



Message from the Chief Financial Officer and Chief Administrative Officer

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Chief Financial Officer and Chief
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Fiscal year 2000 was a year of significant milestones and changes for the United States Patent and Trademark Office (USPTO) and a notable way to kick off the new millennium. Fee collections climbed to over \$1 billion, legislation enacted in November 1999 designated our agency as a Performance-Based Organization (PBO), and we advanced towards our goal of relocating into consolidated office space.

As the Chief Financial Officer and Chief Administrative Officer (CFO/CAO) of this newly designated PBO, I am very excited about opportunities available for contributing to the USPTO's continued success. While the global economic environment is thriving and American industries are spending significant sums of money on research and development in efforts to nurture and maintain the strong economic growth, I will be challenged to transition our CFO/CAO organization to an operation similar to private-sector Chief Financial Officer organizations. I will also be working with the USPTO business-unit managers as they begin to adopt and implement private sector "best practices." While our mission, overall objectives, and stakeholders may differ from those of a private-sector organization, I will nonetheless actively guide the USPTO in meeting strategic planning goals, creating and growing value in our businesses, and improving our overall business

performance. As our counterparts in the private sector strive to achieve higher profits and larger earnings per share, the USPTO will identify processes or activities that can be expanded, reduced, improved, or eliminated with the final objective of achieving the most efficient and cost-competitive services and products.

I will continue to make financial management an entity-wide priority and will create value by enhancing my role as the principal financial advisor for the USPTO. As evidenced by the unqualified audit opinions and positive internal control reports that we have received for the past eight years, our traditional roles of compliance and financial reporting are well established. Now we endeavor to move our CFO/CAO organization to a more analytical, consultative, and value-added role, as advisor and business partner with our Patent and Trademark operating units. This also means keeping pace with the technological changes and demands of a fast-moving, results-oriented marketplace. My first priority for our customer-based organization is to establish partnerships with our internal and external customers with increased emphasis on customer operations. Our CFO/CAO organization strives to set the standard and be the provider of choice. I intend for our organization to provide meaningful information to our program managers and senior-level decision-makers. The financial advice and services that we provide to our program managers must

assist in sustaining and improving productivity, quality, service delivery, and e-initiatives, while maximizing the use of our budgetary resources.

Our greatest challenge in the coming fiscal years will be to balance our agency operations as a business within the limits of the Federal appropriation process. As a Federal agency, our success or failure ultimately hinges on whether we have sufficient budgetary resources to do the job demanded and entrusted by our customers. As a fully fee-funded agency, the fees we collect represent customer payments for our services. However, currently we do not have access to, or full use of, all the fees we collect. This has required us to forego information technology investments in order to focus on processing current workloads. This challenge requires a long-term solution—without one, the inability to access all of our fees could potentially affect our ability to carry out our mission in the long term.

In this information age, many high-tech industries rely heavily on intellectual property protection for their inventions, and they expect expeditious resolution of their applications. Such a pattern is fully consistent with the theory of economic growth frequently expressed by Federal Reserve Chairman Alan

Greenspan. He notes compelling evidence that technological innovation has driven the recent upsurge in U.S. productivity and the resulting real growth of the economy. In addition, there has been a perceptible quickening in the pace at which technological innovations are being applied, indicating that recent growth in productivity is not just a cyclical phenomenon or a statistical aberration, but a more deep-seated and still-developing shift in the economic landscape. Thus, it is imperative that we work to resolve the fee issue so that we can fully avail ourselves of the funds we need to meet current and future workloads, and seek opportunities for cost savings, reduction in examination time and pendency, and improvements in our operations.

In closing, I would like to thank the talented and dedicated employees who are ultimately responsible for our performance. A service organization such as ours is greatly dependent on positive, capable, and highly motivated individuals who recognize that customer service and satisfaction are the keys to our success.