ADVISORY COMMITTEE ON TRANSFORMATIONAL DIPLOMACY:

FINAL REPORT OF THE IT TRANSFORMATION WORKING GROUP

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INTRODUCTION

As we enter this century, American diplomacy is challenged by the rapidly increasing scope, scale, speed, complexity, and geographic distribution of U.S. interests. The rewards of effective diplomacy are increasing, and the potential consequences of ineffective diplomacy have never been greater. Transformational diplomacy is a framework for meeting these challenges through increasingly effective use of the assets of the Department of State.

The Secretary's Advisory Committee on Transformational Diplomacy envisions a strategic environment that will soon be fundamentally different. Change will be driven in part by tectonic shifts in economics, science and technology, and resource competition. The global challenges we will face will be of extraordinary complexity, operational tempo, and interdependence. The conduct of the State Department's business will require unprecedented agility and rapid response, leveraged capabilities of locally engaged staff, distributed decision making, secure mobile communications, monitoring and responding to media and communications, as well as unified policy, strategy, and resource planning.

One of the most profound changes in the world during the last decade has been the widespread proliferation of technology for communication, storage, and analysis of very large amounts of information. Successful organizations today have adapted to, and thrived upon the use of information technology to become global, fast, and agile. They are connected at all times to a variety of high-speed networks, huge databases, and powerful search engines. They are collaborative and unrestricted by traditional institutional and geographic boundaries. This is the nature of the Information Age - an age that now seems to be entering a second phase in which computer mediated social networking of various types is enabling organizations and communities to tap vast, distributed arrays of expertise and to increase their speed and agility even more. Ideological and commercial competitors, as well as more aggressive enemies, have leveraged the power of modern information technology to market their message and recruit supporters. The Department of State must do the same.

The Department of State is a knowledge- and expertise-based organization. It should be at the heart of the Information Age, not at its periphery. Indeed, because of the leading role America has played in developing and using information technology, this should be a comparative advantage for the U.S. in the conduct of world affairs. But in the absence of concerted leadership and action in the Department, this will not be the case.

The aggressive deployment of information technology (IT), and the adaptation of organizational culture and practices to enable its effective use are essential to the future success of the Department of State and Transformational Diplomacy. Clearly, IT is not an end in itself. Rather, it is a necessary means to conduct the Department's work in this complex world. Properly employed, IT can increase the efficiency, effectiveness, and speed of both operations and diplomacy. It can empower individual employees by giving them increased access to information, and the ability to share information with others. It can dramatically increase the number of people and communities with which our diplomats and staff can meaningfully interact. Above all, State Department talent, knowledge, and expertise -- regardless of where on the globe they reside -- can be engaged and integrated into the overall enterprise. This latter point is especially important because individuals in the Department accumulate knowledge and understanding in a variety of settings and experiences throughout their careers. The Department should be able to draw on this knowledge and expertise even though it was gained in earlier assignments in different places.

FOUNDATION FOR TRANSFORMATIONAL IT
A STANDARD INFRASTRUCTURE PLATFORM

Successful IT transformation of the State Department must reflect the Department's goals, priorities, values, and unique qualities. It will, however, require cultural change. Although there is no universal template for IT transformation, there are certain lessons about IT transformation that seem to be constant across all large, complex organizations, whether in business, government, or academia. Successful IT transformation requires commitment at the top, hard work, time, and sufficient financial investment. Technology alone will not achieve transformation. Advances in the effectiveness of organizations are brought about by skillful change and integration of processes, organization, and technology.

The Secretary must personally "sponsor" IT transformation by continually and clearly demonstrating her commitment to the endeavor, and continually and clearly explaining why it must be accomplished. The Department must be willing to learn from others and emulate best practices to be found in industry, academia, elsewhere in the government, and in other countries.

Ironically, in order to empower people at local levels and to use more distributed approaches to solving problems and accomplishing tasks, the centralization of certain infrastructural decisions and processes must first be increased. The reason is that standards must be adopted and some degrees of software and hardware consistency are necessary for sharing and integrating information. This is also necessary in order to achieve some of the efficiency gains, cost savings, and resource redeployment that IT consolidation should make possible.

