can actually go every quarter and see our updates on performance.gov.

They are pretty simple. They're not overly prescribed in terms of what they need to be, but they actually have to do that. And it creates great accountability. It is really a useful tool.

So, we have cross-agency priority goals for all of the elements of the Management Agenda as well as a number of sort of implementation-focused Administration priorities. Those are set every four years, so we have just set them for the rest of the Administration.

Each of the agencies or all the

folks on the other side of the table have been through a similar process within their agencies of saying what are they trying to achieve. And they, too, have this same process of specific goal leaders, specific tangible targets, and reporting. And they, too, you can find that on performance.gov.

And then, finally, the agencies this year -- this is the first time we have actually had them all done at the same time -- have written strategic plans. It is an agency-driven process coordinated by OMB. And so, you could think about this; in the past when we did strategic reviews, it is as if you had the different divisions or business units in an enterprise writing their strategic plans at different times of the year, which when you get to things like resource allocation, corporate enterprise-wide priority-setting, if like one group just finished their five-year plan and the next group is about to start theirs, it is kind of hard to bring those together.

And so, one of the mandates of the new version of the Modernization Act was to actually bring those together, so you can look across the government. They are due one year after you start the Administration. So now, each of the agencies has strategic plans. They are doing strategic reviews now. And that will help shape their goals for the remaining of the term.

And so, this is the thing we are going to be holding ourselves accountable to for driving results, and I think it presents a pretty simple, but effective framework for us to drive things going forward.

Questions? Comments?

(No response.)

So, a couple of observations from me from six-months in. And then, we are going to turn to the specific updates.

As I have spoken to all of you, this is my first time inside the public sector. So, I have learned many new things in the last six months, and it has been a fantastic experience and a real honor to get to serve. So, I thought I would just provide a couple of my personal observations about where we are.

The first is that there is genuine progress being made on these initiatives inside of agencies, not always at an even pace, but there actually is lots of progress being made. And we are actually having real impact, and you can see and touch it when you go and speak to people there.

We had a great, call it sort of a bit of a talent fair two PMC meetings ago, right, where we had individuals from agencies. And I don't want to steal all of Katherine's thunder. She is going to talk about it.

We had this great session where we had within individual agencies they had taken the initiative to do things. They had created a skills marketplace in EPA.

You've got a lot of people, right, within agencies who are very much driven by passion and talent about their mission. But they work in a piece of the organization. How can you get them working more across, that still respects all the guidelines you do? And so, they created this mechanism to let people sort of spend a piece of their time working on other projects.

And it was particularly valuable at a time in the world of sequester and tight budgets where things like training budgets, development budgets had been significantly cut. So, how could you create a professional development opportunity that enabled them to apply their talent, and how could you enable them to actually do work that would get them excited? Because being a federal employee over the last couple of years has been tough on many dimensions.

MS. ARCHULETA: Can I add something there?

CHAIR COBERT: Yes.

MS. ARCHULETA: It was really exciting because standing side-by-side were young people who were newly-engaged in the federal workforce with senior leaders, and both of them having the experience and the new talent that many of our young people are bringing today. So, the use of IT and these new ideas was really exciting.

CHAIR COBERT: Yes.

MS. ARCHULETA: And the excitement just moving from table to table and really seeing what this pairing-up of senior executives and young talent using the system was really heartening for us, and really created a sense of energy in that room. It was great.

CHAIR COBERT: So, there's lots of great things going on. And whether it is there or buying smarter or using the Federal Acquisition Register -- this was another thing I have learned a lot about, and it is very large and thick. While it is very large and thick, there is also a lot of flexibility in it.

And so, to me, one of the challenges as we think about this Management Agenda is how can we use this process, and your input on doing this will be really helpful to us, too. How can we, in fact, increase the pace at which we replicate good things across the government? Because, for almost any good idea, when you look around, you can find somebody doing some form of it. Somebody has figured out how to get in great talent. Somebody has figured out a better way to deliver customer service. So, how can we replicate that faster?

Because those things that are happening are things that can be done within existing rules.

MEMBER KINDLER: Can I ask a question?

CHAIR COBERT: Yes.

MEMBER KINDLER: How currently are those best practices shared mostly?

CHAIR COBERT: So, I will make a comment, but I would invite somebody, one of you guys to talk.

So, there's a couple of formal forms, right? So, there are formal meetings. I was describing them earlier. There is a formal Chief Information Officers' Council, Chief HR Council, Acquisition Officers. That is one mechanism sort of across at the senior level.

There are some things in the acquisition workforce. We have a frontline forum that actually the Office of Federal Procurement Policy works with. And so, there are some mechanisms to do that. I actually think we need more.

But I would love one of you guys

to comment on sort of how you do it in your agencies because I think this is both across agencies -- agencies themselves have the same issues.

MS. HERBST: Right. This is Ellen Herbst from Commerce.

In addition to the Council structure across governmentwide, and what those Council structures lead to -- and I will look to Nani and Ed and others that I know I sit on many Councils with -- it is a formal mechanism, but it is also the platform for networking at the senior level across functional areas. So, that breeds kind of the informal.

There is online ability at the lower levels through an OMB-driven platform called MAX. So, there is a lot of communities of practice that have been in place, and more and more are springing up as we get folks who are more tech-savvy and tech-comfortable looking for those online tools.

For many of us within our own agencies, we have federated models of governance. So, it is not kind of the old stereotypical hierarchical command-and-control. And so we have the same issues at a smaller level within our federal agencies. And so, creating these online tools and creating an interlocking structure of Councils -- so, in Commerce we actually have all of the same kinds of Councils, but they interlock across functional areas.

And that is one area I know we are talking about at the government level. How do we leverage more between financial management, acquisitions, management of our property, and so forth?

MS. COLORETTI: This is Nani Coloretti from Treasury.

I was just going to say the other thing that has been very helpful is actually OMB because Beth Cobert and her partners on the "B" side, the budget side of the agency, even just in the production of the budget, are forcing some coordination and collaboration. The back-and-forth with agencies includes a Management Agenda, and it is sort of part of the process. So, that has been very helpful.

CHAIR COBERT: You know, from my perspective, this is one of the great tools we have. Dan and I talk about this all the time.

And so, thinking about how we get the mindset that says I should be reaching out, and some of these informal communities have been very powerful. There's a group of innovators that get together. The Chief Performance Officers meet on a regular basis, and have actually formed a quite tight community. Lisa was the Chief Performance Officer at HUD before I roped her over to come join the OMB team.

And so, I think those and I think

the combination of that and the ability to take technology, because, I mean, one-on-one is helpful, but you need something to get to scale, especially for the large swaths of the federal workforce that do not exist in Washington, right? Much of the workforce, the majority of the workforce is not here. It is in field offices. And so, how do you get field offices that are doing similar work learning from each other? I think that is something we need to continue to think about, how we do better.

And I think technology can help us. I think technology, combined with a mindset, that that also is a mindset piece, to me, that you have got to think about, which is the proactive thought that, when I have a good idea, one of my obligations is to share it, right?

And at the receiving end, when I have a problem, one of the first things I should do is look around and ask for help, right? We see that in companies. In my consulting experience, there are companies that were really good about sort of that being the way they work and there's others that were less so. And I think we have got that same mix, but I think it starts with a culture around a little bit of my obligation in life is to actually spread this idea to three other people, if I have a good one.

And one of the things we will talk a little bit about today, and one of the things I would love to actually take up with this group -- I think I talked to some of you about this -- to me, this is part of what a performance culture is about. And so, thinking about how we do that I think is another rich vein where your experiences could be really valuable to us.

MS. COLVIN: Beth, I think that the fact that you all now post or publish the performance goals and the standards and how well our agencies are achieving it has been particularly helpful in sharing our best practices, too. Because when we go to those sites and we see something that another agency is doing, and it is similar to a problem we may be experiencing or a service improvement area, we are able, then, to make that contact. Without that posting, I mean, the essence is it would be difficult to know what is there.

CHAIR COBERT: Yes. Yes.

So, I am going to take a pause. I do think there is this best practice. There is also sort of long-term things we want to get done. And for me, and as we have thought about the Management Agenda, that is the tension we are trying to work through because we also know that the more we can make tangible progress in the near-term, the more we will be able to do the long-term pieces, right? You have got to sort of earn the right to do them.

And so, that is the balance we

are trying to strike. And that is the part of the agenda that is the living agenda, right?

My goal next year is to say this is no longer on the Management Agenda because it's done or at least it is embedded in operational -- we have done that with some of the pieces. We have changed some of our cross-agency priority goals, not because we are finished, but because they now have a home; they now have owners. They have become more institutionalized. And so, we can use the cross-agency process to kind of start the next wave or reinvigorate those that still need a push.

With that, I am going to turn it over to my partner in crime on many things, Dan Tangherlini, who leads the General Services Administration.

MR. TANGHERLINI: Thank you very much, Beth, and thank you very much, everyone, for your continued service on the

President's Management Advisory Board. And it's fun to come back and present to this group again, particularly on some areas where I think we've actually had, as a result of your assistance, some tremendous success.

If I can build on something that Beth was just talking about, I think one of the fallacies a lot of people have is that there is one single monolithic federal government. And there is an assumption that there is one single monolithic federal government culture.

And even if you are willing to accept that that isn't the case, it is a fair assumption to make that even agencies are semi-monolithic. But as you peel back the envelope, you realize the agencies are oftentimes just holding companies. Or what we frequently forget or miss the opportunity to realize is the benefit of the scale and the scope of the federal government. We miss opportunities for us to collaborate and cooperate.

I will talk, as I go through strategic sourcing, and I also get Freeze the Footprint. I get two great things to talk about today.

(Laughter.)

I will talk a little bit about some work that Beth has really been a tremendous leader in helping us move forward and actually getting common definitions. And it is surprising, while we may operate under the same laws, and while we have 4,000 pages of the Federal Acquisition Regulation that we all buy under, it is interesting how oftentimes the definitions, the terms, the standards aren't there for us to really leverage the scale and scope of the government.

In the case of strategic sourcing, which is the first area I'll talk about, we made tremendous progress. And I would credit a good chunk of that progress, frankly, to this body and the fact that you have really driven home to those of us who are participating in this body and those of us who are watching this body and those of us who have to go testify before Congress about these subjects, that, frankly, this is the best practice in industry. If we miss the opportunity to leverage the scale and scope of the government, if we miss the opportunity to collect our buying and go to the market with a single face, we are missing an opportunity to get the best value, the best price, and oftentimes the best quality of the goods that we could qualify for.

On slide 11, we talk a little bit about what we have done as a result of the work that you have really helped energize around strategize sourcing. We have a Strategic Sourcing Leadership Council comprised of various different agencies who are collectively the 80 percent of the buy, you know, the classic 80/20. And they have regular meetings, quarterly meetings, and we do reporting on how people are performing against the strategic source efforts that we have put into play.

We also work with that group to assign co-ownership of the strategic sourcing activity, so that there is some sense of equity in these activities. And I will talk a little bit about the challenges in a bit. That's one of the biggest challenges, is getting agency ownership, getting, frankly, acquisition staff buy-in.

MEMBER SALEM: Dan, let me ask you a question. I mean, obviously, we have gone through some of these materials and the progress is obviously clear. We used to have a metric that was spend under management. So, each group wanted to do their own thing.

MR. TANGHERLINI: Right.

MEMBER SALEM: At some point we had to say, to the equivalent of what would be to GSA, how much spend is under management? And we always had a metric of increasing the spend under management by that central organization.

And so, what is the spend under management by the GSA that GSA is driving, if there is a way to think about that?

MR. TANGHERLINI: No, that is a really good question. Within GSA ourselves, we have that; we have a metric. That is our market share, if you will, and that is the spend under management. We only buy for other people.

MEMBER SALEM: Right.

MR. TANGHERLINI: And so, in the last year we have gone up by about two percentage points. Now that is at the same time that procurement expenditures have gone down by I think something like 11 percentage points. So, we have a positive trend in that regard.

Over the period of the last two years we have been doing this, we think we have saved over $300 million in this activity. But, more importantly, actually, we have begun to pry open some of the barriers that are really separating people from the idea of working together.

The biggest one is really identifying prices paid because the assumption is by any good Contracting Officer that I can get a better price than that other Contracting Officer. And to some extent, this notion of competition between Contracting Officers has been good for the last 20 years, but we really think the future is actually exposing more of the data, getting more transparency, understanding what we buy, who we buy it from, how much we buy, and what we pay.

In our office supplies contract, we actually were able to reduce price variability by something like 65 percent. It was dramatic. And we brought the data from the last set of buys to the vendors, and every one of them dropped their price. We said, "If you want to participate, you have to live within a range of this mean price."

And so, I think the real trick for this is going to be us continuing to make efforts and strides to have price transparency. Working closely with Beth, we have really started shifting into this idea of category management to get to your point: getting spend under management. We are bringing to the Strategic Sourcing Leadership Council this idea of category management, dividing up the sweep of purchasing into categories, getting agency co-owners, and really trying to build the vehicles to manage those categories.

MEMBER SALEM: Can I just say, the management sometimes has in some of the things that we have probably done as members of the PMAB, we can say here is what is going to happen, the direction we are going to go in.

What leverage do you have to try to encourage or drive the group to move in this direction? Because, quite frankly, everybody always believes exactly what you said, which is I can do a better job myself.

MR. TANGHERLINI: Right. And so, I think one of the things we are committed to is using data as leverage, right?

MEMBER SALEM: Okay.

MR. TANGHERLINI: So, 65-percent reduction in pricing on office supplies, a 40-percent reduction in contrast duplication.

One of the projects that Beth and I are working closely on as part of the President's Second Term Management Agenda is this idea of creating benchmarks across certain areas of administrative services.

In the acquisition side, we are interested in cost-to-spend metrics. So, how much are you spending in order to save that money, if you know what I mean? How many people do you have?

In each of those areas, one of the hardest things we are fighting for is what we call the bigger-than-a-breadbox metrics, which is how much do you spend on your acquisition activity. We are looking at the sheer volume of acquisitions, so that we can begin to start focusing on can we reduce acquisition duplication.

The idea is, if we can get at it from the metric side, maybe we can drag people into the game and say, "It's less about you getting a better price on the next contract. It's about us having fewer contracts and a better price overall."

MEMBER GILLILAND: Yes, and I would certainly support that transparency and driving transparency across agencies, and benchmarking would illuminate everyone to where the opportunities are. So, I think your point about that, I think we have heard about benchmarking being a good motivator. I think it would be a great motivator here because, as I recall, you don't have a legislative capability to mandate use of GSA services.

MR. TANGHERLINI: We don't. We do have the opportunity to have very high-level encouragement.

(Laughter.)

And through measurement, through continuous measurement and people's exposing the lack of adherence to that encouragement, if you will, I think you will find that, we have found that there is generally a desire to have people be in the better part of the report rather than the worst part of the report.

MEMBER KINDLER: Dan, do you return all of the savings back to the agencies pro rata?

MR. TANGHERLINI: So, any savings they get to keep, right? So, the idea is that, if it is not costing them as much, they are not spending as much. They get to keep the savings.

So, the trick is really to try to demonstrate for people the cost, what it would have been if they had done it themselves versus what we have been able to save them by working collectively with us.

We have tried to choose that through cost-to-spend and say, "Well, look, how much time does it take you to do this? How much does it cost for you to buy stuff? That is money that you are leaving on the table that could have been put back in the government."

MEMBER KINDLER: But the point is they directly financially benefit from this?

MR. TANGHERLINI: Directly financially benefit from this.

