



# MANAGING FOR SUCCESS - SERVICE, ACCOUNTABILITY, AND EXCELLENCE

*I have set forth policies that capture my vision of government reform. They are guided by three principles: government should be citizen-centered, results-oriented, and wherever possible, market-based.*

*Governor George W. Bush, June 9, 2000*

President Bush defined the role of government as active, but limited; engaged, but not overbearing. This vision of a citizen-centered government is the cornerstone of the President's management agenda. Secretary Gale A. Norton has established an approach to create a citizen-centered government at the Department of the Interior, organized around her Four C's: conservation through consultation, cooperation, and communication. This approach emphasizes the importance of government working at the local level to involve citizens in decisionmaking, tapping the ingenuity, imagination, and innovative spirit of individuals engaged in a collaborative process. In internal management Interior is using the cooperative theme of the Four C's to foster management excellence; bring about real change in the quality, effectiveness, and efficiency of service delivery; and ensure accountability.

## A NEW AGENDA

*We are a results-oriented country, and it's important for us to be judged based upon results.*

*President George W. Bush, June 21, 2001*

The President's management agenda, released on August 25, 2001, sets forth a strategy for improving the management and performance of the Federal government. The agenda contains five government-wide goals that guide the achievement of immediate, concrete, and measurable results.

The Secretary, in turn, issued a management strat-

egy that adopts the President's vision for management excellence, tailoring it to fit the Department's diverse and unique missions and organizations. Like the President, the Secretary is dedicated to ensuring that the resources entrusted to the Federal government on behalf of the American people are well managed and that tax dollars are used wisely. In keeping with this ideal, the Secretary's

*My vision for this great Department is to see it continually improve its delivery of services to the American people... We have only begun to tap our full potential in our race toward excellence.*

*Secretary Gale A. Norton, August 3, 2001*

management strategy is an integral component of the 2003 budget proposal. This chapter provides an overview of actions that are planned in the Secretary's management strategy, "A Plan for Citizen-Centered Governance."

## STRATEGIC PLANNING OF HUMAN CAPITAL

*We learn from these partnerships the importance of openness and inclusiveness. We learn the importance of having clear goals, and "doing the doable."*

*Assistant Secretary P. Lynn Scarlett,  
October 2001*

Strategic management of human capital emphasizes the importance of building an organization that meets a standard of excellence with a high-performing work force that is skilled, knowledgeable, and diverse. Interior has 70,000 full or part-time employees who work in approximately 2,400 locations, performing a wide variety of functions. The workforce is geographically dispersed, located close to the citizens it serves.

In large part, Interior meets the test of the President's management agenda for delayed and flattened bureaucracies, as three out of four employees interact directly with customers and citizens. However, the downsizing efforts that were implemented in prior years were not accompanied by the requisite investments in workforce planning and investments in automation. In addition, the Department, like many other agencies, is experiencing an aging of the workforce. A large proportion of employees will be eligible and are expected to retire by 2010. In order to address proactively these challenges, Interior is developing comprehensive workforce plans that will assist in succession management and will guide staffing, training, and other important activities.

To ensure the effective deployment of employees and provide a high level of service, Interior is examining opportunities to restructure key support services. Most of the Department's administrative services are currently provided on a decentralized basis, with each of Interior's eight bureaus operating stand-alone functions, often in the same geographical locations.

Three key areas currently under study include human resources operations, information technology support, and procurement management (contracting). The focus of this effort will be on operations that primarily involve administrative processes and do not require face-to-face contact with customers and citizens. In 2002, the Department is conducting studies to identify potential opportunities to consolidate these functions and thereby take advantage of economies of scale while providing more effective service.

## COMPETITIVE SOURCING

*We must examine and use all of the tools available to make our limited dollars go further to provide quality services that provide value to our customers. One such tool is to assess how our services can be improved by self-examination in a competitive situation. Competition spurs better performance, whether it is in sports or in the halls of government.*

*Secretary Gale A. Norton, November 2001*

The Federal Activities Inventory Reform Act requires Federal agencies to identify commercial activities performed by Federal employees. Under the President's management agenda, agencies are to ultimately review one-half of these activities and decide whether to retain them in-house or contract them out.

Interior's competitive sourcing program focuses on the delivery and performance of improved

services by using competition with non-Federal sources as the opportunity to redefine the baseline requirements of performance. To facilitate this goal across separate and distinct program missions of the Department, a Center for Competitive Sourcing Excellence has been established to lead this effort. The Center will provide the framework for the consistent application of business analysis and comparative techniques to be used to determine how improved and value-added service can be provided.

The President's management agenda requires agencies to examine five percent of their FTEs in 2002 that are involved in commercial activities, and 10 percent more in 2003, to determine whether these functions might be better performed by non-Federal employees. The Office of Management and Budget has stated that departments may retain any savings realized from competitive sourcing. The Interior Department has similarly informed bureaus that they may retain any savings that they generate from competitive sourcing.

