

THE PRESIDENT'S MANAGEMENT AGENDA

It is the Department of Commerce's stated mission to promote job creation and improve living standards for all Americans by fostering economic growth, technological competitiveness, and sustainable development. In meeting this obligation to the American taxpayer, the Department fully appreciates the importance of sound management practices and is intent on applying them in all aspects of its work.

Through focusing on major management areas—strategic management of human capital, competitive sourcing, improved financial performance, electronic government, and budget and performance integration—Department employees work towards continual improvement in the programs for which they are responsible.

The President's Management Agenda (PMA) guides these improvements and the President's Management Scorecard provides a way of keeping track how agencies are doing in the management of public programs and public funds. Each quarter federal agencies set goals and establish timeframes for meeting their objectives in the major management areas that are the focus of the PMA, and each quarter the Office of Management and Budget (OMB) rates the agencies' status and progress in those areas. Green indicates success, yellow means mixed results, and red is an unsatisfactory rating. Progress ratings for each category reflect how well the Department is doing in achieving success in that category, and whether it is following through on planned actions. Status ratings indicate the degree to which the Department succeeded in reaching its ultimate goals for the management area.

The table below shows the Department's most recently published progress and status ratings for government-wide initiatives. The sections that follow provide a look at what the Department has accomplished.

DEPARTMENT OF COMMERCE RATINGS		
INITIATIVE	STATUS RATINGS AS OF 9/30/05	PROGRESS RATINGS AS OF 9/30/05
Strategic Management of Human Capital	●	●
Competitive Sourcing	●	●
Improved Financial Performance	●	●
Electronic Government	●	●
Budget and Performance Integration	●	●

**WHAT RATINGS 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

As part of its ongoing efforts to ensure that it has the right people in the right jobs at the right time, the Department has:

- ◆ Adopted a new automated hiring tool that provides automatic notification of vacancy announcements to more than 65 organizations with diverse affiliations.
- ◆ Streamlined staffing processes and procedures to reduce average hiring cycle time from 146 days in fiscal year (FY) 2001 to 31 days in FY 2004.
- ◆ Provided training and development opportunities for 100 employees enrolled in the Senior Executive Service (SES) Candidate Development Program, the Executive Leadership Development Program, and the Aspiring Leaders Development Program (ALDP). These programs include competency assessment, formal classroom training, developmental assignments, seminars, and mentors for employees at the GS-9 through GS-15 and equivalent levels.
- ◆ Launched a new skill-based Administrative Professional Certificate Program for employees at the GS-2 through GS-8 and equivalent levels. More than 120 employees are enrolled in this program.
- ◆ Offered more than 1,200 competency-based online training courses, available whenever needed at the desktops of more than 38,000 users.
- ◆ Launched a pilot for the Commerce Career Counseling Program to provide individual counseling sessions and workshops on topics such as resume-writing and interviewing skills.
- ◆ Reduced overall turnover rate from 7.28 percent in FY 2001 to 4.36 percent in FY 2004.



## STRATEGIC MANAGEMENT OF HUMAN CAPITAL: PLACEMENT AND DEVELOPMENT PROGRAMS

### Special Development Program Helps Ensure Leadership for Tomorrow



In the fall of 2004, Commerce began a two-year Aspiring Leaders Development Program (ALDP) for high potential employees in the GS-9 through GS-12 or equivalent grade levels. This program is intended to develop individuals for leadership positions in occupations where high attrition among managers and executives is expected over the next several years. Throughout the course of the program, ALDP participants, who were selected through a highly competitive process, receive intensive training to enhance their leadership potential. In addition to coursework focused on leadership, the training involves one-on-one interviews with successful leaders throughout the Department, short-term assignments targeting the development of particular skills, and shadowing effective leaders as they go about their work.