MEMBER KINDLER: And those who don't participate don't?

MR. TANGHERLINI: That's true. The question is, what level of realization do they have of whether they are benefitting or not? How do they get that information? How does that information get pushed up to the executive level, so that the decision could be made at the executive level rather than at the operating level?

MEMBER KINDLER: Yes.

MS. HERBST: So, Beth and I were just talking about this yesterday. You know, we have been at it for a couple of years.

MR. TANGHERLINI: Yes.

MS. HERBST: And I think the next step we are going to take, because we have been driving it through the acquisition workforce and we got some really early wins -- our wireless contracts were ridiculous, basically.

MEMBER SALEM: Everybody's are.

(Laughter.)

MS. HERBST: Well, we got the benefit of the hard work of taking the data as it was, doing the right analysis, and so forth. But I think the next step goes to, Jeff, the point you were asking about.

We have been driving it to the acquisition workforce. What we need to do is help executive managers in the programs understand that they get more mission for their money if they support and drive this through the line operations. Because while the acquisition folks are probably the planning, and so forth, it all starts with requirements that come out of the program and line offices.

And what we have recognized is, while we have done a good job of highlighting, recognizing, and sharing overall the savings for each of the categories we have gone after, when it gets down to that individual line manager who is actually making the decision at the front-end what to do, we haven't done as good a job as we could in educating them to the benefit of putting the work in upfront to get the savings later that goes right back into their mission. So, I think that is the area we are going to focus on next, as we continue to pick off categories of buying.

MEMBER KINDLER: Now does that person you are describing, they get a direct financial benefit?

MS. HERBST: They do, but it doesn't show up as a "Here's your savings from last year's work in your budget." That's the thing. It is kind of an invisible savings.

MEMBER KINDLER: It would seem to me that is something to aspire to.

MS. HERBST: Right. And last year it was dollars that they weren't spending that they didn't have to cut through sequestration. So, it was really hard to get them to see this is the money you didn't have to take out of your mission side because we saved it for you on your PC buys, on your wireless contract buys, and so forth. So, we have got to do a better job of making that more visible to our line managers.

MEMBER KINDLER: The other impediment I have experienced in this area -- I don't know if you do -- is people have relationships with vendors. They rely on a certain individualized service and quality that they like. And when it gets centralized, they feel they lose that. Have you encountered that?

MS. HERBST: It goes to requirement-setting. So, if you can work with the line managers to get them to do a more sophisticated job of thinking about the requirements, because in some cases the requirements are defined by what they have been getting from particular vendors, and they haven't stepped back necessarily and said, "What do I need?" without reference to a particular product or a particular service delivery mechanism. I think that is how we get at that.

Because, yes, there is that issue, and it is there for a good reason. If they have gotten good service or they have gotten good value for what they are buying --

MEMBER KINDLER: Sure.

MS. HERBST: -- asking them to kind of take the leap of faith and work with us, you know, there's some education that needs to be done there.

MR. TANGHERLINI: So, I think, Jeff, your point is an excellent one. It is one of the biggest challenges. How do you convince people to cede some control?

MEMBER KINDLER: Right.

MR. TANGHERLINI: And that is

what it comes down to, and that is the interesting thing. That is, in my 20-plus years in public service, I have found that that is the coin of the realm, is some level of control, because there is so much you don't control in these environments, that the idea is if you can --

MEMBER KINDLER: It is no different in the private sector.

(Laughter.)

MR. TANGHERLINI: Okay. That's good to know.

MEMBER GILLILAND: One thing we struggled with early on when we were tackling this issue is data acquisition. So, getting at contracts across agencies or within agencies, it was difficult, I think. We talked about a Treasury example where it was very difficult to compile all the data within one place.

How do you feel like we are progressing as it relates to that, getting the data that we need to even understand where our costs are?

MR. TANGHERLINI: I believe we are making actually substantial progress, but I don't want anyone to think that this is like victory around the corner. We still don't have, even within existing agencies, common contracting writing systems. I don't have one in GSA and I have been working at it for two years now.

These things are very complicated, and these processes have been built iteratively over time. We spent our spring break at the Grand Canyon, and we were looking at all those geological layers. That is what we have got in our contracting, too, is, you know, millions of years' worth of layers.

So, I think that the work that we are doing in something called the Prices Paid Portal, and this is something that this group has been supportive of, we believe this summer -- we have been doing some beta versions and getting some really good information out of that -- we think we can roll it out more substantially across agencies by this summer. And then, we think we are going to begin to get very powerful transparency.

MS. ARCHULETA: Could I --

CHAIR COBERT: One thing. Go ahead.

MS. ARCHULETA: Okay, but we're so excited about this topic.

(Laughter.)

CHAIR COBERT: No, go ahead.

MS. ARCHULETA: Just from the HR side, I would just like to say that working with GSA and figuring out the ways that we can work together, and that, frankly, GSA could take some of our workload, allows us on our side to free up some of our employees to do other work.

As we are taking a look at

precious human resources, we have got to figure out how we do more. And the fact that we can have these types of partnerships with GSA is, especially for small departments like mine, it is a very valuable collaboration that we are engaged in.

In fact, we are going to sign an agreement, an MOU, with Dan this afternoon to help. He is going to take over some of our responsibilities. It is going to save us money and it is going to save us human resources.

MEMBER SMITH: Hi. It's Liz. I just wanted to build on that.

It is a provocative thought that sometimes when you have too many people working on something, collaboration actually is inhibited. And so, a way that we have solved this in the past is that sometimes you wait until you have the solve and, then, you repurpose the people on other things. Sometimes if you just repurpose people, it has an amazing way; there is the same amount of work and less people focused on that issue of clarifying, getting people to break down boundaries, and accepting collaboration because there is no other way to get the work done.

So, sometimes if you wait to re-engineer a process to move the resources, it takes twice as long as if you just say, "Okay, I'm moving these resources over here. Now, the remaining folks, you figure it out." And they simply have to collaborate and share and break down walls because there is just less people focused on that stream of work.

CHAIR COBERT: Yes, that is a really helpful thought.

I'm going to just play a little bit of time cop here. Any parting shots from either the PMAB or my colleagues? Because we are going to go on to the next one. We can do this for a while and we'll let it go.

But, Dan?

MR. TANGHERLINI: Well, I'll tell you, if you thought procurement was exciting, wait until you talk about space.

(Laughter.)

To the extent that I have any friends left in this town, it is not because I have been working on space; that's for sure.

But, as a result of the work of PMAB and the focus of the President on finding ways that we can activate the base, the agency's base, and push that back to mission or return it to the taxpayer, we adopted the Freeze-the-Footprint Strategy, but it was Freeze-Plus.

And I think that in the FY15 budget we have actually seen the efforts of not only the cost curve beginning to slow its rate of increase, but actually begin to bend in the right direction, as we stop adding space to the federal inventory, starting in FY14-FY15.

We have done that by actually doing something pretty straightforward. It comes back to benchmarking, asking agencies to adopt a baseline -- we took FY2010 space baseline -- and report on that baseline and report on how they are going to adopt policies that will freeze that baseline and begin to decrease the baseline.

When I started at GSA a couple of years ago, I have to say I had to go and knock on doors, get myself invited to people to go talk about this issue, because it really isn't a lot of fun and it is very hard.

I'm now getting calls from people asking for me to come, and people are actually coming and visiting the GSA Headquarters Building, where we have done some real transformative work on space, doubling the number of people within the same building.

So, we think that by adopting the freeze strategy and, then, really moving hard into measurement, so that it is very clear what the baseline is, and what each incremental decision is doing against that baseline, we can, then, move into the next strategy, which is reduce, and really begin to push agencies on saying, "How much space do you really need to deliver the mission?"

As agencies recognize that something that they thought was a fixed cost in their baseline is now variable, that is when people have begun to get excited about the prospect. The long-term annuity value of those savings are quite dramatic.

And we have seen, if you combine base with technology, we have seen dramatic increases in terms of productivity and availability of our staff. We have got some really interesting statistics about what happened in the last snow day versus one four years ago, given how many of our people our telework-eligible and how much technology they have.

CHAIR COBERT: Katherine will attest, as the person who has responsibility for calling snow days in the federal government, the ability to actually have put telework in place -- actually, one of the metrics we are going to track in the benchmarking both from this side and, actually, from our IT benchmarks is telework eligibility.

And I think for everybody who was here -- because we had a lot of these this winter or, you know, "unscheduled telework," that's the technical term, right? -- it made a huge difference. I know it was in the last throes of getting the budget out, and we were like, okay, how are we going to get this done without that? And I think people learned a lot a lessons, but you have got to actually have the IT enabled to go and the mindset of the manager able to go. And then, you can actually do lots of great things.

MR. TANGHERLINI: So, against the baseline, we saw, from FY10 to FY13, we saw the baseline reduced from 730 million to 719 million square feet across all agencies. And in the FY15 budget for GSA, we actually saw a reduction in the amount of money we are asking for lease.

The interesting thing is, for us, we are really focusing on the chart you see on slide 16 with that ratio of lease-to-own. And you will see that, starting in 1967, our own square footage has stayed roughly constant. What we have done is met our needs through leasing.

Leasing has a huge benefit to the government in terms of quickly addressing space needs or being more flexible. But in the long-term, if we are going to consistently use that property and our average length in a lease, our average length to stay in a lease now is 27 years, it makes sense for us to possibly own some of that space.

More importantly, what we need to do is look at the utilization rate of the space and really find ways to push it up, recognizing that there has been dramatic change in the technology that is available to us and the way people expect to work and the way that people expect work to be delivered.

And so, we have to ask ourselves, are we building space that reflects the way we did the work for the last 50 years or are we building space that is going to be flexible for us to do the work the way we will do it for the next 50 years? And that has really sparked a much more substantial conversation than just, "How do I keep us at 730 million square feet?" It really has started asking big questions about how do we actually do the work that we do.

CHAIR COBERT: So, questions, as you have sort of moved the ball forward here, or incremental suggestions? This, I know, was another topic that this group spent a bunch of time on. Again, what we wanted to do was both show you that we're making progress, but also take advantage of your wisdom the second time around, so we could come back to some of these things.

So, questions from folks who are in implementation?

MR. CORR: A question for Dan. How, Dan, have you evaluated the impact on productivity?

MR. TANGHERLINI: So, it is the biggest question I get when we start talking about the open-office plan. My quickest response is, has anyone evaluated the productivity of the current setup?

The problem I have with asking questions about what has been the impact of the change is I don't have a baseline to use for evaluating that change against. We do have the EVS Survey coming up, and we have had a number of special --

CHAIR COBERT: EVS is the annual federal Employee --

MR. TANGHERLINI: Oh, I'm sorry. The Employee Viewpoint Survey, the annual Employee Viewpoint Survey.

So, we have been in the office space now for just under a year. We were moving in right after the last cycle. So, we've got a great kind of comparison.

Now a lot of things have happened in that year at GSA, as well as us moving into this new space. So, it will be interesting to try to parse out what are the other environmental effects.

The other thing we have to look at is what the changing expectation of the emerging workforce is. And that is something we are working closely with

Katherine about. What do people that are coming into the office expect the office to look like? So that we are not just providing office for those folks who have been there historically.

The bigger question really comes down to, what is the work that we do, how do we do it, and how do we do it more efficiently and effectively? We found that, by literally taking down the walls in our office space, we have reduced the barriers to communication, collaboration, and cooperation. It has been hard on the hierarchy, and those are the people you have to seek permission from, but it has been great for the actual people doing the work. And we have really seen a dramatic increase in the amount of collaboration.

So, we are not offering a single solution set to every agency. We are offering them more tools than, I would argue, they have had before. And then, we are really pushing pressure on asking, "Look, what did you base the 300-square-foot-per-person on?" So, can we challenge those assumptions and see if we can return some of that resource back to mission?

CHAIR COBERT: And we teed-up a couple of questions. You and I have talked about this. They are on page 18, if you are flipping through the book.

But I would love to ask some of our guests here today. We know many of these organizations are doing it, and you have got centralized parts of the organizations; you have got dispersed parts of the organization.

We have got some things that we are trying to push, but sort of as you think about the things you are doing lately in terms of adapting the workforce, building that collaboration, thinking about how you measure productivity, I'm just wondering, what do you see as sort of what you're doing now that is really working that may be newer or what do you see as the next wave of challenges and things? So that we can actually look a little ahead.

Because I think we would say this is great stuff that we have to work through, but we are playing a game that has been played and we want to know what the next step in the game is. So, I guess that is our question to all of you.

MEMBER McGOVERN: So, it seems like every time I go to a PMAB meeting, I feel your pain.

(Laughter.)

We are undergoing so much of similar types of things at the American Red Cross. And when I first got to the Red Cross, it seemed like everything that was centralized should have been dispersed, and everything that was dispersed should have been centralized.

So, I had 700 chapters, each of

whom had their own IT, their own payroll, their own financial systems, their own bank accounts, their own treasury, their own website. And we had centralized disaster response in D.C., which is completely nuts because the people in D.C. live 1,000 miles away from where the disaster is happening. And we centralized fundraising, so they weren't in the community.

So, we flipped this model by bringing all the back-office stuff, all of procurement -- and, by the way, Dan, we buy a lot of stuff off of your procurement schedule, and we love you --

(Laughter.)

MR. TANGHERLINI: Thank you. That's why I like coming to these meetings.

(Laughter.)

MEMBER McGOVERN: So, what we learned was at first people didn't want to let go, because, very similarly, they had control. They had control of their own P&L,

you know, in terms of producing a report. They had control of their own bank accounts.

And we had a learning platform, and I suppose in a lot of ways you all do, too. As soon as we were able to lay out the financial situation at the American Red Cross, people wanted to let go. They wanted to let go because they saw that we were hitting our own fiscal cliff.

Once they let go of that control and they realized that we were moving fundraising, disaster response, and anything mission-related into the communities, they loved it. Because no one signs up for a life of public service or a mission-driven organization because they like doing back-office operations. They're hanging onto it because they are fundamentally convinced they can do it better than anybody else.

As soon as you demonstrate -- I mean, the reason people are knocking on your door now is because you are demonstrating that you can actually do it better, more efficiently, and save people money -- they suddenly don't get their jollies hanging onto these functions anymore. They want to let them go.

So, my biggest piece of advice is demonstrate that it works, gain trust, overcommunicate. I mean, when you all tell the people in the field that this is going to be great, they are going to believe it is going to be great. If you say, "Oh, there's this edict where everybody has to do this," it is not going to be great. So, overcommunicate, demonstrate it works, and people will gladly let go of control.

Now space is the final frontier.

MR. TANGHERLINI: Isn't it, yes?

MEMBER McGOVERN: I mean, this is where people live. And they like those 300 square feet. But I have seen -- I don't know if you have ever seen Bloomberg's offices. I mean, there are just some really cool ways to make you feel like you're not in a box.

So, I would also just kind of show them the buildings that you have re-engineered and let them see those, because my guess is they are vibrant, more exciting, and a lot more conversation than everybody going in their cube and hanging onto their space.

MR. TANGHERLINI: We were joking that we should be part of the Smithsonian Museum because we have so many tours coming through now.

MEMBER McGOVERN: It's awesome. It's awesome.

CHAIR COBERT: Any other thoughts of what people have done around this sort of space?

MEMBER GILLILAND: Yes, just the one question that is posed in the presentation is around employees working remotely.

CHAIR COBERT: Yes.

MEMBER GILLILAND: And it can be pretty uncomfortable, I suppose, to let go and have people working outside of the office. I think the very obvious point there is that you really at the end of the day have to set very specific goals and objectives for them and just let go. You have to trust. And there may come a point where there is a serious discussion with an employee about how they have been performing versus what the expectation was.

