



Highlights of [GAO-03-293SP](#)

Why GAO Convened This Forum

The early years of the 21st century are proving to be a period of profound transition for our world, our country, and our government. The federal government needs to engage in a comprehensive review, reassessment, reprioritization, and as appropriate, re-engineering of what the government does, how it does business, and in some cases, who does the government's business. Leading public and private organizations in the United States and abroad have found that for organizations to successfully transform themselves they must often fundamentally change their culture.

On September 24, 2002, GAO convened a forum to identify and discuss useful practices and lessons learned from major private and public sector organizational mergers, acquisitions, and transformations that federal agencies could implement to successfully transform their cultures and a new Department of Homeland Security could use to merge its various originating components into a unified department. The invited participants have experience managing or studying large-scale organizational mergers, acquisitions, and transformations.

www.gao.gov/cgi-bin/getrpt?GAO-03-293SP.

To view the full report, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or mihmj@gao.gov.

HIGHLIGHTS OF A GAO FORUM

Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies

What Participants Said

There are a number of key practices that have consistently been found at the center of successful mergers, acquisitions, and transformations and can serve as a basis for subsequent consideration as federal agencies seek to transform their cultures in response to governance challenges. These practices include the following.

- 1. Ensure top leadership drives the transformation.** Leadership must set the direction, pace, and tone and provide a clear, consistent rationale that brings everyone together behind a single mission.
- 2. Establish a coherent mission and integrated strategic goals to guide the transformation.** Together the mission and goals define the culture and serve as a vehicle for employees to unite and rally around.
- 3. Focus on a key set of principles and priorities at the outset of the transformation.** A clear set of principles and priorities serve as a framework to help the organization create a new culture and drive employee behaviors.
- 4. Set implementation goals and a timeline to build momentum and show progress from day one.** Goals and a timeline are essential because the transformation could take years to complete.
- 5. Dedicate an implementation team to manage the transformation process.** A strong and stable team is important to ensure that the transformation receives the needed attention to be sustained and successful.
- 6. Use the performance management system to define responsibility and assure accountability for change.** A "line of sight" shows how team, unit, and individual performance can contribute to overall organizational results.
- 7. Establish a communication strategy to create shared expectations and report related progress.** The strategy must reach out to employees, customers, and stakeholders and engage them in a two-way exchange.
- 8. Involve employees to obtain their ideas and gain their ownership for the transformation.** Employee involvement strengthens the process and allows them to share their experiences and shape policies.
- 9. Build a world-class organization.** Building on a vision of improved performance, the organization adopts the most efficient, effective, and economical personnel, system, and process changes and continually seeks to implement best practices.