One of the candidates in this year's ALDP class is Fatimot Ladipo. Fatimot joined the Department in June 2004 as a management analyst, coming to the Department from

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*the office of Georgia's lieutenant governor in Atlanta. Although not yet through her first year in the program, Fatimot has already found her experiences to be very rewarding. "I really enjoyed conducting interviews with managers," she says, "you learn so much about the important work going on throughout the Department. The interviews gave me a much broader understanding of the mission of the Department and the scope of the work done." Fatimot recently completed a detail to the Census Bureau, where she did research in support of outreach efforts to allow nonprofit organizations better access to Census data.*

*Summing up her experiences thus far Fatimot notes, "In addition to helping me identify competency areas that I want to target for improvement, participating in the ALDP has really given me insight into how leaders think, and provided me invaluable opportunities to network with individuals with a more global perspective than I previously had."*

**Post-Secondary Internship and SCEP Programs Bring Department New Talent**

**S**ydia Lopez, originally from the Los Angeles area, first came to work at the Department in June 2004 while she was a graduate student at the University of Southern California. Her appointment was made possible through one of the post-secondary internship programs the Department uses to hire promising candidates, the Hispanic Association of Colleges and Universities program. This program provides students opportunities to experience federal jobs during the summer or for a semester during their school year. During her internship, Sydia was converted to a student appointment through the Student Career Experience Program (SCEP). SCEP is a federal program that enables the Department to hire students into developmental positions in order to address its future hiring needs. Participants who complete the program can become permanent federal employees without further job competition. Once Sydia completed her masters degree in Public Policy in May 2005, she was converted to the federal competitive service, where she is now working as a human resources specialist in the Office of the Secretary's Office of Human Resources Management.



*Sydia is very positive about the programs that made her aware of the opportunities within the Department of Commerce available to bright students like herself. "If I hadn't gotten the internship and had the opportunity to work for the federal government in Washington, I probably would have stayed in California, and perhaps worked for local government. But I found that a federal job at Commerce offered so much of what I was looking for in a career—an appropriate balance of the factors I value. I also realized that these programs had eased the transition from college to a permanent job—while my friends were still looking for work right before graduating, I already knew I'd be leaving for a great job in a very supportive environment."*

*Using these employment programs, the Department has been able to access intelligent, enthusiastic employees like Sydia who otherwise might have been missed in a very competitive market for talented workers.*





STATUS

**Competitive Sourcing**

PROGRESS

More than half of the Department's budget is used for contracts, grants, and interagency agreements. Therefore, it is imperative that it continue to look at its operations to determine who can best do its commercial work—its own employees or other sources. The Department has examined this issue extensively, and it is working on developing the best approach for making such decisions. Throughout the year, it selects certain activities and conducts public-private competitions to identify the most cost-effective method for getting the job done.

Some of the Department's accomplishments over the past year include the following:

- ◆ The Department's Council of Senior Financial Officers reviewed the 2004 inventory of potential commercial services to ensure consistency across bureaus and promote better identification of competition opportunities in the future. In addition, the Department is briefing bureau executives to highlight the cost savings, operational efficiencies, and other benefits that competitive sourcing can bring to their organizations.
- ◆ The Departmental oversight program's work with the acquisition community has yielded positive results. For instance, the use of the Acquisition Review Board to oversee and approve competitive sourcing efforts has led to a clearer identification of requirements and an improved acquisition strategy. As a result, competitions are better managed.
- ◆ To improve the process of identifying areas for competition, the Department will use a "tiger team" approach, with headquarters and bureau staffs together participating in oversight study activities. This approach allows the Department to:
  - Develop knowledgeable staff to conduct and/or provide oversight and assistance for competitions.
  - Eliminate staffing redundancies in its bureaus.
  - Avoid over-reliance on consultants.
- ◆ The Department has revamped its competitive sourcing Web site which now features training materials, templates, and guidance to help the bureaus in their efforts. It also includes a Web-based training video (sponsored by the Chief Acquisition Officers Council) that clearly explains the entire competitive sourcing process—from the Federal Activities Inventory Reform (FAIR) Act inventory to the actual A-76 studies and outcomes. These tools are available to all Department employees, managers, and the public to better educate them on the program and its benefits. The tools will help to ensure a better understanding of the program's potential and facilitate better competition results.