I do think the communications part is really, really hard. How do you keep them in the loop on the topics of the day? It's pretty difficult.

So, we have experimented with a lot of different ways to communicate, but it is, back to Gail's point, you end up needing to overcommunicate, communicate even more frequently than you think should even be necessary.

And then, the last thing I think is important in terms of thinking about remote employees is picking those areas -- and this can seem unfair at times to the various employees -- but picking those areas where it really does make sense to have them working remotely, and where tremendous collaboration is really necessary it may be difficult to send them home to work.

MR. TANGHERLINI: I also think, though, it is not binary.

MEMBER GILLILAND: Yes, that's right.

MR. TANGHERLINI: I mean, I think that recognizing that this isn't a decision of saying whether the people are going to work in the office or not work in the office, the question is really, how do you give people the flexibility --

MEMBER GILLILAND: Right.

MR. TANGHERLINI: -- to be mature adults and members of the team, and decide when and where they can be most productive? How do you give them the tools to be productive wherever they are whenever they need to be?

We found that through our 100-percent telework agreements and pushing our systems to the Cloud, when people couldn't get to work, even though they wanted to after Hurricane Sandy, they found ways to get to work.

I have this great picture of one or our associates sitting in a Pep Boys with two folding chairs. She charmed her way onto their wifi, and she is sitting there working, helping other agencies get back into their flooded buildings. That is the kind of opportunity we are providing our employees who are really focused and dedicated on public service.

MS. MARIANI: Sam, to your point about letting -- I think, you know, Ed, we're like dogged about the space modernization, right? We want to do it. But it is the fear of letting go. I can't see you, so I don't know if you're out walking your dog or you're actually right working on the thing that's in front of me.

And so, our biggest lift has been -- and we are still struggling with this -- how do we help managers understand what managing remote employees looks like? And it really is focusing on the output and the productivity, but they don't really know what that looks like. So, maybe if I see you, I have a higher probability you're doing work than if I don't see you. But that has been the biggest lift.

And then, even on the employee side is, what does it mean? What are the systems and structures you should set up to be remote?

So, we had an employee say, "I can't do that because that file is at the office." Well, let's talk about what working remote really looks like and making sure you have all the tools and resources you need.

So, that changed management of just space and where you're located is definitely the biggest lift. And we walk them around GSA and other places and try to show them, but that's the big one.

MEMBER KINDLER: Can I add something to that?

This is kind of tactical, I admit, but I work with a lot of startup companies that are pretty virtual and have people all over the place. And I do think seeing people is important. Videoconferences on a regular basis, where you just make sure everybody -- because one of the things about videoconferences is you can't multitask the way you do on a telephone conference.

(Laughter.)

At least I can't.

And I find you do have to have eye contact with people periodically. So, these firms typically set up a weekly all-hands meeting, or whatever the group the person is working in. So, you actually do have to see their face or at least what they are wearing above what you -- (laughter) -- never mind.

But I do really think it's important that there be some regular human contact.

MR. TANGHERLINI: I agree.

MEMBER KINDLER: And to your point about being binary, you know, maybe you work at home a certain number of days, but you come to the office periodically. You set up a schedule whereby people actually have to come in and spend time with their team, so that they don't just vanish or are just a voice on the phone.

MR. TANGHERLINI: We have talked to a lot of startups and a lot of incubators, as we talk about how we -- you know, design is really important. One of the things we are finding, that the bigger managerial challenge, as technology makes it possible for people to do work anywhere, is how do you actually encourage them to come in? What is it about the space that, instead of it being your mandate you have to come to the office to do your work, what do you do to attract people to the office?

And we think having the good space, having collaborative environments, having a fun place to be is actually part of the attraction that drives people in, even if they have the option to go and work at home or from a coffee shop.

CHAIR COBERT: So, with that, I am going to, just again, play time cop. We can go deep on all these. And I am also going to pose a slight shift. I want to spend some time on SES development. That remains a priority of ours, and one, again, where you gave us a lot of help. I am going to let Katherine do that and try to get us through this piece, focus on some of our next range of questions.

I'll do the quick overview of the last two, so we can still get our break, because I don't want to cut short the time to focus on the specific case studies, and all the folks are here today anxiously awaiting their chance to get some quality input.

So, we will do yours, Katherine, and then, I'll do the "whiz-by". We'll take a break, and we will come back to the case studies.

MS. ARCHULETA: I am really excited to be able to be here today. It is my first meeting with the PMAB, and I just want to join Dan and Beth in thanking you for all the support that you have given. We have worked with several of the members here on the issue that we are talking about today, SES development. And so, I just want to thank you.

I also really want to build a little bit, as I go into the slides I have prepared for you, to talk a little bit about Dan's statement about the view of the federal government and the misconception -- and I'm always astounded about this, but even within my own family -- people believe that all the federal employees work here in D.C., that we are in these large white buildings and we're doing all the work right here. And indeed, we know that is absolutely not true, and that the vast majority, over 80 percent, of our employees are out in every state of this country.

And so, that is going to require us, as we look forward on the human resources side, as we take a look at dwindling resources, that we need to be very tech-savvy. We need to be tech-agile, as my friend Ellen has described. We need to be able to reach our employees wherever they are whenever we can.

And so, as we take a look at the training needs that I am going to talk about today, we have to think about that in terms of how do we reach as many employees as we can in the most cost-effective way.

So, those are really what I want to underscore as we move through the slides today. But I wanted to really give you an update on two areas that we are working on, within SES, the development and our performance management for the Senior Executive Service. I would like to give you, also, a quick summary of what we did in 2013, as well as some of the strategies that we have for moving forward in 2014.

So, as we look at the slides, you can see that the federal government did face some very extraordinary changes in 2013 that resulted in conditions for funding training to be reduced, and including on Senior

Executive Development.

So, we needed to look at some strategic opportunities to collaborate and to share enterprise Senior Executive Development solutions throughout federal government, and I wanted to be able to share some of those ways that we work to save money and to avoid duplication of efforts.

So, some of the examples that we used in shared enterprises was that we developed a federal executive briefing for the new career SES, and, actually, some of you helped with that as well as the collaboration on other efforts at training our Senior Executive Service. We worked with OPM. We worked with PMAB. And I think many of you actually were participants on our panels.

The other thing that we did was to take a look at what was already existent. We were able to work with, for example, the Department of Veterans Affairs in taking over one of their development programs. So, we are saving money by that way. We are using the infrastructure they had, but working very closely with them.

And also, making sure that, as we developed our training modules, that we looked at that tech-savvy, tech-agile workforce that we have today and making sure that, in fact, we are using online training as a solution for reaching the many, many employees across our country.

We have developed an HR University and we are continuing to expand that under the second term Management Agenda. That will enable us to use interagency techniques, experiences, and to expand our training and development. We will continue to do that and use technology as a way of building our training solutions.

The result of which is that issue that OMB continues to sort of help us with is how do we develop the training that we need at the least cost and the most effective way, and being able to share back with our colleagues across government about how they can continue to build the skills and experiences of their executives.

So, I want to talk a little bit about our development initiatives. We have an SES onboarding model that is actually a very exciting project for us. We worked with OMB and PPO. We actually asked a group of young executives to come in and talk to us about what their onboarding experiences were.

And they varied from "not so good" to "it could be better". So, we actually asked them to think about that over a period of time and come back to us, OPM, OMB, and PPO, and recommend to us how we might improve it.

And it was really exciting because they grasped onto this challenge in a way that really took me out of my comfort zone and put me in another place, and said, "You know, there's a different way to do this. We can make this more exciting, more valuable to any SES coming onboard," and that the skills that we have, the talents that we have need to be really built upon. But they also gave me an insight to how poorly we have done it in the past.

So, using these young people -- and, frankly, I think there were two or three older of us that were in the group -- they were able to really help us think about our SES onboarding model, the result of which is that we are going to adopt many of the recommendations, almost all of the recommendations that they brought to us. And we are going to use that as a training module, not only for them, but for their supervisors and the individuals they work with.

We are also developing a curriculum for leadership that really is looking at the 21st century senior executive life cycle. We want to be able to build their skills even as they come onboard and throughout their life cycle as a senior executive. We want to be sure that these individuals have the support they need to do the work that they have been assigned throughout government.

These solutions have to be enterprise-wide. So, as we think about what we can do, again, with the resources that we have, both human and financial, it is really taking a look at how technology can help us get that done.

One of the things that has been, I think, a question in my mind is really where are we headed with the workforce, where are we headed with our senior executives. How can we respond to what they need, but, also, how can we anticipate how that is going to change in the future?

So, one of the things I would

love to be able to talk to more of you about is really what is that workforce of the future and what should we be anticipating the needs. I tell my staff on a regular basis that, if I am thinking about what our workforce needs are right now, I'm not doing my job. I need to be thinking about what our workforce needs are going to be five years from now and building up to reach that.

And so, as we think about what you are doing in the private sector, I would love to expand those conversations about how do we think forward with this. How is government really anticipating what those needs are?

What I can tell you is that the types of jobs, the types of skills that we are going to need in the workforce is changing dramatically; that now our workforce, the needs that we have are mostly white-collar, but it still says that we need blue-collar workers.

When I look at applicant flow data, what I know is that IT skills are the No. 1 need across government. IT skills are the No. 1 need.

MEMBER SALEM: Not just in government.

(Laughter.)

MS. ARCHULETA: Okay.

MEMBER SALEM: That's one of your challenges though.

MS. ARCHULETA: Yes, I'm trying to steal them from you, and you won't let me.

MEMBER SALEM: No, you can have a lot of them.

(Laughter.)

But that is a real challenge, though, for everybody.

MS. ARCHULETA: He's exactly right.

MEMBER SALEM: So, it is not that

you're challenged with recruiting some of this talent; it is the same challenge that we are all facing because there is a very limited number of these very capable tech-savvy folks who know how to get things done.

MS. ARCHULETA: I also know, just to add onto that, that the next two areas of need in the government from my applicant flow data are nurses and physicians, which was really surprising to me. And then, the next are blue-collar workers.

So, when I take a look at what that need is right now and how do I project that into the future, that is what I have to be planning for. That is what I have to be planning on the recruiting side and, also, on the training side.

So, as we take a look at our SES development, I have really got to be thinking about not what we are doing right now, but what we need to do in the future. And that is why I think the conversations that we can have around our executive development are going to be so, so important to me.

The other piece that I would like to just quickly talk about -- because I know I am running out of time; I'm way past -- is, how do we evaluate this performance management by our SES? And you have helped us in supporting our work on the interagency design and the implementation of the common SES Performance Appraisal System, and thank you very much, because 90 percent of the departments and agencies across federal government are now using this SES Appraisal System. So, that is dramatic improvement.

And so, this common solution across agencies is successful because it has developed a diverse and an inclusive multisector collaboration. It has eliminated that duplication of efforts. It has provided us an opportunity to achieve tremendous efficiencies, cost savings and other economies of scale, while providing what we need across government; that is, clarity, consistency, equity, and transferability of the SES performance rating across the agencies.

So, I am really excited about that success. We obviously continue to work towards 100 percent, and we know that we have to untie some knots to get that done, but we are working at that.

I'm think I'm talking probably a little too fast. So, I am going to slow down a little bit because the question is really more important than the presentation.

We have so much to learn from the private sector. We have an opportunity in PMAB, I think, to sit back and say, okay, how do we address these needs? How do we sort of take a look at our workforce in a way that is future-oriented? Because that is the planning that we need, that I need as the Director of the Office of Personnel

Management, that support and your leadership. And I think probably you have the expertise, experience, and, in particular, the experience to help guide me as I take a look at those needs.

When I speak to a variety of organizations, including students, they wonder how we collaborate with the private sector and what we can learn from the private sector. What I am quick to point out is that we learn from each other, that both government and the private sector learn from one another. We have very unique characteristics, but there is always this common thread, and that is our personnel. And how we manage personnel really reflects on how successfully we not only hire, but how we train and develop our personnel.

And so, at the senior executive level and all levels of government, we are very dedicated to making sure that we keep the people that we hire, because the investment we make in recruiting an individual is so high that, if we don't do everything we can to keep that individual, it is a lost investment for us.

CHAIR COBERT: Questions, comments? There are so many places we could go with this one, I can't even express.

(Laughter.)

MR. MENDEZ: Okay. I just wanted to comment. In Transportation, though, we actually a couple of weeks ago had, with Secretary Fox, a little get-together, coffee with about 10 or 12 SESes. Some of the younger ones happen to have gone through the onboarding process, the initiative.

MS. ARCHULETA: Uh-hum.

MR. MENDEZ: A very, very articulate young man decided to come and visit with me on the onboarding process. Sounds very promising. I mean, he just couldn't say enough about what we need to do to move on with the next generation.

I think the challenge that I see is that we're transitioning to the emerging workforce, if you will. And a lot of the same folks that are going to help us get there are the SESes that have been in place for a long time.

And so, you get into some of the challenges, for example, with telework. It is not that they are bad people; they just have a certain view of the world, a certain experience, and it is hard for us to get them into, you know, what does the next generation look like. It is a cultural issue, I think.

And so, I guess one of the biggest challenges that I see, for those of us that are trying to establish the future, we haven't experience. And so, how do we kind of broaden our view of the world, so that we can actually look to the future? Because if we can't, it is going to inhibit how far we can go with that.

But the onboarding process, from what I heard, we are going to be working on that.

MS. ARCHULETA: Yes, we are extremely excited about that. I think we learned a lot from the young people who participated and, frankly, every member of that. They were very, very engaged in it and really, as I said, really good ideas for us to improve that process.

MR. MENDEZ: Yes, and I'm glad you brought in the young view, the young perspective, because they really are the future, and they really bring a different view of what they see the world is going to be like. Their expectations, their work style is totally different, and we need to be somehow accommodating to that.

MEMBER GILLILAND: Yes, just a question about the performance appraisal process. My recollection was it was going to take 18 months to two years to roll it out across agencies. So, I imagine it is still relatively new.

MS. ARCHULETA: Uh-hum.

MEMBER GILLILAND: But I am wondering if there are any early indicators about the use of the new system, the new performance appraisal system, as a means of differentiating performance. Meaning, we had heard that all of the appraisals were quite positive, historically; everybody got high ratings. And I'm curious as to whether the tool has been helpful in differentiating performance and providing motivation around career progression and development. Have you seen any early indicators of that?

MS. ARCHULETA: I can speak from my own organization, in that the appraisal system -- and I have been in government long enough to know that everybody got a great appraisal or it was traditional that people just got a great -- you know, everybody was doing extraordinary.

And now, with the new appraisal system, at least at OPM what we are finding is that the colleagues that are sitting and actually reviewing these appraisal systems are saying, "Really? Let's ask a few more questions."

So, asking those questions and really engaged in that conversation, it is no longer a checkmark; it is a discussion. And really taking a look, not only to the person who is getting the appraisal, but the person who is giving the appraisal is really a very important part of that. So that both sides of that know what is going on and, as managers, as directors, and department heads, we have an understanding of what we're asking our Executive Service to do, but, also, how are we viewing their performance. Because we have got to be sure that people are progressing, and the feedback that we can give within those systems is critical for that success.

CHAIR COBERT: Go ahead.

MS. HERBST: I think one of the steps we need to focus on next, we now have a common vocabulary and a common format. If we are to get back to one of the original goals of the Senior Executive Service, which is mobility, we have a Spanish prisoner's dilemma we have got to solve. And the only way we can solve it is if everybody moves together, which is to implement a more rigorous rating system, we have to do it across the board or else we will defeat one of our goals of being able to move people around. And I think that is something we need to talk about a little more, how we do this across all agencies.