The role of the State Department's Chief Information Officer (CIO) and his or her team is not just to provide formulaic, technical assistance; rather, it is at the very core of a knowledge- and expertise-based enterprise to conduct diplomacy and represent America's interests throughout the world. Experience in other organizations indicates that to effect change and establish standardization through a consultative design process, the CIO must have substantial budget control, substantial policy control, overall responsibility for IT infrastructure purchases, and a high-level place at the organizational table. This would seem to be especially important in the State Department because of its special requirements regarding security, classification, privacy, and sensitivity of some information.

The committee believes that serious transformation and consolidation will require a three-year effort. Leadership and engagement at the highest levels is required, and appropriate budgets must be established now. Although substantial improvements in State's global IT infrastructure have been made in recent years, a further budgetary and organizational commitment is needed for major transformation and consolidation.

IT Consolidation is a prerequisite to providing consistent high quality service that meets established Departmental needs and standards. The upfront investments required for IT Consolidation are substantial, approximately $60 million, but long-term savings should result, especially by reducing duplicative personnel costs. Thus Consolidation will aid Transformational Diplomacy by improving administrative and information services and by freeing resources that can be redirected. Once savings are realized from consolidation, the Department's current annual IT budget of

approximately one billion dollars is expected to cover infrastructure and legacy software maintenance in addition to allowing the commitment of resources to the implementation of innovative IT.

Among the steps that should be initiated now are:

Explore industry and government benchmarks to assess and refine key IT operations such as end-user support, network and server management, infrastructure availability and performance, training, etc.

Delineate new strategic goals to better define the role of IT as an essential element of transformational diplomacy.

Establish clear goals, budget parameters, and time lines. This should be led by a State Department team, but some back-filling with external experts may be needed to maintain the necessary pace.

Pursue a clear IT investment strategy to enhance and interconnect financial, asset, and configuration management systems.

Coordinate contract extensions with the IT Consolidation schedule, eliminate duplicative contracts, and ensure that all contracts are performance-based and include appropriate and enforceable service level agreements.

Strengthen central IT approval mechanism – Coordinate current obligations to avoid duplication and leverage economies of scale.

Develop a coordinated IT consolidation plan. All IT infrastructure related plans should be intertwined as opposed to the current stove piped planning efforts.

Present clear and compelling business cases to the Office of Management and Budget and Congress to request the resources needed for IT to support transformational diplomacy.

Enhance the security of systems—infrastructure, mobile computing components, applications, and data—to adequately address today's vulnerabilities recognizing business needs must be met. A risk management decision model must be developed so that standard approaches can be challenged and replaced by more innovative ones. Do not allow security to be used as an unchallenged excuse to maintain the status quo.

Use modern IT-based innovations as a recruiting and retention tool, and to engage and excite talented young employees.

Enhance knowledge management and collaboration tools and develop strategies to promote their acceptance and use throughout the Department.

Create a laboratory for technology R&D and adoption with a clear mandate to promote innovation.

For the most part, the preceding discussion of IT consolidation addresses the fundamental steps required to provide the infrastructure and services essential to the work of the Department of State in the 21st century.

But much more must be done, and to an extent is being done, to create an innovative organization that truly capitalizes on new IT capabilities to transform diplomacy and operations. There are pockets of impressive innovation at State such as improved search capabilities, global deployment of instant messaging, "Diplopedia" (an in-house Wiki), virtual presence posts, and web publishing (both classified and unclassified). Some communities of practice are forming that draw on knowledge and experience gained across diplomatic careers. These are harbingers of new approaches to diplomacy and management that must become mainstream.

Specific concrete actions to accelerate these innovations and their broad deployment and utilization include:

- Establish a strong Chief Knowledge Officer (CKO). The CKO should report directly to the Deputy Secretary or to the Under Secretary for Management, and be the chief advocate for knowledge management activities in the Department. The CKO should lead the effort to more effectively use all knowledge resources in the Department. The CKO should deal broadly with the organization, management, and use of information resources – not just with technology. To meet knowledge management objectives, it is essential a strong alliance exist between the knowledge management functions IT infrastructure and tool implementation.