STATUS ●

**Improved Financial Performance**

● PROGRESS

The Department continues to make itself accountable to the taxpayer for how it spends public funds. Readily available financial information helps its managers make well-informed operational, policy, and budget decisions. The timeliness and reliability of such information is an essential aspect of this effort. Here is what the Department has accomplished in the past year, and what it plans for the future:

- ◆ The Department achieved green status in "Improving Financial Management" on the President's Management Scorecard. It is one of only nine agencies in the government to do so.
- ◆ The Department's executive information system, the Consolidated Reporting System, for the first time included performance data in addition to financial, procurement, human resources, and grants information. The performance data provide Department executives with easy access to bureaus' performance compared against established goals.
- ◆ Utilizing the integrated financial systems and improved procedures implemented over the past few years, the Department was able to fully meet the accelerated OMB deadlines for publishing audited financial statements within 45 days of the year end, and within 21 days after each quarter. Only three years ago, departments were given nearly four months after the end of the fiscal year to publish these statements, and did not have to submit quarterly financial statements that are now required.
- ◆ The Department completed a business case for leveraging the financial systems and processes in place to streamline financial management within the Department. The Department will benefit from these streamlining initiatives by reducing system infrastructure and overall financial systems costs, introducing best practices to standardize financial management processes, and positioning itself for migration to a financial management line of business center of excellence.
- ◆ On its FY 2005 financial statements, the Department received an unqualified audit opinion for the seventh consecutive year.



**IMPROVING FINANCIAL PERFORMANCE: NEW SYSTEM**

**KEEPS MANAGERS ON TOP OF PROGRAM SPENDING**

CBS—the Commerce Business System—is the Department's new financial management system, and reactions from users indicates that the Department has come a long way in project cost management and reporting.

The Department's old financial management system gave managers financial reports on their projects on a monthly basis. Now that CBS is up and running, reporting is much more timely. As one Commerce official who administers CBS put it, "Times have changed considerably—previously, managers were receiving financial reports once a month, and now they're accustomed to getting information much more frequently. In fact, we'll hear complaints if they can't access their reports on a daily basis."

Because of this new system, Department managers' grasp of where their programs stand fiscally is better than ever. CBS has enhanced the performance and operations of programs across the entire Department of Commerce.



STATUS ●

### Electronic Government

● PROGRESS

The Department continues to use the Internet to provide massive amounts of information to the public and to enable customers to complete a variety of business transactions. More than nine million individual users access Department information on the Web each month, placing the Department consistently in the top three of all government and nongovernment Web information sources, and in the top 80 Web properties on the entire Internet. Further, users of Department Web sites return at a particularly high rate each month.

More than 100 transactions are available to the public via the Internet. You can apply for fishing permits and for patents and trademark registration, order nautical charts and environmental data, file economic census data, and research publicly available patent and trademark files through Department Web sites. Through the Internet:

- ◆ The National Institute of Standards and Technology (NIST) fulfills more than 1.5 billion automated requests per day to provide precise time information for many critical applications, such as stock exchange transactions, Internet operations, and electrical power generation.
- ◆ The National Oceanic and Atmospheric Administration's (NOAA) main National Weather Service (NWS) Web site and supporting Web sites are visited by an average of six million citizens each day to obtain information about national and local weather. In the 45-day period starting in August 2004, the NWS Web sites saw more than 1.5 billion hits as four hurricanes came ashore in the southern states.
- ◆ 730 Commerce forms are available to the public via the forms.gov Web site.
- ◆ Between September 1 and September 7, 2005, the public downloaded from the NOAA Web site about five million photos per day of the Gulf Coast area affected by Hurricane Katrina.