MEMBER SALEM: So, that is a common issue. And so, what we had to do was kind of compare how we were rating individuals and have that conversation and have that happen frequently. Because we suffered from the same problem, a 21,000-

person organization, obviously, a much smaller scale. But we found very disparate measurement. And what it did create was a problem where it created inequities and it also made it hard to move people around.

So, then, what we did is we created, maybe to your point, some of these groups would get together and discuss here's what a 3 rating means; here's what that individual looks like. You know this individual. Here's what they have done and here's why they got that rating. Here's what a 4 looks like; here's what a 5 looks like.

And that conversation did over time create a better system.

MS. ARCHULETA: At OPM, our Associate Directors sit together and they look at these evaluations. And they have to account to one another about why they rated their executive this way.

And so, now they are responsible

for everybody. They are not just responsible for their office. It is easier for a smaller agency to do that. I understand the enormity of Homeland Security or Commerce or Transportation; it is often difficult to do that.

But my insistence was that you need to do that because we are all accountable to one another, and if we adhere to the SES model of being able to move a Senior Executive from office to office, we have got to be able to do that.

CHAIR COBERT: So, I am going to get my favorite role of the day, which is time cop. We can follow up after, partly because there's a couple of topics in here, improper payments, IT; we will come back to those. You can look through the materials. They will all be available. The IT will come out in the midst of the next conversation.

Let me propose we take a 10-

minute, not a 15-minute, break, a real 10 minutes. We will start promptly at 10:40.

There's facilities out in the hall and coffee, if you need some. You could have it out in the hall.

And we will come back promptly, start at 10:40. Lisa and Carolyn will take us through a quick intro, and then, we will delve into our case studies.

So, thank you.

Liz, I'm going to put you on mute, and I will turn you back on when we come back in.

MEMBER SMITH: Sounds good.

CHAIR COBERT: 10:40.

(Whereupon, the foregoing matter went off the record at 10:31 a.m. and went back on the record at 10:42 a.m.)

CHAIR COBERT: Thanks, folks. I think the one thing we have learned from that discussion is we could allow more time per topic.

But we are going to reassemble now and switch gears a little bit and talk about this focus area we have on customer service. I think the hardest role I will again have in this portion of the meeting is being time cop because any one of the areas we are going to talk about, both the specific case studies and the whole issue of customer service, is one that, frankly, could cover vast quantities of time and where we could benefit greatly from the input today.

So, with apologies, at some point we will cut each of the cases off. But, again, let me urge everybody, my PMAB colleagues, my PMC colleagues, the goal is conversation, not presentation. So, it would be great to benefit from things here, and I can also attest that we can find ways to follow up after because I'm sure there will be more ideas and suggestions. And in my mind, this is a start of a dialog around this, not the end.

So, with that, let me turn it over to Lisa and Carolyn, who have both graciously -- and we are very grateful, truly, to the two of them for taking the lead on our cross-agency priority goal around customer service. It is one of the core elements of the President's Management Agenda. It is something that the President and the Administration care about deeply, and we have made it a focus today because of its criticality, its importance, and the opportunity that we are trying to take from all aspects of our dialog, to learn more about this and hold ourselves to a really high bar.

So, with that, Carolyn and Lisa.

MS. DANZIG: Thanks, Beth.

So, the goal of the customer service goal is to create a better match between the customer expectations that Beth described earlier and the delivery of federal services and products and the ways the federal government interfaces citizens.

So, in a couple of years we would like to see tangible improvement in how we have better met customer expectations. So, Carolyn is going to talk more about the specific goal itself and what we're trying to achieve, and I am just going to give a little bit of context.

If you turn to slide 36 in your packets, you can see a set of questions that we have outlined in terms of where we would like to get your input.

The first two categories I think are broad, about how we establish a customer service culture, how do you think about continuous improvement and innovation and inculcate an organization with those kind of theories. And then, how do you think about measure and standards and trying to think about, as Dan put it, the scale and scope of the federal government in developing some principles or ways of doing this, and across a huge enterprise?

And then, we have three specific areas with case studies that Beth described. So, motivating the frontline and thinking about a dispersed workforce. We have Joe Salvator here who is going to talk about his experience leading TSA and managing 450 airports, 60,000 employees across TSA, and how you do that when people aren't sitting at desks and aren't in a place where you can communicate easily, and they have a very challenging job.

Leveraging digital solutions, Carolyn and Terri are going to speak about this in terms of the transition from field offices to online services. How do you get your customer base to make that transition? And she will get into that case study.

And then, managing customer service across partners and geographies, and

Eric Seleznow from the Department of Labor is here, manages 2500 job centers, lots of different challenges with job-seekers and job-employers in terms of how to make that match work.

So, if you turn the page, just a little bit of context. This isn't the first time, obviously, we are trying to address a major challenge like this. Previous Administrations have done this. We are building on work from those Administrations in the past.

And in this Administration in the first term, in April of 2011, we actually issued an Executive Order that I think developed a good foundation for this around customer service plans, identifying individuals within each agency who are responsible for customer service, and signature initiatives that really reflect the power of this.

So, for example, I was at HUD, as

Beth mentioned earlier. We developed a website called HUD Ideas in Action where customers could weigh-in on specific issues or questions that we would pose, and we could collect input in a pretty straightforward way. So, this initiative helped us identify some of those practices across different agencies that we are building now as we move forward on this goal.

And the last piece here is I think technology is fundamental to this. I think we will get into our Smarter IT goal, which supports this goal and really works in collaboration. But how do you leverage some of the benefits of technology to better serve customers?

So, Carolyn will talk a little bit about, then, the goal.

MS. COLVIN: Thank you, Beth -- I mean, I'm sorry -- Lisa.

I think that we are really

excited about the opportunity to work across agencies. I think that all of us within the agencies have had some individual successes. And I know that all of our customers are different. But I think that we can look at the best practices and look at some of the kinds of things that we may not have transitioned into our own organization.

The biggest challenge I think that all of the agencies will be experiencing is the volume of transactions that they have and the different types of customers that they have to deal with. For instance, in the Social Security Administration we have 62 million beneficiaries and another 157 million individuals that we keep earnings records on. And so, you have a lot of different generations. And how do you deal with the needs of the existing customers at the same time that you are planning for your future customers?

We are moving to different service area modes. How do you get some individuals to accept the fact that we do, in fact, have to change?

So, if you look at page 38, we talk about streamlining our transactions, the idea of how do we make it as simple as possible for the customer. How can we have an operation that will allow them to touch us once? They come in the door and you are able to finish the transaction from beginning to end.

How do you improve the quality of the people who are serving? Katherine talked about development. Well, the majority of the workforce in some of our organizations are seniors. They have been there for 20, 25, 30 years. So, you've got to still look at how you develop them and move them forward as you are looking at customer services and, then, looking at the disconnect between the youngsters who are coming in.

So, the first major challenge is going to be how do we move to online, because some of our own staff are not comfortable with the online services. And then, we also have to look at how do we scale-up our online presence to accommodate the customers who want to do business.

We have probably about 1200 offices in our operation around the country, and how do you ensure that you are going to have consistency there?

How do we have standards that we can, then, measure across government, so that we are all looking at the same metrics and being able to compare ourselves?

The most important thing I have found is that we all serve the same customers in many instances. And so, we want to have some uniformity and consistency across government.

I would like to limit my comments

because I really think that you are going to have a lot of good questions that will come out of the studies that you are going to hear about.

But if you look at the sheet there, I think the approaches that we are really focusing on are:

One, listening to our customers more consistently, looking at what type of feedback we get, and then, assuring that there are some lessons learned. Or whenever we have a customer who was unhappy, to really dissect that and determine why.

Collaborating across agencies to share best practices and lessons learned, providing a one-stop government experience, taking advantage of the data-sharing that we are doing across government.

And then, of course, seizing the flexibility and opportunity that technology offers.

As someone here said,

communicating, communicating, that our customers know when we are going to be making a change; our staff know why we're making a change.

And we probably have one thing that those of you from the private sector don't have to deal with, and that is, how do we also get Congress to accept the changes that we believe we need to make because of the shifting environment?

At this time, I think, do you want to introduce your panel?

MS. DANZIG: Sure. I would just note that there are three kind of different audiences here in terms of input.

One are these case studies. And if there is specific input that folks have and ideas, we obviously want to focus on that.

The second is all the agencies here, and I think, more broadly, we can apply some of these lessons to the agencies.

And then, for the two of us, thinking about this from a central government perspective and the broader customer service goal. And I think Enrique mentioned the points of leverage before, that from a central perspective, what we can do to support customer service across the government.

MS. COLVIN: And I think that even though you are going to see three different agencies presenting, you are going to see that we all have common issues and that is the advantage of coming together.

MS. DANZIG: So, with that, we will pass it to Terri Gruber, the Assistant Deputy Commissioner for Operations from Social Security Administration.

MS. GRUBER: Great. Well, good morning, everybody.

And thank you, Lisa, and thank you, Carolyn.

I'll apologize in advance. My

voice kind of took a weird turn over the evening. So, if you can hear me, all right, great.

Well, first of all, thank you and good morning to everybody. I am extraordinarily excited to have the opportunity to talk with all of you and gain insight from both the PMAB and the PMC.

We really want to talk a little bit about the journey that we are trying to take at Social Security, moving from what has largely been a community-based, field office service-delivery model to one that retains that, but also provides additional ways of doing business.

What the slide deck that you have in front of you -- you know, I won't go at length on any one particular slide, but it is really a more pictorial journey of sorts.

So, if you look at slide 2 -- and the slides that I am going to talk about are 40 through 47 -- so, if you look at slide

41, it really is meant just to kind of give you a visual depiction of the scope of work that we do at SSA.

We pay about $850 billion in benefits annually to about 65 million people each month. And we do it at a pretty good, or at least what we consider a pretty good administrative rate; about 1.4 percent of our benefit costs is what we use to administer the program.

Last year, just to get into terms of scope, we get about 43-45 million people coming through our doors to our 1200 field offices. We take about 70 million calls through our 1-800 number toll-free center.

But, then, if you kind of look at the bottom left part of the chart, what we talk about is this year, some of the advances we have made in terms of the numbers of claims that we get through an online service channel. About 50 percent of all of our claims now come in online. That includes our retirement and disability. And 70 percent of our Medicare claims, and a lot of people continue to work but file for Medicare, and they have really at high rates adopted our online service delivery option.

MEMBER SALEM: May I ask you a question?

MS. GRUBER: Yes?

MEMBER SALEM: So, you have a stat that says 43 million offices.

MS. GRUBER: Uh-hum.

MEMBER SALEM: So, what are the top two or three things that those people come into an office?

MS. GRUBER: I'll give you the top three things: claims, benefit verifications, and Social Security card business.

To kind of give you an idea, you know, people interact with Social Security virtually through multiple stages in their life, from birth, when we give you your

Social Security number, to death, when you pass away, and then, when you retire or if you become disabled.

A lot of people come for replacement cards, that sort of thing. So, I would say replacement cards, claims, and benefit verifications are high volume.

MS. COLVIN: And one of those I want to take out of the field office and put online; for instance, the verification of their benefit. There is no reason that they should come into the office, and we know that it has to be messaged.

So, one of the questions that I want to get reaction from those of you from the private sector would be, how do you get the population you serve to accept a new service or new channel? What type of messaging do you do around that? And then, we have, of course, the challenge of working with the advocates who will usually resist change.

MEMBER SMITH: Hey, Beth, it's Liz.

May I just ask if there is any way to move the microphone closer to the speakers? If not --

CHAIR COBERT: You know what? We can move the speaker closer to the microphone. Why don't we do that?

MEMBER SMITH: Okay.

CHAIR COBERT: Thank you, Liz.

MS. GRUBER: Great. Liz, is that better? Can you hear me better?

MEMBER SMITH: Much better.

MS. GRUBER: Okay. Wonderful.

Okay. You know, one of the things I think that we really see a unique opportunity right now is the convergence of several really dynamic factors. Our workloads are increasing, our staff is going down, but technology and, most importantly, the changing expectation of the customer and how they want to do business with us I would have to say is one of the key motivators. So, that is why we think this is such an important opportunity to look at the 70-year paradigm that we have had for delivering service and how do we evolve that.

The other thing is one of our goals is not only to expand the services that we offer online, but to change the way we engage the customer, to do it in a more robust and dynamic way. Not only do we want to look at changing how we engage the customer, but when we engage the customer.

One of our goals is to introduce Social Security early in life to individuals. And so, our primary strategy for that is through our use of our personalized portal called My Social Security. At the close of last year we had about 6 million people registered for that. This year, just last month, we surpassed the 11 million mark.

We think that that is an

opportunity to really, again, introduce people early in life, so that that becomes the way for many to do business with us, never having to visit one of our brick-and-mortar facilities, should they choose not to.

The next slide, which is slide 42, is kind of a cute, little depiction of how we want to transform our service delivery. Again, full-service is the way that our brick-and-mortar facilities provide service to individuals.

If you look in the middle column, which is called Transitional Service, what we see again is an opportunity to transition from a full-service model for those who don't need that, but to one that could be in some instances an assisted-service model through like a customer service station, which is depicted here.

As Carolyn had talked about, one of our objectives is looking at strategic partnerships with third parties and advocates where we have mutual customers, where we can take advantage of data-sharing across government. So that, again, customers aren't hopping on a bus to come to our office, to go to another state office, in order to get their service done.

And then, finally, the last picture there is really the self-service model which we are kind of looking at.

The next slide is really just an illustrative example of customer engagement from our standpoint. We administer both Social Security, one of the nation's largest entitlement programs, but also a program called Supplemental Security Income, which is a program for blind, disabled, and aged individuals with limited income and resources. Part of that program requires regular reporting of their own income, wages, and work.

We used to do that through a

telephone model, which, admittedly, was a little bit cumbersome. You know, some degrees of the reports were wrong. It was kind of hard to get through the voice recognition.

So, what we looked at and, then, heard is, you know, customers want to do business with us through mobile. And so, we tried this first transactional mobile application, and we have really been able to increase the numbers of successful wage reports through a little bit more user-friendly type of thing. But we want to do more of that.

The next slide --

MEMBER SALEM: Can I ask you a question?

MS. GRUBER: Yes.

MEMBER SALEM: So, as you go this year to 80,000, is what the slide says --

MS. GRUBER: Uh-hum.

MEMBER SALEM: What is the total

possible? So, what is the --

MS. GRUBER: That is a very good question. It is hard because -- it's a really good question. It's hard for me to specifically answer because not every SSI recipient works. We certainly do have -- I think we had last estimated somewhere between about 600 to 700 thousand in terms of population of SSI beneficiaries that have some level of work.

Whether that whole universe would be subject to this is part of the challenge I think that we have. Our rules are really complex, and because of the complexity, not everybody can avail themselves of the mobile application.

So, I do think that that is one of the challenges: how do we get to market sooner products that any of our beneficiaries or recipients can use?

CHAIR COBERT: The other piece is I think you have asked a couple of questions about metrics, which I love. I'm a data geek.

Turn my mic on.

So, anyway, I love the question. You have asked a couple of questions about metrics. And I think, to me, it is really helpful because it says, okay, once we know who's available, it is the same thing as the sourcing penetration question, right? If we know the available universe, that is how we can measure the progress we are making versus, if someone is just not accessible statutorily, you, then, can figure out where you are putting your effort and how much progress you're making.