There is no predetermined goal for the number of positions that will ultimately be converted to the private sector. The number of positions will depend on the outcome of individual competitive sourcing reviews and completed competitions. Based on OMB's experience across the government with implementation of the A-76 process, projected FTE usage for 2003 is estimated to be reduced by approximately 1,000 by the end of 2003. No bureau or office FTE estimates have been made based on this projection.

## IMPROVED FINANCIAL PERFORMANCE

*Timely, accurate information about program costs is the critical missing link between public programs and the financial systems designed to support them.*

*Assistant Secretary P. Lynn Scarlett,  
December 24, 2001*

The President's goal for improved financial performance underscores the need for accurate, timely financial information and improved accountability through clean financial audits achieved in a timely and efficient manner. Interior has met the

requirement for a clean opinion, having received unqualified opinions on its consolidated financial statements over the past four years. The Department is continuing its efforts to improve the financial statement preparation processes and reduce manual, labor-intensive efforts to reconcile financial information. Interior is also making great efforts to improve accountability and security with respect to Indian trust financial information.

To continue efforts toward greater financial accountability in 2003, the Department will once again contract with private sector audit firms for the annual financial audits. In 2002, Interior joined nearly all major CFO Act departments and agencies that follow this practice, which provides for an independent and objective evaluation of the Department's and bureau's financial statements.

## EXPANDED ELECTRONIC GOVERNMENT

*I will expand the use of the Internet to empower citizens...*

*Governor George W. Bush, June 9, 2000*

The President has set government-wide goals to expand use of the internet to provide faster and better access to government services and information through electronic government, as well as to improve internal government.

Interior is taking a leadership role in the President's government-wide initiative for e-government and also undertaking independent efforts to improve the management and deployment of information resources throughout the Department. Interior is the managing partner for two of 23 government-wide internet projects intended to expand and improve service to other levels of government, citizens, and businesses. These projects were initiated in 2002.

**Recreation One-Stop Service** - This project will expand on the existing recreation website ([www.recreation.gov](http://www.recreation.gov)) and offer recreation planning information, allowing users to locate Federal, State, and local recreational areas on-line, generate on-line maps, and make reservations for popular services. It will also engage the private

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sector in partnerships to help achieve these goals.

**Geospatial Information One-Stop Service** - This initiative will provide better coordination of numerous Federal investments in geospatial information and provide enhanced services to State and local governments, the private sector, and individual citizens. The project will include a new clearinghouse of data collected by Federal and non-Federal agencies and allow collaboration with State and local governments to reduce duplication, build partnerships, and produce savings.

As a member of the President's Quicksilver e-government task force, Interior will participate in a number of other e-government projects managed by other task force members. For example, Interior is leading the development of a new cross-agency internet portal, [www.volunteer.gov](http://www.volunteer.gov), which will provide on-line access to volunteer opportunities for multiple Federal and State agencies.

In addition to these government-wide efforts, Interior is taking other steps to improve management and deployment of information technology assets. The 2003 budget includes an increase of \$2.5 million to accelerate the development of information technology enterprise architecture, a blueprint for a systematic organization of IT programs and development of a strategy for future expansions and improvements. In concert with the development of an enterprise architecture, Interior is conducting an evaluation of information technology organizations that will be used to bring about greater effectiveness in the delivery of programs and services while resulting in cost efficiencies. The Department is also undertaking improvements to its information security program, thereby better protecting the integrity of its data and ensuring compliance with the Government Information Security Reform Act. Additional expenditures for IT security are expected in 2002 in consultation with the Congress.

The 2003 budget includes \$8.7 million for transformation of business processes for the Minerals Management Service's offshore minerals manage-

ment program. The MMS will work with the Bureau of Land Management as it develops this system, which will deliver web-based, paperless transactions and better manage data, reduce future costs, and deliver services to citizens.

## BUDGET AND PERFORMANCE INTEGRATION

The President's goal for budget and performance integration is to produce performance-based budgets in 2003, begin monitoring program performance, and, over time, to reinforce high performing programs and reform or terminate non-performing activities. The Secretary is committed to reporting meaningful performance results that link investments to outcomes and using the results to inform decisionmaking. To accomplish that, Interior will revise its strategic plan in 2002 and adopt activity-based costing throughout the Department by the end of 2003.

Interior's new strategic plan will establish Department-wide goals that will be used to develop annual departmental performance plans. This streamlined and highly integrated strategic plan will communicate the results that Interior expects to achieve and be held accountable for over the next three years. It will replace a suite of nine bureau and numerous office plans and a departmental overview document, and will integrate goals for the diverse functional aspects of the Department. Bureaus and offices will continue to develop separate strategic and annual performance documents that tie to Interior's strategic goals and provide bureau and office specific performance expectations and strategies.

