President's Management Advisory Board

Approved Recommendations

September 23, 2011

SES Subcommittee Recommendations
Executive Performance Appraisal

1. Ensure that the new executive performance appraisal system has the following key attributes:

- Anchor the system in a set of clearly defined competencies that all executives are evaluated against.

- Balance achievement of results <u>and</u> leadership behaviors; executives should not be able to achieve high overall performance ratings on results alone.

- Prevent "grade inflation" through strongly written and enforced performance criteria that set mid-level ratings as the norm and top-level ratings as truly exceptional.

2. Structure a phased implementation

Implementation of a new performance appraisal system is a major change management effort and will not succeed if it is done too quickly:

- Implement the new system in a phased manner, such as across different agencies and multiple review cycles

- Provide communication and extensive training to SES members at each stage to allow them to get accustomed to changes

3. Insist on a central role for agency leadership

PMAB company CEOs are heavily involved in executive performance appraisal. Successful adoption of a new SES performance management system depends on a similar commitment from Deputy Secretaries:

- Position Deputy Secretaries as sponsors of the new system, in partnership with agency CHCOs

- Require Deputy Secretaries to be closely involved in the SES performance appraisal process to drive accountability and consistency of reviews

SES Subcommittee Recommendations
Executive Development

1. Pilot an onboarding training program for new SES members across agencies

Address the absence of centralized onboarding training for SES members by establishing a training program designed to have an immediate, cross-agency impact.

2. Use a public-private partnership that leverages PMAB company training resources

PMAB companies will contribute their existing training curriculum and expertise to serve as the basis for the SES onboarding modules. We recommend establishing a working group of federal training experts to partner with PMAB companies to adapt the curriculum and supplement with existing agency content.

3. Create a dynamic learning environment by using public <u>and</u> private sector trainers

To provide participants with a variety of executive viewpoints, the training facilitators and presenters should be diverse teams consisting of private sector executives (including PMAB CEOs where possible), federal agency leaders, experienced facilitators, and SES members.

4. Focus training modules on topics that address key skill gaps for new executives

Select topics such as strategic thinking, coaching/managing talent, and change leadership.   Aim for a manageable but robust number of topics – such as three – to comprise the series.

5. Maximize the impact on SES while enabling small-group learning

Structure the training so that several cohorts of 50-100 SES members each can participate in all three training sessions across a 3-4 month period. Design the training courses to incorporate small-group learning opportunities using breakout discussions and multiple facilitators per session.

IT Subcommittee Recommendations
IT Vendor Management

1. Pilot IT vendor management offices (VMOs) within several agencies

A dedicated VMO within an agency should improve the quality, consistency and objectivity of IT vendor performance management and contract compliance. The VMO pilots should:

- Report into the agency's central IT function, with a "dotted line" to Acquisitions
- Define roles and responsibilities that complement – not interfere with – the IT function and the Contracting Officer
- Implement a consistent, agency-wide approach to vendor management, including:
  - Standardized metrics and methodologies for IT contract monitoring and proactive identification of underperforming vendors
  - Templates for SOWs, service-level agreements, and risk management plans
- Hire staff with expertise in specific technology areas to provide reliable oversight of complex projects and vendors
- Set aggressive cost savings goals to be achieved through strategic sourcing and improved contract compliance; the VMO should partner with the Acquisitions function, IT project management, and business partners for this purpose

2. Agencies should conduct site visits to private-sector organizations with successful VMOs and/or effective vendor management practices, to learn about best practices and implementation guidelines

Note: if budget or organizational constraints prevent an agency from formally establishing a VMO, they should still try to implement as many of these practices as possible in their current IT environment.

IT Subcommittee Recommendations
IT Portfolio Management

1. Reform agency-level IT investment review boards (IRBs)

• Agency business unit heads must participate in all IRB meetings

• IRBs must thoroughly review and approve all new IT projects above a certain dollar threshold

• Major IT projects cannot be started without satisfying the following requirements:

– A senior business unit sponsor who is accountable for project success

– A project value estimate based on a credible valuation model that allows for comparison to other investments

– A resource plan to ensure availability of qualified personnel

– An assessment against existing projects and technologies to ensure compatibility and prevent redundancy

• IRBs must review in-progress projects (not just select new ones), and only IRBs have the authority to re-scope or terminate projects

• Deputy Secretaries receive a quarterly report identifying major IT projects that are off-track

2. Conduct site visits to private-sector organizations with robust IT portfolio management practices, to inform IRB reform efforts