So, it just become a critical element of what is my baseline. And so, what is my penetration of the achievable baseline, not of the potential, some of which is not achievable? So, really helpful, I think, for all of us as we think about what we're doing here. It's the relevant size of what we're doing within the big universe of things we're touching.

MS. GRUBER: Great. Thank you.

And the next two slides really just kind of give you, again, a visual depiction of some trendlines in terms of where we are seeing our online claims going, where we are seeing interest in our flagship application My Social Security.

And then, the slide that is entitled "Customer Engagement" is really about -- and we would really like your perspective and insight on how best to support a customer who is not in that traditional face-to-face model, but perhaps in video interaction with us or perhaps online, but they're stuck and they need just a little bit of help. And if we gave it to them, would they stay there kind of thing?

Then, the slide that's titled "Welcome to Go Online!" is about really how we leverage our workforce. We've got about

35,000 people in our field offices and in our teleservice or 1-800 number telephone network. They really are the key ambassadors for us in terms of engaging the public and introducing them to the online channel. So, they are really part of our strength, is to engage them in helping people understand all the options that they have.

But when you pivot to the last slide, which is the challenge slide, equally, maintaining an agile, adaptable, as Director Archuleta said, you know, a tech-agile workforce and retaining them, knowing that our employees will have very different expectations is a challenge for us.

One area that continues to be a challenge is how you manage in uncertain resource times. You know, we actually have done well, thanks to OMB and Congress, this year in terms of some of the budget we got or we received, but it is not necessarily one that is going to be sustained over time.

Improving time to market. So, one of the challenges I would say that we have had is, when we come up with an innovative service, a high-demand service that we think a young person would want to interact with SSA online, it takes us a while to get it up and running. Some of those are IT challenges, but a lot of it is around business process, some of the regulatory structures that we have that govern how we conduct our business.

Carolyn had referenced earlier another challenge is ensuring access for vulnerable populations. The online channel for many can be a channel of choice. For some, it is not something they can avail them to. So, how do we continue to provide the service across the spectrum without shutting folks out?

Combating fraud and protecting privacy. I think you gentleman and folks probably know better than anybody that challenge. Any new online product we have put on, you know, fraudsters target it and take a look.

And then, like I said, legislative and regulatory limitations. I will give you two examples.

We have regulatory limitations on when we can use video for certain types of interactions with the public. But, say, well, you have to do this face-to-face, but in some instance face-to-face is so narrowly defined that it doesn't encompass video. Yet, in others it does.

Some of our regulations require still wet signatures on some documents. Again, we have been able to overcome that largely in how we do our online retirement claims, but not everywhere.

So, those are just some of the challenges that --

MS. COLVIN: Terri, I think one

other challenge --

MS. GRUBER: Yes?

MS. COLVIN: -- that you probably should have listed here is the fact that a significant amount of workload is handled at the state level by state employees. And therefore, their systems are very different than the federal. And how do you ensure consistency and policy compliance and that kind of thing?

MS. GRUBER: That is exactly right. Our disability program is really a partnership between federal government and state, and not necessarily the interoperability we would look for.

CHAIR COBERT: There's a whole suite of agencies who have that. I see heads nodding across the room here.

(Laughter.)

We are going to talk about that a little more in Labor. But it is the ability to control that is a challenge; let's describe it that way.

MS. GRUBER: So, really is it, and would appreciate any questions, comments, or insights.

MEMBER McGOVERN: So, I have a comment. First, I am going to state the very obvious and, then, I am going to get a little hyperbolic on you.

(Laughter.)

So, in about 20 years from now, no one is going to want to walk into any of your offices and no one is going to want to call any of your 800 numbers. So, I know that is the obvious. I mean, you probably all have kids. They don't like communicating that way.

And so, knowing that is your end-state, and that is very much the end-state, then here's where I am going to get hyperbolic. I think you have got to start viewing any face-to-face interactions that any of you have or any call centers that you have as a failure. Your whole philosophy has to be humanless interactions.

And if people insist on walking into the office or if they insist on using the phone, every one of your agents needs to train that person each time on the luxury of what it is like using dotcom or a mobile device.

MS. COLVIN: That is an interesting observation, but our customers are not our problem. Some of the things that you just mentioned that I implemented, there were restrictions in my budget language that Congress put in that basically say you can't do those things.

And now, I'm getting ready to have hearings about additional things that I'm doing. I'm still doing them as long as the law allows me, but I also need some congressional support for my budget.

MEMBER McGOVERN: So, let me push back a little back because budget is, you know, that everybody has. And I do know that there is going to be legislation within now and the next 20 years that is going to loosen this up or else, you know, there's going to be a mutiny in your customer base.

MS. COLVIN: Right.

MEMBER McGOVERN: But I truly believe that a lot of people are using the phone and using your agents because your websites and your mobile devices aren't user-friendly enough.

So, if you look at the three reasons why people -- I'll go to the Social Security example -- if you look at the three reasons why people are walking into that office, my guess is that all three of them could be handled through a mobile app or through an online interaction. And if it's not the top three, then maybe the fourth or the fifth. And this is not only going to train your clients, but it is also going to train your workforce.

So, I'll give you an example of when I lived through this. So, when I was at Fidelity Investments, I had people that kept calling the phone to get stock quotes, and it was the darnedest thing. I mean, they could have gotten it faster if they got on our website. They could have gotten it faster if they got on our mobile apps. But they just kept calling and calling and calling.

So, we started taking these customers and putting them in a separate gate. And this part is counterintuitive, but we literally took our very best agents and had them patiently describe how they could get that information over and over again. And they wouldn't give them the quote. And some of these folks, say, they were on the 10th, 12th time, and it got so laborious for them that they stopped calling. And you know what? They kind of loved it after they weaned themselves off.

So, my suggestion is, again, I said it was hyperbolic, Carolyn, so I know you can't do this for every transaction, but I know there are a ton of them that could be humanless. And as counterintuitive as it is, people prefer humanless, even people my age. I really don't want to talk to anybody.

(Laughter.)

I just want to buy it online. I want to get customer service online. You know, I talk all day. I just want to go home and interact with my computer and my Smartphone.

(Laughter.)

CHAIR COBERT: Go ahead.

MEMBER SMITH: No, I had a similar thought as I was hearing. And I know from past work how very complicated it is to implement common-sense change because of the rules and regulations you guys are under. So, I kind of put that caveat right upfront.

But one of the things that struck me as you were talking, and in my dealings, is, you know, it is all about customer service, and what you are facing is about speed, pace, and urgency. And I do agree with Gail that you need to flip the equation internally as this is something we need to get to; whereas, if you were in the private sector and you have competition, you wouldn't have any choice, you know. Customer service is about assuming that you don't have a choice but to get to that end solution.

So, my question is, you know, when you talk about the speed to market of some of these technologies and how it takes forever, since you can't manufacture internal competition to kind of get that sense of urgency, is this stuff that could be outsourced by the private sector, so that you would at least get the speed-to-market source solved versus kind of the internal bureaucratic stuff?

And then, the second thing I wanted to get in -- and I apologize -- is that I have played around on your website, and I think you need to be best in class on that, and, you know, you're not and you recognize that. I think it is certainly good.

But, with all of these questions, the one thing that I found that was missing, that people learn, and how they learn much more so -- and we found this with a million Avon representatives -- which is the wisdom of the mob and having a community that self-corrects and answers each other. It is much more a way that this new generation that is increasingly people-learned and, you know, call into the agency; answer back; "Visit the website"; answer back.

And so, I wonder if you have considered sponsoring a community that can kind of self-correct and answer a lot of these questions. We found that it took about 80 percent of our workload away.

CHAIR COBERT: I know one telecom clients I worked with actually we did a little test, right? The answer was the website was better than actually their Q&A desk.

MEMBER SMITH: Big time. I mean, we had the situation where we have 6 million Avon representatives worldwide who were calling into the center or walking into the center. And the reality is that nobody answers your question better than somebody that is exactly like you sitting anywhere in the world who went through the same thing, and they can talk to you in your language and the nuances of how they solved it.

I can't tell you how much people prefer learning from the wisdom of the mob in terms of your customers rather than, as Gail said, interacting and calling you guys.

And so, I would strongly encourage you to seek out ways to set up a Social Security user community where they can help each other solve their problems because I think you will see your incoming calls reduced dramatically.

CHAIR COBERT: Very helpful.

Sarah, Chris, Carolyn.

MS. BLOOM RASKIN: So, very quickly, and I am now speaking from the perspective of the IRS, and thinking the extent to which we can take some of this very good sort of modeling that is going on with Social Security sort of to heart at the IRS.

And I want to say there is one thing, though, we do really have to tackle, and that is the use of online communication for Social Security Numbers. I think that that is something that is different about what we are doing versus maybe the Avon representative. We have to figure out better how we can get people comfortable sharing their Social Security Numbers online.

MEMBER SMITH: Although I would punch back and say no one likes to put their credit card data online, either.

MS. BLOOM RASKIN: That's right. That's right. But, again, we certainly don't want to open ourselves up to data breaches, to instances of that.

So, I think we want to think that through very carefully because, while there are huge benefits and possibilities here in terms of the online relationship, in terms of getting refunds, knowing the status of where your tax return stands, and these are all just things that we want to aim for, we also have to figure out how to get people comfortable turning over their Social Security Numbers.

CHAIR COBERT: Yes. Chris?

MR. LU: I think one thing that

we could use some help from the corporate folks here is just help on websites and what the public-facing aspect of our agencies is. Until very recently, I think it is fair to say the Department of Labor had one of the clunkier websites in the federal government.

And it is we were trying to be all things to all people. We were trying to put out news releases. We were trying to put out statistical releases. We were trying to help people find jobs. We were trying to help you report an OSHA violation. So, everything was on the home page, and it was so clunky that, when I asked people, "How do you find anything on our website?", they say they Google our website and, then, that's how.

(Laughter.)

And so, I think this is part of the problem. I think that most federal agencies -- our website is controlled by our Public Affairs people because that is the outward-facing here's what the Secretary is doing; here's the message we are putting forth.

The customer service people don't, I mean, they play a role, but they don't play the prominent role. And I think how you figure out when you have got a big government agency that is a holding company for a lot of different interests and you are trying to serve different constituencies, how do you make it customer-friendly?

Because I agree with Gail, I don't really want to talk to anybody. If I can solve my problem online, I want to solve it online. If I go through the Department of Labor website right now, I can't do that.

CHAIR COBERT: I am going to play time cop again. If we could just keep going? I want to come back, and we are keeping track of a couple of these things because I think there will be some specific followups we can do, this how do you use a user community to provide assistance.

And as I heard you guys say, go to the workforce, right, how they can help them get their own jobs done, help migrate people, as well as to users. I think those are two distinct questions.

But, in the spirit of giving everybody their fair shot, Lisa, who is on deck next?

MS. DANZIG: Joe Salvator from TSA, who manages these 450 airports and will talk about the challenges of a dispersed workforce.

CHAIR COBERT: And, Joe, we are going to actually just ask you to flip chairs, just because you're a little closer to the phone here. So, give us a second while Joe walks his way around the room.

MEMBER SMITH: Thank you, guys. I'm sorry for the inconvenience.

CHAIR COBERT: No, we are so happy that you are able to join us this way, and it is actually not much inconvenience. It is about a 20-foot walk. So, it's okay.

(Laughter.)

MR. SALVATOR: And my voice is my voice.

So, good afternoon. I'm honored to be here, glad to be here, anxiously waiting to get some feedback.

MEMBER SALEM: I love free.

MR. SALVATOR: Can we start there?

MEMBER SALEM: Yes.

(Laughter.)

So, I am TSA, and I'm responsible for TSA operations, as Lisa said. We are about 450 airports, roughly about 60,000 employees.

It's great to hear the comments about -- most of our employees are in the field. They're not in D.C. So, that is a little bit of a challenge.

I'm the guy in charge of the

operations. So, a lot of times I'm the butt of the late-night jokes. I get the criticism. I look at Twitter every day. I get the Facebook feeds or all those feeds. We pay attention to it, and we're not ignoring it. We do have a tough problem in TSA. So, that is why I'm glad to be here.

I wanted to talk a little about some of the Custom Service initiatives we have undertaken in TSA, and then, I wanted to highlight some of the challenges that remain in TSA and solicit your feedback, because we certainly have challenges.

Just a little bit of scope on TSA. We screen, physically screen, about 1.8 million people a day, and most of them are Americans. So, when you talk about being a face and humanless interaction, we're actually touching 1.8 million people, the majority Americans, going through their bag, going through their carry-on, going through their checked bag, a day, right?

And those bags, about 1.2 million checked bags, 3 million carry-on bags a day.

So, we are a face organization, not necessarily a website, not necessarily a phone number. We are somewhat the face of the federal government I feel often, and we have challenges with that.

So, on the next slide what I did want to talk about was pre-check. So, TSA, for those that don't know, TSA stood up immediately after 9/11 to prevent another 9/11 from happening. We stood up very quickly. We had a zero-defect mentality. We were not about to let another 9/11 happen.

And basically, I'll be candid, we treated everybody like a terrorist. We have since moved back from that approach and are taking much more of a risk-based, intelligence-driven approach. And that's why you're seeing some of the programs like pre-check and others.

And we are really, in the past 12 to 24 months, are changing the way we do screening at airports. And if you don't know, whether you like TSA or not, we are pretty much the gold standard worldwide. Many countries emulate to our system. And as we change here in America, I think you are going to see the world change in how they screen traveling passengers.

And what we're doing is we have been in the business now long enough, 12 years, to realize not everybody is a terrorist, and we need to make some risk-based decisions. And we are.

We are screening youth differently, if they are 12 and under. We are screening 75 and older differently than we used to. We are screening active-duty military and other trusted populations such as pre-check, and we are screening them differently.

It is going pretty well. I get a

lot of positive comments, like I got from you, because some of the benefits in being in the pre-check or one of these populations is you can keep your jacket on. You may not have to take your shoes off. You can keep your liquids in your bag. You can keep your laptops in your bag.

And I'll be honest with you, our goal is every person goes through screening in that manner. We do need some technology to help us along the way.

I will also say what is challenging is I receive an intelligence brief every day, and I'm amazed on almost every terrorist organization that would like to do something to the West and America for some reason is focused on aviation. So, a lot of times the public may not understand the threat that we're faced with, but we are faced with a threat in aviation, and it is of grave concern.

And it is a difficult threat, and

the terrorist organizations that cause and do us harm, they're pretty smart. They understand our technology. They understand our processes. And nine times out of ten, when the FBI or others infiltrate a plot, the plot is concerning to us because it goes right at vulnerabilities.

So, we have in TSA the challenge of security, not letting another 9/11 happen, and customer service. And because we stood up so quickly in a 9/11 environment, customer service took a hit and security was paramount. We are now trying to find that balance as we move along, as well we cannot have another 9/11.

So, those are some of the background on TSA.

What we have done customer-service-wise, I will say we have an app, and it was voted by somebody as a very good app. We do have a contact center. We do have a phone number. But I do take your point on humanless. We do have a website.

But we also have what we call TSA Cares, and this is for people who are disabled or have mental disabilities to call to the airport ahead of time. And we will assign a person to them to bring them through the checkpoint. And it is working well. We do it with people with disabilities and we do it with Wounded Warriors.

And I have somewhere the number of calls, but we're getting a lot of calls, a lot of positive feedback. And each time we have one perception change at a time is progress for us.

We coordinate them through security, any medical condition, disability, or, as I said, special need.

