THE PRESIDENT'S MANAGEMENT AGENDA

T he President's Management Agenda (PMA) is intended to create a government that is citizen-centered, results-oriented, and market-based. The agenda, which guides improvements in the way the Department conducts business, comprises five government-wide initiatives:

◆ Strategic Management of Human Capital

◆ Electronic Government

◆ Competitive Sourcing

◆ Budget and Performance Integration

◆ Improved Financial Performance

The Department of Commerce works with the Office of Management and Budget (OMB) to evaluate its success in carrying out the five initiatives. Quarterly, a "traffic light" system of green, yellow, and red ratings is used to convey the Department's progress and overall status in each category (green for success, yellow for mixed results, and red for unsatisfactory):

◆ Progress ratings reflect how well the Department achieves success and whether it is following through on planned actions.

◆ Overall status ratings reflect the degree to which the Department has succeeded in actually achieving the goals of each initiative.

By focusing on results, Commerce has improved the quality of the services it provides to the public. The following table shows the ratings Commerce received at the time that the PMA was launched three years ago and those received as of September 2004.

DEPARTMENT OF COMMERCE RATINGS			
INITIATIVE	INITIAL STATUS RATINGS AS OF 12/31/01	STATUS RATINGS AS OF 9/30/04	PROGRESS RATINGS AS OF 9/30/04
Strategic Management of Human Capital	🔴	🟡	🟢
Competitive Sourcing	🔴	🟡	🟡
Improved Financial Performance	🔴	🟡	🟢
Electronic Government	🟡	🟡	🟢
Budget and Performance Integration	🔴	🟡	🟢

WHAT PROGRESS INDICATES: *OMB assesses agency "progress" on a case by case basis against the deliverables and time lines established for the five initiatives that are agreed upon with each agency as follows:*

🟢 **GREEN** *Implementation is proceeding according to plans agreed upon with the agencies;*

🟡 **YELLOW** *Some slippage or other issues requiring adjustment by the agency in order to achieve the initiative objectives on a timely basis; and*

🔴 **RED** *Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.*

| STATUS ⬤ | **Strategic Management of Human Capital** | ⬤ PROGRESS |

If Commerce is to achieve the results it wants, it must have a workforce that is ready, willing, and able to carry out its mission. When the PMA was first issued in 2001, Commerce faced three serious human resources challenges:

◆ Inadequate preparation for a potential retirement wave at all organizational levels

◆ Significant turnover in mission-critical occupations

◆ Gaps in technical and leadership competencies.

The Department has taken a number of steps to address these challenges, including:

◆ Launching three new programs to encourage employees in mid-level grades to develop leadership skills, which will assist in the Department's succession planning:

- Senior Executive Service (SES) Candidate Development Program

- Executive Leadership Development Program (grades GS 13-14)

- Aspiring Leaders Development Program (grades GS 9-12)

Commerce anticipates these initiatives will result in the preparation of about 100 individuals for leadership positions in occupations where high attrition is expected at managerial and executive levels in the next few years.

◆ Strengthening recruitment efforts through formal working relationships with twelve colleges and universities that have curricula and research activities that match Commerce's most pressing employment needs.

◆ Implementing a Web-based Learning Management System and other e-learning tools to reduce gaps in its employees' mission-critical skills.

◆ Giving its employees opportunities to participate in training courses to improve information technology (IT) skills. Commerce's IT Project Management training, aimed at professional certification of project managers and team members, is an example. Since 2002, more than 90 employees have earned a Master's Certificate in IT Project Management.

◆ Using innovative tools for managing human resources, the Commerce Demonstration Project provides managers at lower organizational levels the authority, control, and flexibility needed to recruit, retain, develop, recognize, and motivate their workforce.

◆ Offering incentives that benefit both employees and the Department. Voluntary early retirement and voluntary separation incentives are mutually beneficial approaches that address the changing skills needs in the Department's workforce.

◆ Establishing performance plans that are linked with the Department's strategic goals.

Managing Human Capital: Professional Development

Internal Grants Program Fosters Professional Development of Scientists at the National Oceanic and Atmospheric Administration (NOAA)

N*OAA's Northwest Fisheries Science Center created a grants program in 2001 for the benefit of NOAA employees. This program develops scientists' professional competencies and supports high-quality scientific research. The program, which provides $10-30 thousand in seed funding, gives scientists opportunities (which would otherwise be limited) to obtain funding for important mission-related research projects. The program also gives researchers an opportunity to develop grants writing skills through a competitive and scientifically rigorous review process that fosters learning and teamwork, and encourages multidisciplinary projects. Since it began, the program has supported nearly 30 research projects, ranging from investigations of olfactory imprinting to habitat restoration opportunities. For example, Dr. Nat Scholz received a grant in 2001 to use zebrafish as an experimental model to investigate the impacts of water pollution on the early life history stages of fish. As a result of this successful grant project, Dr. Scholz and his co-investigators applied for and received over $600 thousand through internal and external funding sources to further support critical zebrafish-related research.*

Each year the internal grants competition has grown, with the submission of dozens of high-caliber proposals. The program's popularity and effectiveness led the Fisheries Center to increase its support for this program in 2004.