The new strategic plan will reflect the President's goals for a citizen-centered government as well as the Secretary's Four C's and her vision for management excellence. Scheduled for completion in the spring of 2002, the plan will guide program

*We want to spend your hard-earned money as carefully as you do. And when we spend the people's money, we insist on results.*

*President George W. Bush, August 25, 2001*

delivery in 2003 and will be the basis for budget formulation in future years. Using the new strategic plan, Interior will continue to work toward improved integration that better links goals and performance strategies to budgetary resources.

Obligations, outlays, and carryover balances can be calculated by financial systems. The Department is on the threshold to provide program managers the cost information they need to manage their day-to-day operations wisely. The approach, known as activity based costing, has been pioneered within Interior by BLM. It will be used as a model for developing comparable systems in MMS, the Office of Surface Mining, and Interior's National Business Center in 2002. In addition, in 2002, the other bureaus will begin activity based costing pilots, so that they will be in a better position to make activity based costing fully operational in their bureaus at the end of 2003. These efforts will strengthen Interior's commitment to performance-budget integration and to demonstrating the tie between performance results and the costs of producing those desired results. Information technology will provide the tools to integrate strategic planning with performance tracking and budget execution.

*Activity based costing helps managers direct resources to achieve the best return on value. An effective ABC system answers the question, "How much are we actually spending for what we are getting..."*

*Assistant Secretary P. Lynn Scarlett,  
January 9, 2002*

## MEASURES OF ACCOUNTABILITY

The President's management agenda provides direction for accountability by requiring the designation of a chief operating officer in each Cabinet agency to take part in the re-established President's Management Council. At the Department, the Deputy Secretary has this role. In turn, the Secretary has established a Management Excellence Council, which she chairs, comprised of the Deputy Secretary, assistant secretaries, and bureau heads. The Council provides leadership,

direction, and accountability in implementation of the Secretary's management plan, "A Plan for Citizen-Centered Governance."

Exclusive of information security issues that Interior is currently addressing, the Department's management, administrative, and accounting controls, and financial management systems comply with requirements established by the Federal Managers Financial Integrity Act, Inspector General Act, and other requirements. These systems, in concert with Interior's management control program, strategic planning process, and capital planning process, provide the necessary assurances that Federal funds are being spent for their intended purposes.

Interior's management control program provides oversight of management accountability throughout the entire Department, assessing management controls in programs and administrative functions, and relying on the findings of the Inspector General, the General Accounting Office, and issues identified in annual financial audits. Corrective actions are assigned and implementation is monitored through this program. The Department is taking action to resolve 17 remaining material weaknesses.

## BUREAU MANAGEMENT REFORM STRATEGIES

The four main principles of management reform—customer value, accountability, modernization, and integration—that are driving Interior to management excellence have taken root in the bureaus. Each bureau has identified a series of initiatives for areas where management improvements are needed, as described below. These examples along with other initiatives are discussed in more detail in the bureau sections of this book and in bureau budget justifications.

**Service First Collocation** - The BLM is increasing its "Service First" program, collocating with the U.S. Forest Service to promote better customer service, improve service delivery at the local level, and improve support for community based initiatives. The performance benefits of collocation are to provide one-stop customer service at all available locations where BLM and USFS have an office in the same town, and enhance internal operations through space and other resource sharing oppor-

tunities. The BLM and USFS have had several successful collocation efforts, including the San Juan National Forest, Durango Field Office, and Royal Gorge Field Office.

As the next step in extending the service first concept, Interior is exploring opportunities to collocate offices of other bureaus. One such opportunity under investigation is in the Twin Cities region of Minnesota where a number of Interior and other Federal agencies are located.

**Regional and Washington Office Study** - The FWS has undertaken a review of its regional office organization, structure, functions, and responsibilities. Using an outside contractor that has recognized expertise in management audits of large governmental organizations, FWS will identify and implement the most efficient organization and operation to achieve its mission. Benefits that are likely to emerge include reduced layers between customers and decisionmakers, enhanced customer service, better customer value, and optimization of FWS's ability to conduct business in a diverse stakeholder environment.



**Park Maintenance** - As described in the earlier discussion of the 2003 National Park Service deferred maintenance initiative, NPS is developing a performance-based management system for its facilities through comprehensive condition assessments, continued implementation of the facility maintenance software system, and establishment of facilities condition indices for its facilities.

**Park Business Plans** - The NPS is developing business plans through a partnership with a consortium of philanthropic organizations. In park planning pilots, NPS has demonstrated that such plans can help improve the financial management capabilities in park units, enabling NPS to communicate more clearly its financial status to principal stakeholders. The business plans mirror those used in the private sector and offer financial strategies for closing funding gaps through efficiencies in operations and other means. These plans will be used internally to focus operations and activities and to communicate externally the cost of achieving park activities through programmatic objectives.