Our contact center, we get a million calls, but our contact center is very self-service. So, we have 11 different languages. So, almost 48 percent of the inquiries get handled without talking to a person through one of our 11 different language self-service centers.

Now my challenges. I do want to spend more time on this.

I think the biggest one we have in TSA, and will remain, is security/service. I can make any airport look like Fort Knox, and I'll assure that nothing will happen. But I can't affect commerce, the movement of people and goods. So, it is that balance that we have to strike. Very challenging.

The other thing is some of the things I have heard today about the workforce. My workforce is not in D.C. In fact, they don't sit in front of a computer. They're probably more like Avon. The requirement to be a screener at an airport is a GED. So, I have roughly 48,000 people GED or higher, no computers, no BlackBerrys. They clock in, they go to the checkpoint, they run like mad, especially in peak travel times. It is very difficult to communicate with that workforce, very difficult to get standard applications.

Different cultures in different parts of the U.S. For example, I use this a lot. A gun comes into an airport in Dallas, that's one thing, versus a gun going into the airport at JFK. Two different cultures on how we respond and the level of excitement that those get.

(Laughter.)

In Dallas, in Texas, no big problem; go back to your car and lock it up. When you come back, we will make sure you get through. In New York, I get a different response.

(Laughter.)

So, the problem that I have is inconsistencies. And I would venture to say the American people, their biggest heartburn with TSA is inconsistencies.

So, the hard part there, too, is one of the best security apparatuses in my environment is random and unpredictable, and that is one of the worst customer service attributes.

MEMBER SALEM: You can't change that, though. I read that in your brief. That, unfortunately, because you have said -- I ran the largest security company in the world. So, at the end of the day, when you deal with a malicious attacker, you have to -- unfortunately, there is going to be some inconveniences.

And so, this random search that you do, you're going to have to keep doing it.

MR. SALVATOR: Right.

MEMBER SALEM: There's no way around that. I would love to tell you there is, but having studied this problem, there is not a way around it.

MR. SALVATOR: But it frustrates

the American people.

MEMBER SALEM: It does.

MR. SALVATOR: Because they want consistency.

MEMBER SALEM: Yes. Yes, but there are certain things that they have to get over. Security is important. So, at some point they've just got to get over it.

When I say that, that sounds very non-customer-centric, but --

MEMBER SMITH: No, but it is true. I mean, we have all been in situations where someone is complaining, you know, in line. And your reaction is, well, you know, in the TSA line, give me a break; do you want the repeat? I mean, you're not going to be able to please everyone.

MEMBER GILLILAND: Yes, and I think all frequent flyers understand the randomness and the random checks. And sometimes you'll go through pre-check and they will check your hands and they will check other things.

On the other hand, I think -- and this kind of gets to some of the -- and I think it is innovation, that you're trying new things, and that's good. But in pre-check this is what I think you refer to as "managed inclusion" where you will take some people out of the main lines, throw them into the pre-check line. They've never been to an airport before. And you're standing behind 20 people.

MR. SALVATOR: Right.

MEMBER GILLILAND: You know, and you had one expectation. You knew there was going to be random checks, but you didn't know there were going to be 20 people in front of you in line that had never been to the airport before.

MR. SALVATOR: That don't know what they're doing.

MEMBER GILLILAND: Yes, that don't know what they're doing.

MR. SALVATOR: And slow-up the process.

MEMBER GILLILAND: So, I think managed inclusion is something where there is a level of predictability that is expected, particularly from people in pre-check that are very experienced in most cases with flying and going through security.

And then, as you begin to charge for pre-check --

MR. SALVATOR: Right.

MEMBER GILLILAND: -- I think that is another aspect of what you're going to need to be concerned about going forward, is making sure that there is at least some level of predictability.

Some of the predictability for me is I know there is going to be a random check every now and again when I go through. I get that.

MR. SALVATOR: Yes. Right.

MEMBER KINDLER: Joe, I just wanted to make a comment and a question. First of all, I think you guys provide extraordinary customer service.

MR. SALVATOR: Thank you.

MEMBER KINDLER: And like everybody here, I fly all over the country, and I have been amazed at the people and how polite and considerate and thoughtful.

MEMBER SMITH: I agree.

MEMBER KINDLER: And I just think it is really extraordinary.

And on this best practices thing we were talking about earlier, Beth, I don't know if you could take a few sentences. But I have to believe that whatever you did, because four or five years ago that wasn't true, and whatever you did to get your workforce to have those qualities, you know, as in Liz's business and in my old days at McDonald's, you know, it was very challenging to get people to have both the skills they need to do the job right and be as good at customer service as these people are.

And I am wondering if there are some things that aren't worth other people in the government hearing about.

MR. SALVATOR: Yes. We focused a lot on conduct. I mean, we did soft skills, and then, we focused on conduct.

You know, we have some conduct issues with a workforce that size. And one of the things that, when I was talking about the issues, they said, "Well, there is a Management Directive that's 35 pages that talks about their conduct."

I said, "Do you think" -- remember, my employees don't have access to a computer. So, when we put out an HR policy that is 35 pages, yes, we have that policy; nobody really knows what it is.

So, the conduct, and I blow conduct into like 10 things like: don't lie; don't cheat; don't steal; treat others respectfully. And it's very simple 10 things, and put it on a card, and made the supervisors accountable to give the conduct training to the employees. And it started with me giving it to my direct-reports and all the way down to the officers.

So, I think focusing on the conduct is helping. And then, we did do focus efforts on soft skills and customer service skills.

MEMBER KINDLER: Do you have a lot of attrition?

MR. SALVATOR: It's about 8 percent.

MEMBER KINDLER: That's really good.

MR. SALVATOR: It's 8 percent for full-time, and we're about a 20-percent part-time force. And our part-time attrition is a little bit higher, I think around 12 percent, maybe higher.

MEMBER SALEM: One of the things that is important -- I'm sorry -- one of the things that is important, and I think you touched on it, was, you know, we are going to do these random checks. But when you don't have the same service available at each airport, I think that creates inconsistency, which makes people frustrated.

MR. SALVATOR: It does.

MEMBER SALEM: So, consistency is really important. I think you touched on it. And the question is, what are the barriers to consistency as far as the same services being available at different airports?

MR. SALVATOR: So, a couple of barriers on that is it's not efficient at some of the airports. Some of the airports who don't do large volume or don't have the air carriers who are working with us on the pre-check, for example, it's not efficient for us to staff a pre-check lane when you don't have enough people going through the pre-check. That was to some extent some of the reason for managed inclusion.

MEMBER SALEM: The point is consistency, and I don't want to focus on the specific of why you can't do it in an airport. But consistency in how people interact or what they do --

MR. SALVATOR: Yes.

MEMBER SALEM: -- is what is important.

MR. SALVATOR: So, I think this is probably one of the areas I need the biggest help on, is it's communication. And it is how do I get that consistency in 60,000 in 450 airports to say, "Do it this way, not this way."?

We have chosen a climate of what we call SOPs, Standard Operating Procedures. And I honestly hate them, and I think it is driving our inconsistency. I have 26 different ones, 1500 pages that go through my attorneys before they get to my workforce. And I don't understand what we end up telling them in our SOPs.

So, if there is a better way to tell an employee, "Go through a bag and look for a bomb this way versus this way," and not have it in a written SOP, I'm all ears. We have experimented with video, but we're struggling. And I think that is driving our inconsistency.

MEMBER SMITH: Can you explain that? I saw that in the pre-read. Can you explain what the challenges you have with video, just so I understand?

MR. SALVATOR: Well, where a lot of our folks work in the airports, there is not wifi; there is not plugs. You know, some of them are in the bag rooms where I don't have heat and AC. So, the infrastructure, I have infrastructure problems to deliver a video presentation to where most of my workforce is.

MEMBER SALEM: You're saying from a training perspective?

MR. SALVATOR: From a training perspective.

MEMBER SMITH: Okay.

MR. SALVATOR: And troubling inconsistency.

MEMBER SMITH: You don't send home DVDs or anything like that or deliver content on the web?

MR. SALVATOR: We do, but they would have to do it on their personal computer on their personal time for the most part.

MEMBER SALEM: Can we talk about one of your challenges? You talked about managing social media. I mean, there's a lot of best practices now that are emerging on, one, how to use specific technologies to kind of consolidate that feedback from social media, and there's lots of technologies out there that we can discuss.

The second thing is making it really visible to everybody in your organization. So, what I have seen some folks do is take that content that is coming in, aggregate it, and as it is happening make sure that the leadership teams are seeing what is the feedback that is coming in on social media, so that it is very, very visible.

And so, first, the technology to aggregate it. Second, the technology to make it visible. And then, third, the technology or process to respond.

MR. SALVATOR: Right. So, I can tell you like I had 78-percent positive Tweets in the last two weeks.

MEMBER SALEM: Yes.

MR. SALVATOR: And I failed to mention, but I have my Public Affairs who is has a challenging and opportunistic job.

(Laughter.)

David Castelveter is here, and he helps with that.

But the one thing on that is, as I said, we screen 1.8 million. If one event goes awry, it ends up on YouTube, Twitter; it damages our day,.

MEMBER SALEM: Sure.

MR. SALVATOR: Now 1.7999 million may have gone very well, but one, patting down a two-year-old or somebody with disabilities --

MEMBER SALEM: So, that is this kind of thing that you have to, then, aggregate and see if there is a consistent theme that is causing the negative feedback. And if you can deal with it, because you're not creating a new security issue, then that's one thing. If you can't deal with it because of the different issues you're dealing with -- so, what you want to find is the patterns in that.

You know, we had a business that

had 200 million consumers, and some people had trouble installing our software. What we tried to do was find the root cause of when there was a pattern of why it happened. And so, the question is, when there is a pattern of negative feedback, what can you do to address it? What are the patterns in those Tweets, I guess is what I am looking for, that are negative?

MEMBER McGOVERN: You know, Joe, you're always going to have a rogue weird incident. You are. You can't control a workforce that big. I think it is fabulous that you agonize over each one of those, and you are in a job similar to mine, which is the press isn't going to find it interesting that it was a perfect day and nothing happened.

(Laughter.)

You know, the press wants to find the thing you're doing wrong because that's what makes an interesting story.

So, a lot of it is playing Whac-A-Mole. Every single time --

MR. SALVATOR: Yes, that's a very good analogy.

MEMBER McGOVERN: -- someone pats down a two-year-old, you know, you just have to keep reminding people we don't pat down two-year-olds.

But, at the end of the day, I mean, you heard from a bunch of frequent travelers here that the service is pretty outrageous.

CHAIR COBERT: Outrageous?

MEMBER McGOVERN: In a positive way.

And I really believe that, if you ask the random traveler, "Do you actually mind that they're doing all this?", they're going to say no. Because we know that, even though we don't read about it, they're keeping us safe.

And it is those little sound

bites that, if you just tell your agents say, "Good morning" when somebody comes through, and they're doing it, that is going to go a much longer way than, you know, the whacky rogue incident.

MR. SALVATOR: Right.

MEMBER McGOVERN: As Enrique said, there's lots of tools to look at this. It sounds like you're looking at them. But, you know, human nature is we always look for the one bad one in the sea of great response. And I would just remind you to --

MR. SALVATOR: Some of it is marketing --

MEMBER SMITH: Yes.

MR. SALVATOR: -- which we're not that good at. Inherently, the government is not --

MEMBER SMITH: If I can make a suggestion, because I work in an industry where, frankly, you know, every other day there is a report on something that someone is doing in a restaurant, whether they're writing something inappropriate on a check or whether somebody is spitting in food. I mean, we're the darlings of YouTube.

And the reality is exactly what you said, which is 99.9 percent of the people do a great job. And you are never going to be able, even with data analytics, to pinpoint and stop, as Gail said, rogue behavior.

It is all about your communication strategy and your marketing strategy. So, resources spent -- you've got to train people; you've got to equip people, but there's not a chance you're going to be able to stop your workforce, because we have 100,000 employees. I can't make sure everybody at every point in the day is doing what they're supposed to be doing. You just need to set a culture of good intent and training, and then, you need to focus on communication and marketing.

And I find that the most effective tool is to say, you know what? Address it head-on, be transparent, and talk about the 99.999 things that do go well.

But, you know, that is where we focused our attention versus thinking that we can root out the person that wants to put their experience on YouTube with a server that was maybe inappropriate or served someone underage, whatever. You just can't, with that type of distribution, you can't control it. So, you need to focus-in on training and communications and marketing.

MEMBER GILLILAND: The one thing I would add -- and I think all of us have commented on this positive trendline and our anecdotal experiences over the last five years -- the one thing, though, that I would add, I think there are opportunities. You know, the old adage is, if you have been to one airport, you've been to one airport.

(Laughter.)

So, they're all different.

MR. SALVATOR: True. It's true.

MEMBER GILLILAND: It's a different experience, different infrastructure, layout, people that are managing, and all those types of things.

But I do think that there are some airports where I will go through the process and I'll say, "Wow, those people are different. They are fantastic." And so, there is variation of good and great and excellent as you go through the various airports.

And I do think publishing performance data and even feedback on the various airports -- and again, they are not like-for-like airports. But I have a sense for the volume at this airport is the same as the volume at this airport, and yet, the experience is different.

And I think if there is some benchmarking, if there is transparency around the data that you make available to the traveling public, it can be both a marketing tool and, also, a benchmarking tool, and you can go to XYZ Airport and say, "What's different here that we can emulate at this other like-sized airport?"

MR. SALVATOR: I agree, and we do pay a lot of attention to wait times, which is something that is a big issue for us --

MEMBER GILLILAND: Right.

MR. SALVATOR: -- and a big metric.

MEMBER GILLILAND: Right.

MR. SALVATOR: And we do pay attention to it. And we have improved; like 98 percent wait less than 20 minutes in America.

MEMBER GILLILAND: Uh-hum.

MR. SALVATOR: Ninety-eight percent.

MS. MARIANI: Sam brought up a question for me, which is, do you think about reward-and-recognition programs that highlight airports that are doing outstanding jobs against those benchmarks?

MR. SALVATOR: Yes, I mean, we do. We have like Airport of the Year. We have Team of the Year.

We, actually, with our workforce do a fairly pretty good job with pay for performance. We have improved on that and doing a cash payout at the end of the year for those who scored a 4 or higher. We are actually pretty good on the pay-for-performance thing for the type of workforce we have.

CHAIR COBERT: I think the broad question, which we may want to come back to in some followup, about not just creating the benchmarks at a granular level. Because I think this issue applies to actually many places across the federal government where we have decentralized similar operations, right? Airports are one, but we'll come back to this, but there are many things that happen this way.

And not just how you measure it, but it would be great for us to have a longer conversation about how one really operationalizes not just the benchmarking, but the followup to the benchmarking. How do you connect the good performers with the weaker performers in the spirit of them learning? How do you create an obligation and the mindset among the folks who are leading to actually get them excited about sharing those practices? Most people, in general, like to talk about the good jobs they're doing.

MR. SALVATOR: Right.

CHAIR COBERT: But I think that may be something -- and I'm looking across at my colleagues here -- where we may want to come back to folks around that in terms of decentralized workers. I think that is actually a big opportunity across the government.

This is one place, in particular, you have the advantage of actually having good metrics, relatively good metrics --

MR. SALVATOR: We do have good metrics.

CHAIR COBERT: -- to start with compared to others.

But the process here I think can be very helpful in comparing things. We are starting to do this.

Katherine is not here, but using the Federal Employee Viewpoint Survey, which you now can get down to, I think it's 13,000 or 18,000 discrete units, that's one place. But this whole process of using that, creating the right peer groups, and doing feedback loops may be something we want to come back to this group on because I think it goes back to the question at the beginning of how we spread best practices.