- Form a Department Clearinghouse for Innovation. The Information Management Bureau, the Office of Management Policy, Rightsizing and Innovation, the Foreign Services Institute, the Bureau of Resource Management, the Executive Secretariat, the Office of Crisis Response Services, the Office of the Coordinator for Reconstruction and Centralization, the Bureau of International Information Programs and many others, are all developing new ways of conducting their business. They should seek synergies of effort. The USAID knowledge management effort should also participate in this.

- Form Bureau and Embassy groups to work with the Clearinghouse for Innovation and promote development and implementation of innovative programs. Department bureaus and posts need to invest leadership time and attention to focus and redirect the personnel and expertise they already have.

- Implement a stronger, more consistent effort to use State Department information networks. Every bureau and post should use State's intranet to share information with employees, its extranet to share knowledge with interagency partners, and also use the Internet to share information with the public.

- Far greater numbers of employees must be equipped for mobile computing. There is a demand for this throughout the Department, and its value is extremely high in times of crisis response and critical problem solving.

- Expand the Virtual Presence Post (VPP) program. The Department currently has 40 VPPs. It should be the norm, not the exception, for most embassies to have at least one VPP to improve outreach to a key target location outside of the capital city. This is a relatively low-cost but high-gain initiative.

- Expand the Communities @ State initiative. A rolling list of the Department's top 50 global priorities should be maintained and an online community should be established for each. There are already 30 online communities that are developing the skill and practice of doing distributed work without regard to physical location. They enable the Department to assemble and focus intellectual power on tasks without physically relocating people. Participating in a community also keeps existing skill sets fresh and identifies a motivated cadre of "ready reserve" experts who can be called on to contribute further in a crisis situation or if a particular issue gains in importance.

- Strengthen Diplopedia. Diplopedia is a collaborative online encyclopedia, and it should become the one-stop shop for anyone in the Department seeking information about the Department, its bureaus, offices, and programs. Diplopedia has grown quietly and informally. Now every bureau and post should be encouraged to contribute information about themselves, and personnel should be encouraged to add their knowledge and expertise on as wide a range of subjects as possible.

- Employee Profile Plus, a skills database, is an excellent work force planning tool. It also has great potential as an expertise locating system in the Department's knowledge management program. Its availability should be expanded to include the Department as a whole, not just human resource managers.

MEETING THE NEEDS OF THE 2012 DIPLOMAT

The technology needs of the 21St century are at our doorstep. The pace of technological change is so immediate and intense; any projection of more than five years is bound to be inadequate. The Department lags behind in adopting the tools in common use by both the private sector and our rivals. In the next five years the Department must ensure the Diplomat of 2012 is armed with the best technology tools available. An architectural blueprint to meet the needs of the 2012 diplomat must be refined and implemented, grounded in the certainty that diplomats will be mobile, often untethered from Embassy facilities, and equipped with real-time access to information.   By 2012 the efficiencies of a standardized and secure IT platform coupled with a robust knowledge management function must empower people with tools to maximize the success of our diplomatic efforts.

In five years the typical American diplomat will be fully mobile and continuously connected to information systems spanning government, non-government, academia and private sectors. The diplomat of 2012 will operate on a work schedule spanning many time zones. He or she will be much less focused on working from a specific location and equally comfortable working from home, a hotel, or while on the move. Most importantly, the empowered diplomat will be valued for his or her ability to contribute to multiple Department objectives simultaneously. The diplomat may, for example, be predominantly engaged with work on refugee affairs in East Africa, while also

being part of one or more collaboration teams making contributions to issues drawing on specialized expertise gained from past assignments. The diplomat in 2012 will be much more externally focused in overall communications—as likely to be collaborating with other-government, and non-governmental colleagues as with colleagues inside of the Department. Diplomats will operate in public spaces, using open communication systems, the media, and new communication tools including Blogs, Wikis, and virtual spaces to engage colleagues and target audiences.