The Department continues to work with other federal agencies to provide the public with easy-to-find, single points of access to government services; to reduce reporting burdens on businesses; to share information more quickly and conveniently among different levels of government; and to automate internal processes to save money. Some of the Department's ongoing activities and accomplishments include:

- ◆ Significant progress in information technology (IT) security (100 percent of Department systems are covered by IT security plans and the quality of the certification and accreditation packages for many of its national critical and mission critical systems has been improved).
- ◆ Leading an interagency e-government initiative to provide the public with a single portal to export-related government services (export.gov).
- ◆ The Department is actively involved in working with other agencies as well as state, local, and private sector experts to create Web sites that improve effectiveness, efficiency, and customer service throughout the government.
  - The Department has helped to improve the public's access to the recreation-related information that the government generates by providing complete information on the Department's NOAA recreational sites and up-to-date weather information for all federal recreation facilities. Recreation One-Stop assists citizens in planning visits to federal recreation sites and making campground/tour reservations.



- ◆ Supporting major systems with developed business cases to ensure that IT funds are invested and managed wisely. As of June 2005, more than 90 percent of the Department's major IT projects met cost, schedule, and performance targets.
- ◆ Identified the use of handheld computers for the 2010 Decennial Census for field follow-up. This will significantly reduce overall costs by eliminating large amounts of paper to be processed and stored.

**ELECTRONIC GOVERNMENT: INFORMATION AT YOUR FINGERTIPS**

**Internet Portal Puts Export Information at Businesses' Fingertips**

Department of Commerce employees have contributed to creating a source of information that U.S. businesses can use in starting up or expanding international sales. Export.gov is a one-stop portal that provides U.S. businesses access to a wealth of information on foreign markets, trade relationships, shipping information, and export assistance programs. The Export.gov market research database is an electronic library that allows visitors to search and access more than 300,000 market research reports by region, country, or industry sector. Reports are added daily by commercial specialists located in U.S. embassies and consulates around the world. Companies interested in evaluating U.S. trade relationships with foreign markets can retrieve the latest annual trade data, then visualize, analyze, print, and download customized output using Export.gov's interactive tool, TradeStats Express™. Filling out the NAFTA Certificate of Origin form can be confusing and time-consuming, but now exporters can use an interactive tool that helps determine industry classifications for their products and provides step-by-step guidance. Those seeking international buyers, export financing, international trade shows, or help in shipping their products need only type [www.export.gov](http://www.export.gov) to access a variety of federal programs at a single location.

The Export.gov portal is accessed by more than 200,000 unique visitors each month and represents a collaborative effort of the 19 federal agencies that make up the Trade Promotion Coordinating Committee (TPCC).

STATUS



**Budget and Performance Integration**



PROGRESS

To ensure taxpayers an appropriate return on investment, the Department looks carefully at how its programs are performing and how much they cost. As a result, it can objectively verify that taxpayers get what they're paying for. Some of the Department's past year's accomplishments include:

- ◆ Its annual performance plan is integrated with the Department's budget submission, which reflects its strategic goals and objectives and the Secretary's priorities. Consequently, Department managers routinely integrate their funding needs with their programs' goals.
- ◆ The Bureau of Industry and Security (BIS) is serving its clients more responsively and economically by issuing significantly more export licenses without an increase in staff assigned to those duties. While its program budget has remained flat over the previous three years, the number of export licenses that staff has reviewed has increased from 10,767 to nearly 14,000 in the most recent fiscal year. By becoming more efficient year-by-year, BIS demonstrates its results orientation and accountability to its customers and the taxpayers.





- ◆ The Department instituted a quarterly monitoring system which has led to greater accountability for delivering program performance. One-on-one meetings are held each quarter between the Deputy Secretary and senior leaders from each bureau to review progress in meeting performance goals and to identify new challenges.