You actually have a big advantage

because you have actually got data.

MR. SALVATOR: I do.

CHAIR COBERT: And you are a step ahead. You've got data that you use and you track. So, you are actually steps ahead of other places. But I think there is still more we can all try and learn from that process.

MEMBER SALEM: The one comment I would add is an important thing to what you were just saying, Beth, is this notion of a customer loyalty or customer satisfaction champion that is with all the different operating units. So that there is somebody who is kind of trying to learn the best practices from other places, either in the government, other agencies or other airports, and then, is that kind of advocate-onsite for it.

So, just think about this concept of a champion for satisfaction or loyalty, and we should talk about how that gets implemented.

CHAIR COBERT: Yes.

MEMBER SALEM: Because I have seen that work incredibly well.

MEMBER McGOVERN: Yes, the other thing is, there has been all kinds of research that definitively proves that "employee sat" is a leading indicator for "customer sat". So, your attrition rate being low is an indicator that your employees are happy, and that is why your service is better.

So, there is a lesson to be learned there. You're measuring, you're rewarding, and people are happy. And therefore, your customers are happy.

CHAIR COBERT: So, I am going to play time cop again. I think one of the other things we can probably follow up on as well is this question about distributing content and training to a workforce without a desk and an office, right?

MR. SALVATOR: Yes.

CHAIR COBERT: And we may think about some ways to follow up on that. I think Liz probably has some ideas on that potentially, just given the folks in your restaurants --

MEMBER SMITH: Yes.

CHAIR COBERT: -- also come in. They work really hard, and then, they leave, right, and they don't have desks and offices.

MEMBER SMITH: So, we have the exact same issue, yes. I'm happy to go offline with him and share. We struggle with the same thing.

CHAIR COBERT: Yes, and I think that is great.

So, thank you.

We're going to just do the flip and just move chairs again, and go to our last example.

MS. DANZIG: So, Eric Seleznow is

the Acting Assistant Secretary for the Department of Labor and oversees the 2500 job centers, and will continue the challenging cases.

MR. SELEZNOW: Good afternoon.

I hope to test some of Gail's earlier comments here and get that input. You know, this is a fascinating conversation, and I really look forward to being here.

Good afternoon.

Eric Seleznow, Department of Labor.

I guess it's "good morning," almost afternoon.

And had I had the benefit of this conversation earlier, I might have done a different presentation for this.

CHAIR COBERT: You can just adapt what you've got.

MR. SELEZNOW: So, I am just going to talk you through it, and I hope I do as well as Joe did. That was a fabulous presentation, Joe. It was great, very helpful for me and what we do.

So, I am going to introduce a couple of my colleagues. Andy Ridgeway and Larry Burns are over there, and they work with this customer service issue every day across the country. So, they may jump in to help me if there is a question I can't answer.

So, we're the United States Department of Labor. We're a Division called the Employment Training Administration. We oversee Unemployment Insurance -- I think you've heard of that -- our Job Corps Program, the Nation's Apprenticeship System, and our Workforce Investment Act Programs.

And one of the programs I want to talk to you about today is our Workforce Investment Act Program, passed in Congress in '98, implemented in 2000. That provides

$3.4 billion a year to states and locals to implement the nation's workforce development system, which includes job training. It is often called a "job training system," but only 13 to 15 percent of our people actually get job training that we pay for where they go to a community college or something.

You know, the good news is part of the President's Opportunity Agenda, skills and a trained and skilled workforce is a very big part of that, and opportunity to people, education and training, to move up on the economic ladder.

Some other just background facts: you know, 63-70 percent of the jobs between now and 2020 will require more than a high school diploma, right, some postsecondary, something. I was surprised that you use the GED minimum requirement. I am sure much of your folks probably have more than that. But, for most jobs, there's something beyond a high school diploma that is needed, whether it is a three-month training or certification, a pharmacy technician credential, a nursing assistant credential, a nursing degree, something for most jobs.

And many of those jobs are middle-skills jobs. They don't require four-year degrees or even two-year degrees, but some sort of credential or certification.

So, we operate a system called American Job Centers. They were originally called One-Stop Employment Centers, but they went by different names all over the country. In Pennsylvania they were Career Link. In Virginia, they were Skill Source Centers. In Maryland, they were One-Stop Centers. In California, they were named something else. Even within states, some of those centers were like that.

They are often described, The New York Times described them as "the emergency rooms of the recession". And so, imagine you worked in the financial services industry in New Jersey and you have done that your entire career. You're 55 years old. And during the recession you get laid off. You're highly-educated; you're highly-skilled; you've been unemployed for two-and-a-half or three years. You're eating into your kids' college funds. You're pulling out money from your 401(k)s, and you can't get a job because people tell you you don't have the experience or they think you're too expensive and they don't want to hire you.

Imagine you're a veteran transitioning out of the military. We get 1.5 million people a year come in our centers all across the country who are transitioning veterans looking for employment.

Perhaps you're an ex-offender getting out of prison or jail. You know, there's 700,000 prisoners who get out of prisons every year, but there's 10 million that go in and out of county jails every year. They're going to come out; they're going to be looking for jobs.

You could be a mom that has been working in the mall at a dollar store, not "The Dollar Store," but a dollar store. Maybe you have been a manager, and maybe there are some corporate closings and they downsized, and now you have a layoff letter in your hand. Or maybe you were at the factory for a mass layoff with a warn notice or corporate restructuring. Your plant was closed, and after 20 years at a manufacturing plant, you're out of work.

During the recession, people voted with their feet. We had a 150 percent increase in people walking in physically to One-Stop Centers.

We serve both employers and job-seekers. So, that's sort of a challenge, the dual customer service. Mostly, we are a counseling-oriented business. People come through the front door. They see a greeter. They get triaged to a particular service. What is common among them is they all want a job. Their pathway to that job is they may need to get their high school diploma. They may need to get a postsecondary credential. They may need bus passes. They may need childcare. They may need some other activity or service.

So, we have a network for these 2532 employment centers across the country. Back in the day, you may have known them as Unemployment Offices. That changed 15 years ago, and so, they are now called these American Job Centers, which, by the way, were rebranded by the President a couple of years ago because they were called different things in different states. So, the Department of Labor now refers to them as American Job Centers, and they are proud partners in the American Job Center Network.

So, some of the issues that came

up here today were very interesting. Employers all over the country tell us, and they tell Secretary Perez -- and, by the way, customer service is at his core; serving people is at his core, and so, this is a very important value to him and us. But many employers will tell us, "I just can't find the people that we need." "We just can't find the shipping clerks we need." "We can't find the people in the manufacturing line with the skills and attitudes and basics that they need." "We just can't find people that can pass a drug test." But mostly, they say, "We can't find the right education, training, or skill sets."

At the same time, we have all these different people coming in getting service. At the same time, since the recession, our numbers went up 150 percent, and yet, our funding and budget went down considerably over that period. And so, that has always been a challenge, too.

Our funding, on page 55, is very interesting because we fund and oversee the system, but our funds go to a State Workforce Board. By the way, Workforce Boards, every state has them. They are in the law. There are State Boards and, then, there are local boards. The State Board generally is appointed by the Governor. It is 51-percent business. It is chaired by a CEO. And then, they have other folks on that board from community colleges and economic development and other state agencies and other partners. But 51 percent, by law, have to be private sector businesses.

So, our funds and our system and our guidance and our instructions and the infrastructure of the system is sort of passed through a state agency, which, then, oversees local Workforce Boards. So, in every community they may work for a mayor.

It may be a mayor's office, a county executive. It may be county commissioners that oversee it. Sometimes they are delivered by, these One-Stop Employment American Job Centers are delivered by government entities; sometimes they're nonprofits, because you can spin them out as nonprofits if a mayor or county executive wants to do that.

Detroit has just spun theirs out to be a nonprofit. It was a good move for the City of Detroit at the time.

And then, many of these are rural Workforce Boards. If you look on slide 58, you will see our network of boards, of sites across the country.

But our local Workforce Investment Boards, that is where 92 percent of the money that we send out goes. States get to keep about 8 percent for their activities, but 92 percent of that, 91.5 percent, by formula, gets distributed to local Workforce Boards in your county, your city, or in your region. And then, they operate the American Job Centers, and a certain amount of their money is contracted out for specialized services for a particular job training program in the system.

So, the Department of Labor sort of oversees this infrastructure. Our guidance, our activity is working with states to deliver services. And then, we require states to supervise what is happening at the local and the regional level.

We do try to communicate, pass on guidance, and ensure that at the point of service certain policies are upheld for how you deal with veterans or how to deal with long-term unemployed, or some of the various programs and services we give guidance, not only for states, but also for the local areas.

MEMBER GILLILAND: And is it guidance or is there compliance required for funding?

MR. SELEZNOW: Yes, under the law, there is a set of deliverables --

MEMBER GILLILAND: Okay.

MR. SELEZNOW: -- and a structured set of activities in general, but it was designed and developed to be a decentralized system where the local Workforce Boards should have a lot of influence, should craft the strategy for that county, should be part of the state's. The state has to develop a strategy with the Governor's Office, and then, you want your mayor or your county executive to develop their workforce and economic development strategy for their county.

And so, these boards are very active. They sometimes get caught up in the weeds of the law and performance oversight and a lot of other activities, instead of a grand or strategic vision of how to make a skilled workforce that aligns with your economic development interest in your counties.

We touch 18 million people a year. A lot of that is through our electronic tools and services. We have an array, the Department of Labor does, and then, every state does. And the private sector is in this space.

There is real-time labor market information that uses spidering technology to pull jobs from everywhere. So, there's job banks galore. If you are sophisticated on a computer, you can go to one of these sites. You can find the jobs. You can click on your zip code or a Census Track. You can find training for that occupation in your community. You can find how much it costs. You can find how successful that provider is. That's out there.

So, there is a lot of self-service activities, electronic, in every state, including the posting of millions of jobs every day that are out there.

The issue is people do vote with their feet, right? So, they come into these centers across the country. They are usually in business parks, malls, sometimes on community college campuses. Sometimes they're Metro- or bus-accessible. Sometimes they're not. Many rural Workforce Job Centers are a challenge to get to for the people who live there.

But, generally, what you get in most of them is a greeter at the front door, some sort of immediate triage to send you to the right cubicle in the building or to the resource room, as it is called. All of these look generally the same. It is a big resource room, banks of computers, banks of employment information, and people busily electronically looking or getting counseling or career guidance or advice. And there's an array of services, and it has to be very customized for all of them.

If you help somebody get a job in that center, they feel pretty good about you. And we get about 60 percent of the people jobs who walk in. So, we can tell you that last year, of the 1.4 million people who completed a program of service in this particular category, we know that 825,000 of them got a job. And we know that their wages annualized were about $28,000-$29,000 a year. And those are people from Butte, Montana, and Kalamazoo, and New York City, and elsewhere. And they are 18 to 65, is who we are measuring in that particular thing.

So, we have performance measures that measure entered employment rates, that you got a job, how long you have kept your job -- it's a job retention rate -- and what the wages are. We tie that into Social Security wage records. That is basically where our measurements are now.

Where they were 15 years ago is we had 17 performance measures, including a customer service measure and including a business satisfaction measure. That was onerous.

The Department of Labor came up with a different set of performance metrics that made it simpler and easier to report, pulled customer services out of those. So, the states still collect that information on customer service. It is not reported, and in many ways the Department has pulled away a little bit from that being important. It has just looked at the outcome measures, getting a job, getting wages.

But the issue is that we have huge numbers of people coming into these centers. There is a perception that sometimes it is great customer service; sometimes it isn't. But we don't have any hard-and-fast data to say this is great customer service. But if they are getting a job, we generally get a good report.

Or an employer says, "I hired somebody from that center one time. They didn't work out. I got rid of them. I'm never going to work with them again," which happens every day when you hire people off the street, right?

Or they mention to the Governor that they had a great experience or that they had a bad experience, or to the mayor, or elsewhere.

So, the challenge is we've got a diverse group of people coming in, probably trending toward maybe a little bit lower skill, a little lower wage, but not always. And the folks who work there have to be able to deal with either this financial analyst who got laid off or a veteran -- and we do have specialized services for veterans -- or the mom who got laid off from the store or somebody with a disability or somebody who just got out of jail.

And so, there's a large number of people coming in. A large number of people are getting great services and jobs, but they're all sort of individualized and customized.

So, you know, we don't own these employment centers; we fund them. Customer service has always been a value in this workforce system, but they are delivered at the point-of-service by, again, nonprofit, government agency, community-based organizations. And they all do value customer service and their local boards do value customer service, and some of them keep track of that locally. But we don't have a good sense of that nationally.

So, I will set the table with those sort of things and let you help us go from there. I am just trying to think if there is anything critically you need to know.

You know, 525,000 veterans got -- we had about a million walk in the last four quarters from which we have good data. We had over a million walk in, and 525,000 of them got jobs. We know the single, non-duplicated counts: 825,000 from our program got jobs.

We also have a big youth division that does youth workforce development and summer jobs and things like that.

So, they are asked to do a lot at the local level, and we just would love to rethink customer service because they used the ACSI system early on in this process, the American Customer Service Initiative. University of Michigan, right? Index.

And so, there was cost associated with that, and there was a certain level of work that state governments had to put out on that. And so, it provided that information for a few years.

But, again, we turned away from

that a little bit, and some states still use it. But we turned away from that as a system, and we don't require public reporting on that anymore.

CHAIR COBERT: There's a couple of questions that we tried to encapsulate for you on page 62, for those of you who are following along.

I think, in particular, this question about metrics and this issue of delivery through others, as you were describing, which is there are policies and guidelines from the Department of Labor, but the operations are owned by somebody else, right?

MEMBER GILLILAND: Right, and you don't have an ability to require certain types of data to be collected from the local system?

MR. SELEZNOW: We do.

MEMBER GILLILAND: You do?

MR. SELEZNOW: Some of it is by

statute and some of it we can change and add. And again, there were 17 performance measures, and then, that was changed now to seven others for adult and youth.

MEMBER GILLILAND: Okay.

MR. SELEZNOW: So, yes, we do. It is going to take some considerable time to do that, but, yes, we do.

And so, the balance is, too, because the complaint -- and I used to run one of these local systems, so I know -- is, "We don't want to spend all of our time collecting data. We're trying to serve people," right? Which is why they went from seventeen down to seven.

MEMBER McGOVERN: Yes, I mean, I am kind of a bigot in this area, but I would put back some question. You know, is it Net Promoter, which is just simply ask the businesses, "Would you recommend this to another business?" or to the people you're placing, "Would you recommend this to a friend?" Just something, because when you took it off, you were probably sending a more powerful signal than you even realized because people shrugged their shoulders and said, "I guess this isn't that important."

And even though I am sure the job placement is a big component of customer satisfaction, customer satisfaction is probably a leading indicator of how well they are going to perform in job performance, too. So, just as one piece of advice, I would definitely put that back in.

And the other thing is, this is like probably crying out for standard IT. I'm thinking of LinkedIn and how so much of this now is done. You know, by the time the company gets it, it has been screened out and filtered so much electronically that there's probably all kinds of software that you could deploy in all of these locations that would make everybody's life easier and, also, probably get you better matches, for what that is worth.

MEMBER GILLILAND: Go ahead, Chris.

MR. LU: First, I just want to thank Eric's team for the great job they are doing.

I think the challenge on metrics, which is something we're looking at across the board, is in the depths of the recession you could be providing great customer service and people aren't getting jobs; whereas, now we could provide crappy customer service and people are getting jobs.