The following scenarios illustrate how this vision will enable great changes in IT support for the mission at the Department:

- The diplomat of 2012 will have access to a broad range of useful information to help explain U.S. positions and promote our national interests. Effective multi-media information products will be available on demand, customized to meet the needs of the situation and target audience. Best-of-breed content management and customer relationship management software will enable the production of these targeted information products. The modern diplomat will be freed from his or her desk, able to travel around the host country to present a positive image of the United States, address questions about U.S. policies, and engage with host country officials and citizens in pursuit of transformational diplomacy. Each officer will be able to choose his or her preferred device for mobile access to the foreign affairs virtual library -- whether it be a cell phone, laptop, or PDA.

- Ambassadors and Chiefs of Mission will be able to focus more fully on U.S. foreign policy imperatives and strategic interests in their host countries. Communication among members of the country team will be streamlined and highly automated, regardless of agency affiliation. Secure collaboration with external organizations will be available as well. Information needed to present U.S. positions on key topics will be readily available in the most effective form. Support for acquisitions, human resources, budget and finance, and IT will be delivered from central facilities, a mere click or phone call away.

- Humanitarian assistance will be coordinated across federal agencies and external partners using modern communication and collaboration tools. Workflow systems and dashboards will keep everyone informed of the status of all activities, the need for additional skills or resources, and results achieved to date. Lightweight portable systems will be available for first responders to minimize delay and maximize effectiveness.

Users will draw on the following:

- *Knowledge bases* of pre-processed, high-quality information developed from recognizing patterns in data. This will include multi-variable analysis that aggregates data and indicates connections between transnational crime and economic growth; public health, education, poverty and economic development; etc.

- *Collaboration tools* that support self-forming, self-managing professional networks and communities of practice and interest that overcome boundaries of geography, time and organization — both classified and unclassified. A locater function will identify subject area experts and their contact information in the Department. Employees will now be able to find and collaborate with each other anywhere in the world, leveraging their specialized knowledge to benefit the organization as a whole.

- Support for *outreach* through social networking and customer relationship management systems that improve our ability to establish and sustain relationships with key contacts, support public diplomacy and advocacy, and strengthen content delivery to targeted audiences.

To meet the needs of 2012 the Department in 2008 should:

- Form a broad, representative team of Department staff, other agencies, non-governmental organizations, the private sector and academia to develop a blueprint for the diplomat of 2012. The blueprint should define in business terms the requirements, activities, authorities and expectations of the diplomat.

- Form an IT Council composed of members from the Department of State, other government agencies, private sector, non-governmental organizations, and academia. This group will shepherd the process from the present state to the 2012 state. The council should also map a course of action for budget execution to meet the goals of 2012.

- Engage the large number of youth entering the Department to determine and target the most advantageous adoptions of technology innovation to support diplomacy. Many of the Department's new Foreign Service and Civil Service employees have lived with technology most of their lives and have an innate understanding of its power. This is generally not mirrored in members of the more experienced workforce. Existing collaboration tools should be used to harness this knowledge regardless of location.

- Based on the definition of the 2012 diplomat, target new employees with skills that map to these requirements and to the associated technology tools. Use the new technological capabilities at State as a recruitment incentive.

- Establish a broad, unified policy that recognizes information as an enterprise-wide asset. This is in contrast to the current practice where the office or bureau that gathers, compiles, or develops information treats that information as its own asset, sharing the information only upon specific request. This will require substantial culture change mandated from the top and reinforced through tangible incentives.

CONCLUSION

The aggressive deployment of information technology to a supportive organizational culture is essential to the future success of the Department of State and Transformational Diplomacy. Concerted and sustained leadership at the top, starting with the Secretary, is needed if the Department and its IT functions are to be transformed. As in virtually all large organizations, enthusiasm for transformation is greater at the top and among the newer, younger employees. Therefore there is a particular challenge to engage the Department's several hundred senior officers. It is equally important to engage the knowledge and expertise of newer, technology savvy, employees to drive innovation. The Department must demonstrate that new tools enable individual diplomats and managers to do their jobs better and more easily. These tools increase their ability to

share their knowledge and expertise thereby having a greater personal impact on the diplomacy of the United States of America.