STATUS 🟡   **Competitive Sourcing**   🟡 **PROGRESS**

Commerce is improving the cost-effectiveness of its operations by determining who can best do the work—Department employees or private sector sources. The Federal Activities Inventory Reform (FAIR) Act requires that the Department review the commercial activities its workforce performs and determine whether they are appropriate for competition. Once this annual process is completed, Commerce submits its inventory of commercial activities to Congress and makes it available to the public. Throughout the year, the Department selects certain activities and conducts competitions between Commerce organizations and the private sector to identify the most cost effective method of getting the job done.

Commerce has taken a number of steps to ensure that its competitions are well executed. The following are among the results of its efforts:

◆ The Department performed a benchmarking study to identify best competitive sourcing practices of other federal agencies. As a result, it was determined that the Department should create a high-level steering committee to oversee and recommend approval of competitive sourcing studies throughout Commerce. The Department's Chief Financial

Officer (CFO) Council fulfills this role, acting as a proponent of competitive sourcing, consulting with the Department's competitive sourcing officers and approving resources for the program.

◆ The Departmental oversight program was realigned to locate it with closely related acquisition activities, and Commerce is moving toward assigning additional resources to the program. For instance, the Department is looking at a "tiger team" approach that would comprise headquarters and bureau staff who would help perform oversight study activities. This approach saves money and improves efficiency because it:

- Develops knowledgeable staff to conduct the competitions

- Eliminates staffing redundancies in our bureaus

- Reduces the need for consultants

- Enables the Department to include competitive sourcing studies in its reviews of acquisition risk management. This greatly improves the quality of its competitions and makes the program more efficient.

◆ Commerce plans to develop a competitive sourcing training module that will be Web-accessible throughout Commerce and the rest of the federal government. By explaining the process and addressing employees' concerns, this training should provide for better-managed competitions.

◆ The Department is updating Departmental policies and procedures for greater efficiency and cost savings.

Competitive Sourcing: Census Cost Comparison

Competitive Sourcing Ensures Cost-effectiveness While Keeping Census Jobs

The U.S. Census Bureau underwent a cost-comparison study of their headquarters' Mixed-Tour Program, which comprises temporary employees who work on an as-needed basis. The cost-comparison included about 225 Commerce positions. The competition determined in-house performance to be the most efficient and cost-effective method of operation. As a result of the study, the Commerce employees kept their jobs and the Department expects to save $10M over the next five years.

STATUS ●	**Improved Financial Performance**	● PROGRESS

It is essential that Commerce be able to account to the American taxpayer for the public funds with which it is entrusted. Accurate financial information makes this possible. Department program managers depend on the ready availability of such information to make well-informed operational, policy, and budget decisions. By accelerating end-of-year reporting, instituting quarterly financial statements, re-engineering reporting processes, expanding use of Web-based technologies, and continuing to receive clean audit opinions, Commerce is improving the timeliness and reliability of its financial information.

Although financial management has been a particular concern at Commerce for some time, the Department has now replaced the fragmented and outdated financial systems with a single, modern system, the Commerce Administrative Management System (CAMS).

The Department has made the following financial management improvements:

◆ Accurate financial information is now available for day-to-day management decisions.

◆ As a result of CAMS:

  ● Program managers can make better-informed decisions more quickly.

  ● Closing monthly financial records that once required up to two weeks now takes three days.

  ● Financial statements can be produced much more quickly.

  ● The Department uses fewer overtime hours to complete quarterly financial statements.

  ● The audit process is smoother because information is easily extracted from the system.

  ● The Department developed a consolidated reporting system (CRS) that gives its senior managers online desktop access to critical program information. CRS allows managers to quickly and independently extract the data they need, without having to rely on other people's schedules or availability.

**Financial Management:
Consolidated Reporting System (CRS)**

Commerce Official Cites the Impact of CRS

"Previously we had these multiple systems and all they were doing was providing data. What we really needed was information. Now, with the Consolidated Reporting System, Commerce leaders can use an 'executive dashboard' to design their own charts or reports, or click on a Commerce bureau for details about what is happening there. At one glance, CRS can show us the status of each bureau's spending compared to its budget. The dashboard quantifies many of the requirements of our results-oriented initiatives."

*James Taylor
Commerce Deputy Chief Financial Officer
(as discussed in the July 19, 2004, issue of "Government Computer News")*

◆ Commerce received a clean opinion for the sixth consecutive year on its FY 2004 financial statements, and it consistently submitted quarterly financial statements to OMB either on time or ahead of schedule.

STATUS 🟡	Electronic Government	🟢 PROGRESS

The Commerce Department is continuing to expand its use of electronic government, or e-gov, to perform its mission better; to enhance its support to citizens, businesses, and other customers; and to reduce costs. Commerce uses the Internet as a primary means of disseminating large amounts of data and information as well as supporting online transactions. The Department ranks well within the top 100 Web properties on the entire Internet in terms of unique users who regularly access its Web sites.