And I wonder, I'm actually thinking about Sarah talking about the IRS. If I call the IRS and I'm happy with the answer I got, is it because they told me I don't owe any taxes?

(Laughter.)

Or if they answer my question quickly? And so, this is the hard part which I think we could use some help, because there are external factors that affect customer service.

MEMBER McGOVERN: Yes, I mean, I feel your pain because, when I was at Fidelity Investments, they didn't mind holding for 20 minutes when the dotcom bubble hadn't burst yet. It's like, "Whoa, I'm rich. I'll hang on the phone."

But, at the end of the day, people are going to feel better about not getting a job if there was a sympathetic, helpful person listening to them. Are they going to be as satisfied as if they got a job and had crappy service? No. But I still think it is kind of a good thing to measure, and there are going to be exogenous things that completely destroy the relativity of the metric, but it is just a constant reminder to the people that are interacting with those that walk into your offices that this matters, regardless of --

MEMBER SALEM: I agree, and I think you brought up, Gail brought up the Net Promoter's work. It is probably a metric that many of you have interacted with.

There was a book written that was called The Ultimate Question, which really came down to, you asked customers one question, "Would they recommend...?" And that metric is something that has been used more and more widely, but the great thing about it is you can always argue why it is not a good metric, but the point is it is a very simple thing. Instead of asking 40 questions, it is one, and then, you can take actions from not necessarily just the score, but what people say.

And so, driving towards some common metric like the NPS I think is huge. And I would be curious if there is some effort to have some standard metrics that you are using to measure that external interaction.

MR. SELEZNOW: One of the things we do know about our system is people do what you inspect, not what you expect at the point-of-delivery. And so, if you change the performance measures -- you had, we had credential measurement at one point, measuring the outcome of our investment after getting an industry-recognized credential. That came out, too, and you could see the data go with that, that the credential attainment rates went down as well. So, they definitely do that.

Is the Net Promoter score, is that a third-party or can anybody sort of do that?

MEMBER SALEM: You can do it. You can definitely self-administer, but there are third-parties that will do it for you. It literally is titled The Ultimate Question.

MEMBER GILLILAND: Yes, the book

explains it well, though.

CHAIR COBERT: So, I think that this question, then, becomes also, how do you -- the other piece I think was when you think about that question, to me, one of the things, particularly for things that are decentralized environments like this, it comes back to this peer-grouping concept of in places with comparable levels of unemployment, right, how are people doing? I think it would really be interesting to understand what is the linkage between customer satisfaction and actually placement.

If you take the premise that folks were talking about earlier, about an engaged workforce generally delivers higher productivity, there have been analytic studies of that in the private sector.

To the extent that you end up with things that are operating together, then you get sort of leading and lagging indicators. But you, then, with a decentralized environment, to me, the question is both the absolute and the how does this compare to places facing a similar problem. And one would hypothesize that better service would lead to better placement or would be correlated. It may not be a cause. It might keep people coming back more often and using the services better. It might make them more willing to go through the work it will take. But you could get lots of reasons.

But I think that would be an interesting thing to help you understand. Because, in fact, if it didn't lead to better placement, then there is something else in the system that we need to work on.

MR. SELEZNOW: What is pretty common in our system, and that is why I was intrigued with Gail's earlier comments, because there are some very good electronic tools out there, job-matching, jobsearching, you know, public and private.

But a lot of people are suffering when they come in. You know, they have been laid off for a couple of years. They're stressing out because they are having some major transition in their life. Their spouse just left them, so they're looking for a job after many years of not being in the labor market.

And they are often looking for support, direction, and encouragement for something they haven't had to do in 10 or 20 years, right? And so, there is that electronic where you can't always get to that sort of human-touch issue. So, I think that is one of the challenges.

CHAIR COBERT: And, in fact, the sympathetic, encouraging voice is actually a value delivery in and of itself, right? Yes, you want to get them a job, but you also want them to feel respected. It is a value as well.

Mike, were you going to add something?

MR. CONNOR: Well, I was going to take the opportunity to talk about a little bit different --

CHAIR COBERT: Go ahead.

MR. CONNOR: -- aspect in which I think people interact with government. We have heard three examples here of the financial piece, where you affect an individual's bottom line and their sensitivity to wanting to deal with an easy way to ensure they're going to get the benefits that they want, the security aspect, and then, the kind of linking-up, matching-up, and providing opportunities.

And we at the Department of the Interior have all of those three. The Bureau of Indian Affairs, you know, we provide direct financial benefits, security. Youth, particularly, we're trying to match up and really get opportunities.

And then, we have got a fourth element, which is recreation. And so, there's obviously a correlation where you want to provide efficient services, you want to make that experience, you want to use the technology that exists, but also marketing was a theme that everybody used here. You know, you have to get people interested and let them understand what you do, and then, you have got to deliver the services once they do that.

There is a corollary, obviously, with the business community. In our situation we don't want them to be just sitting there interacting with the computer. We want them to get up, get outside, and go experience the outdoors, and tell their neighbors, and do all those things.

And I'm pretty confident that with, particularly the National Park situation, we have got a pretty good product that will validate that experience that they get up and get going.

Obviously, from our perspective, part of it is demographics. We have got to reach out to youth, and we have got to try to reconnect them with the outdoors.

But we have got a real problem with the demographic information. It is a very aging set of folks who visit the parks.

So, I am just interested in your experiences of how you get people up and out. Is technology the key aspect of that today or are there other aspects to it?

MEMBER McGOVERN: So, I don't know if this is going to help or not, but one of the four prongs of our mission is to train people in CPR and first aid and how to swim and lifeguarding. And there is an element to each of those where you just can't learn it from a computer.

So, we have a number of distance-learning tools now where somebody can learn everything there is about first aid and CPR, but they have to show up to get certified to actually work with a mannequin.

And we even have a learn-to-swim app.

(Laughter.)

So, they kind of see it. They see it, and then, they have to go to a pool. So, they are using it more like a hook. At the end of the day, you still have to get in the water, but, you know, you kind of conceptually go, okay, I see what they're going to do and I get it, and I feel more comfortable.

The same thing with babysitting lessons, et cetera, et cetera. At the end you have to come in and handle the little mannequin again. But, up until that point, you're hooked on the app, and they're entertaining, they're funny.

We have one: the babysitter you don't want to have. So, they are very engaging for youth, and then, they get up and go to the pool.

(Laughter.)

CHAIR COBERT: I am going to try to sort of just switch gears because we have got about five minutes left, if my clock is running right.

So, first, thank you. Really helpful.

(Applause.)

I wanted to pick up on a couple of themes that I heard across some of these, and open it up for others. And then, I might ask some of our guests here today for some of their parting thoughts for us.

And we can also sort of come out of this. I want us to do a little bit of thinking about next steps.

Some of this, just in skipping through this, if you go to page 67, which I think is actually the last page here, we would love to be able to continue this dialog because we think we have lots to learn.

And I also heard some specific topics. And I am going to focus on the customer service piece. There is also a set of followups on the first part of our conversation, which is our continued dialog on the parts of the Management Agenda around efficiency and other elements, where we are continuing to work, and so, we are continuing to look for your insights.

But I heard a couple of things here today. I heard that we might want to think about this mindset for where technology can help. You think about technology as the default, right, self-help as the default, and how do you help get -- because that's what people want, right? Because it will actually enable people to achieve what they want quicker, better, faster. So, how do you start with that mindset and try to migrate people there because it is doable?

I think we need to deal with some of the questions where access is hard because of the context of people's work environment, the resources they do and don't have, being sensitive to people with disabilities and finding ways -- but you can address all those things, and those are very important to think about how do you do that and how do you use the workforce you have to think about.

I would frame it this way: as part of their role, success for them is actually not having that person call them back, but actually finding that way for an individual to get their needs met more efficiently by themselves; that that is, in fact, good service. And so, I think an ongoing discussion about how we do that practically will be helpful.

I heard on the slightly more tactical level, which you may want to follow up with folks, the ability to leverage both the employee community and the user community as a source of assistance to each other, peer help, whether within a community or not, that that is a powerful tool that many of you are using, and may be a tool that we haven't in parts of the government taken advantage of as much in terms of a way to get help and support, and help people find the way to navigate through things, again, where that is appropriate.

We've also heard -- and I would like to come back to this -- how do we think about training for remote workforce and finding ways to do that? I think that is another place where specific, tangible examples that all of you have had with globally-diversified workforces, nationally-diversified workforces, people who don't spend lots of time at a desk. I think that is a very specific one.

And then, more broadly, this other question about, how do we think about who owns customer loyalty within an organization? How do we use the role of a champion? I think we have thought a little bit about that.

I know -- and we can talk about this in other forums -- the role, for example, which came also as part of the GPRA Modernization Act, about a Chief Performance Officer, and that person and the role we have created within those across agencies to say, "How do we get people using evidence more? How do we get people using data more?", and make that a mandate across an organization to do that.

It is an interesting analogy because it is something that has actually often been added to people's roles, and it takes place differently in each of your agencies because there is a different need. But thinking about something like that may also be helpful.

And this question about using

peer groups, and not just the data, but motivating people to action, is another one where I think we would love to figure out how we could come back and tap into your wisdom, as well as this last piece about specific tangible metrics that are easy to measure. I put in the criteria being easy to measure, inexpensive to measure, and actionable and understandable.

The ability, from my experience, of people to understand what you mean when you say Net Promoters. You know, like, "Would you recommend this to a friend?" is something that management understands. It is something that customers understand. It is something the workforce understands. And so, it can be very helpful because people get it, as opposed to some other things which are an amalgam of complicated metrics.

Like it is simple to say to somebody, "Look, we want people to be able to recommend this as being helpful for whatever they are doing."

So, those are things that I think are at least some of the themes we have heard, and we would love to find appropriate ways to follow up and benefit your insights on those couple of dimensions.

With that, I would like to turn it over; if you guys have any parting words of wisdom for all of us, that would be really helpful. And then, we will adjourn. Not to too much put you on the spot, but we are going to start with you, Jeff.

MEMBER KINDLER: I don't have any wisdom.

(Laughter.)

But I think this very discussion and getting a group like this together, with or without us, is just -- and I know you do have the Council. But I would encourage you to do something similar with the SES cohort. I know that they are all over the country, but that is what video things are for.

But just getting people together to talk about best practices and share and develop connections with each other, it is nice if they can meet once, you know, if you can create some events. And I know you, Steve, do that with the SES group. But I think that is where a lot of best-practice sharing can go on.

And then, have some kind of means of highlighting successes that actually come from somewhere other than the top. So, when some relatively-mid-level person has a great new idea and has achieved some great practice, not only whatever you do within the agency to recognize and reward that person, but some platform you may have for communicating across the government will, I think, encourage other people to do it as well.

But I think the great news here is there are a ton of best practices, some of which we have heard about today. So, I think the opportunity to build on what you guys are already doing is huge.

MEMBER McGOVERN: I don't know if I have any more wisdom left, either, but I do want to make an observation, which is every time I come to a PMAB meeting and get to interact with the different parts of the Executive Branch, I have to say I am just so impressed at the talent, the passion, the commitment, the desire to serve. And I think it is just great that you are focused on customer service. Just the fact that this is what you're taking on next speaks volumes for how you view your jobs and the kind of jobs you want to do.

So, this was a great meeting. Thanks.

MEMBER GILLILAND: Yes, I would just add, it appears as though there's very, very good progress already being made on what are very difficult problems to solve.

I know your distributed system,

and I think, wow, that one seems hard.

(Laughter.)

But it seems like very good progress.

I think the one thing -- and we talked about this a little bit on the break -- it does seem like there is an opportunity to set some audacious goals, not only around customer service, which will be a forward-going focus, but even around some of the things that we have worked on before. I think some of the GSA areas, there are some opportunities to say, wow, we made it this far, but we can get so much further.

CHAIR COBERT: Yes.

MEMBER GILLILAND: So, I think that is another opportunity.

CHAIR COBERT: That's great. Very helpful.

MEMBER SALEM: I will just add a couple of things. One, I agree with Gail 100 percent; it really is inspiring to come here because all the great work that you do is sometimes not very visible. And so, for me, every time I leave, I leave with half a dozen things I didn't know about. What great progress. And I just wish there were more mechanisms to share it with everybody. That is one thing I would say.

The second thing is, the work you are doing on customer loyalty/customer satisfaction, it is a journey, not an event. And there will be some big potholes in the way and there will be reasons why we can't get less people to show up in our brick-and-mortar locations, right?

I mean, with Jeff Bezos created Amazon, people were like, "Really? People are going to move from walking into a bookstore to not?" Well, guess what? They have.

And so, I think this is a long journey, but what you have got to do is you have got to persevere through it. And folks like us, we are really interested in helping. And please reach out to us. Sometimes we can share something useful; sometimes we can't, but we would really be happy to help. And we have lots of other folks who would also be happy to participate in the work you're doing because it is important to all of us.

So, thank you very, very much.

CHAIR COBERT: Well, on behalf of my -- Liz?

MEMBER SMITH: I guess the only other thing that I would add to the well-deserved recognition, we have been talking a lot about kind of customer service. And as I was thinking about this, you only go to kind of dashboards, customer service metrics, and all of that.

And one of the pre-reads that you sent out was, you know, "Can you pinpoint a series of actions or actions that would really help instill customer service?" So, even though, like you, Beth, I'm an analytics junkie, I have to tell you that, whether it is my work on Big Brothers/Big Sisters, motivating the Avon sales reps, or the people in the restaurants, the one thing that really can't get lost in this is to hear directly, for the employees who came over, to hear directly from the customers about how their actions, both good and bad, changed their lives and made an impact, right?

So, when we had services at Avon, I could put up a million charts, but there was nothing more impactful than having a woman come in and talk about how, you know, she had to disappoint her X or Y and didn't get her delivery and she counted on that.

And likewise, in the restaurants, I am hearing directly from customers how they made their day and how they really changed what was a horrible situation.

So, customer service is also

about giving your people access to the actual people whose lives they have changed, both in good ways and maybe negative ways. That emotional component is a big part of shifting the culture. And we really made that available to our employees in the store in helping them to understand how the customers are feeling or how that simple act turned what was a horrible situation into a positive situation.

So, I know we are all very data- and metric-driven, but whether it is fundraising for Big Brothers/Big Sisters, you can show the charts, but nothing is more powerful than having one of the children come in and talk about how their life was changed.

So, we also, in addition to the metrics, we do an awful lot to create access for our employees to hear directly from customers about ways they changed their life.

CHAIR COBERT: Liz, thank you. I have just added one more item to our followup list because I think that you are right, it is incredibly powerful.

For us, as we are here doing this work, also, a big thank you on behalf of my colleagues.

This issue about touching the lives of people in a specific, tangible way is the goal of the Management Agenda. It is to deliver what the American people deserve.

And I can speak for all of us in the Administration. At the last PMC meeting, we were privileged to have a discussion with the President about this and our personal role in making that happen. And there is nothing more than embodying it in the principle of the single individual who you are trying to help, because everybody here every day has such a big impact on people's lives. I think that is a great admonition and inspiration for us to end with.

With that, I will say thank you to everybody for joining us today. For the questions, for the comments, for the teams that did all the great work in preparing, a huge thanks.

And with that, Steve, I would formally adjourn this meeting unless you tell me there is something else I need to do.

MR. BROCKELMAN: We're good.

CHAIR COBERT: There we go.

Thank you very much.

(Whereupon, at 12:24 p.m., the meeting was adjourned.)