### Additional Management Achievements

#### INTEGRATING BUDGET AND PERFORMANCE: LINKING PROGRAM SUCCESS TO PROGRAM BUDGETS

##### National Oceanic and Atmospheric Administration (NOAA) Hurricane Trackers

There is perhaps no greater job satisfaction than knowing that you played a role in saving a life. Through ever-improving weather prediction, employees of NOAA help to save lives and protect property in the course of their day-to-day work. NOAA has greatly enhanced the quality of weather information it provides to the nation's communities, and improvements in service delivery spurred by program assessments have made things even better. For example, its success at predicting hurricane tracks keeps improving, and it has set numerous records for accuracy in 2004. One way that NOAA communicates vital weather-related information is through its Web sites. The Web sites of NOAA's National Hurricane Center and National Weather Service received more than eight billion hits during August through October 2004, when conditions in the Atlantic spawned one storm after another. As the 2005 Atlantic hurricane season got underway, NOAA unveiled Storm Tracker to follow tropical storms and hurricanes. The NOAA Storm Tracker will contain live links to advisories, tracking maps, and satellite images of storms that are projected to strike the United States or other nations in their path. Storm Tracker can be re-sized and placed anywhere on your computer desktop to easily monitor tropical storms and hurricanes, and the live links will automatically update, so that you can surf the Internet while continuing to keep track of a storm.



##### National Institute of Standards and Technology (NIST) 9/11 Investigation

Few of us realize, in the wake of a disaster like 9/11, how important it is to examine materials, building design, and human responses involved so that the harm caused by such events can be prevented or minimized in the future. As the only U.S. organization charged with developing and promoting measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life, NIST employees play a key role in enhancing the nation's security. In the aftermath of the attacks of September 11, 2001, NIST is helping millions of individuals in law enforcement, the military, emergency services, IT, airport and building security, and other industries to protect the U.S. public from terrorist threats. The ultra precise technologies being advanced by NIST are proving vital in the nation's effort to develop and implement technologies to prevent, respond to, and mitigate terrorist attacks.

The standards that NIST is developing and the scientific breakthroughs for which NIST employees are responsible are giving first responders confidence that their equipment will provide adequate protection and function reliably. They are also ensuring public accountability and restoring trust by improving building and fire safety standards, as well as life safety factors.

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## MANAGEMENT DISCUSSION AND ANALYSIS

### The Economic Development Administration (EDA) Stimulates Industrial and Commercial Growth

If Department employees ever wonder whether their efforts to use taxpayer dollars efficiently had any real impact on communities, they need look no further than EDA. One way in which EDA applies taxpayer dollars to great advantage is by investing in distressed communities to act as a catalyst for private investment. As a result of EDA investments, private sector investments in distressed communities have greatly increased. This past year, for each dollar that EDA invested, the private sector invested \$39. This average ratio of public to private investment has improved fivefold since FY 2000. An example of EDA's work is its investment of \$6 million in the city of Stockton, California, to help build the South Stockton industrial area. The project area is home to 200 industrial firms employing 7,500 individuals in emerging industry clusters that can reduce the area's dependence on agriculture. Total private investment here is expected to reach \$848 million.

The Department's Office of Faith-Based and Community Initiatives was created to strengthen and expand the role that faith-based and community organizations play in addressing the nation's social problems. By educating these organizations about funding opportunities and helping them to apply for funding, Commerce is fostering their participation in competing for federal dollars for specific community-oriented projects.

### FAITH-BASED AND COMMUNITY INITIATIVE

EDA has been awarding grants to faith-based and community groups for several years. From FY 2002-2004 EDA invested over \$86 million in 100 projects involving faith-based and community organizations. These investments have leveraged over \$2.5 billion in private sector investment and have created or saved over 54,000 jobs. An example of such an investment is the case of a \$2.5 million investment in Goodwill Industries of South Florida, Inc., in Miami-Dade County. Goodwill renovated and expanded the manufacturing production and distribution facility for the manufacturing of military fatigues, flak jackets, and uniforms, as well as flag embroidery. EDA's investment is expected to create 400 jobs, primarily for persons with disabilities, and to stimulate an additional \$2.5 million in private sector investment.