The Department has over 100 different transactions available on the Internet, including applying for fishing permits and patents and trademarks, ordering nautical charts and environmental data, filing economic census data, and providing access to publicly available patent and trademark files. Commerce's overall data dissemination on the Internet is even larger. For example:

◆ Every day, the National Institute of Standards and Technology (NIST) fulfills more than 1.5 billion automated requests received through the Internet to set computer clock time to official U.S. time.

◆ NOAA provides computer weather model output and other meteorological data totaling 1.5 trillion bytes each day at an average sustained data rate exceeding 100 megabits per second.

Since 2001, the Department has substantially enhanced IT management by strengthening computer security and improving the capital investment decision process. Commerce is actively participating in the government-wide efforts to automate service delivery:

◆ The Department has substantially enhanced IT management by strengthening computer security and improving the capital investment decision process. The results of this attention to IT security management are demonstrated in an increase in reported IT security performance metrics.

  Since FY 2001, the Department has increased the overall percentage of systems certified and accredited to 97 percent. Concurrent with this effort, the Department has improved the quality of the certification and accreditation packages for its national critical and mission critical systems, and has had the quality level of these C&A's confirmed by an independent contractor.

◆ Commerce chairs a Presidential e-government initiative, International Trade Process Streamlining, which provides the public with a single portal to government services relating to exporting.

◆ Commerce is also active on steering committees for other e-government projects, including the Geospatial One-Stop, Recreation One-Stop, Business Gateway, Integrated Acquisition, and E-Grants.

◆ All the Department's major systems are now supported by fully developed business cases, helping to ensure that IT funds are invested and managed wisely.

◆ In response to the privacy provisions of the E-Government Act of 2002, Commerce has issued an IT privacy policy that extends privacy protections to business data as well as Privacy Act data about individuals.

E-Government: Electronic Business Center

U.S. Patent and Trademark Office Provides Quality-focused E-commerce Service

An electronic business center available at the U.S. Patent and Trademark Office's (USPTO) Web site (www.uspto.gov) provides everything needed to search and file for patents and trademarks, obtain historical information about patents and trademarks, view patent and trademark images, and even find a registered patent attorney or agent. Fees can also be paid online. Last year, USPTO received 333,452 patent applications and 218,596 trademark applications. Over 125,000 trademark applications and over 4,000 patent applications were filed electronically. As of June 2004, over 70 percent of all trademark applications were filed electronically.

USPTO's Web site has been ranked number one for its design and content by PricewaterhouseCoopers Endowment for the Business of Government, which rated 148 Web sites on services offered, help features, service navigation, site legitimacy, and accessibility.

| STATUS | Budget and Performance Integration | PROGRESS |

Commerce recognizes that the budget it is given is an investment, and that it owes the taxpayer a return on that investment. The Department assesses what its programs do to achieve their objectives, how much they cost, and how their effectiveness can be improved. Commerce identifies meaningful measures to evaluate results and actively monitor program performance.

The Department has a well-established mechanism for overseeing performance planning and measurement under the Government Performance and Results Act (GPRA):

◆ The Department's annual performance plan is linked directly to its budget submission, which reflects its strategic goals and objectives and the Secretary's priorities.

◆ Commerce uses the Program Assessment Rating Tool (PART) evaluations and other assessment techniques to enhance program delivery and achieve greater results. For example, the International Trade Administration and the Minority Business Development Agency have implemented long-term outcome measures, and the Economic Development Administration has improved the way it demonstrates the impact of its planning and technical assistance and trade adjustment investments. Similarly NOAA has developed a performance measurement system for its Pacific Coast Salmon Recovery program to identify success and highlight areas where the organization's resources can be applied to improve the program.

◆ Commerce is establishing a quarterly monitoring system through the Consolidated Reporting System (CRS), which will integrate performance and financial data. This system will include bureau performance measures so that senior leaders can assess performance across the Department in a timely manner.

To provide a comprehensive picture of what the Department does and how much it costs, it has combined its annual performance report with its annual accountability report, giving the public a single source of information on performance for the prior year, financial statement audits, major accomplishments, and current challenges.

Integrating Budget and Performance: Improved Coastal Management

Improving Accountability: Assessing Coastal Management Programs

The National Coastal Management Performance Measurement System is part of an ongoing effort of NOAA to work with the states to assess the effectiveness of the Coastal Zone Management Act (CZMA), which addresses issues that affect U.S. coasts, such as:

- beach erosion
- public access
- water quality
- land usage
- habitats and hazards

The primary goal of the system is to work with the states to track effectiveness indicators for coastal management programs and reserves across the nation. Because needs vary so much from state to state, NOAA worked with the states to develop measures specific to their program needs in order to supplement the national indicators. In addition to assessing program results, NOAA also will conduct annual assessments of activities funded under the CZMA. These assessments will determine how—and how well—the funds for this program are being used. From this information Commerce will be able to decide whether to redirect program funds or revise policies and priorities.