

Welcome to **Session 8**

USAID's Business Transformation: Results to Date

Organizer: Nancy Barnett

**Panel: Joe Lombardo, Peter Hobby, Lynn
Kopala, Patrick Brown, Steve Crabtree**

Tuesday, August 17, 2004



Business Transformation in USAID

Nancy Barnett

**Bureau for Management, Office of the Assistant Administrator
U.S. Agency for International Development**



Agenda

- Introductions/Overview (Nancy Barnett)
- Video (Andrew Natsios on Management Systems)
- Presentations (Panel of Experts on the 4 Business Transformation Initiatives)
- Closing Remarks
- Q&As (please hold your questions!)



USAID accelerates the development of countries and their people.

Since the Marshall Plan, we've helped to transform economies and societies all over the world. Now, we are transforming our Agency.

People Revitalizing our workforce by attracting new talent, increasing training and providing performance

Technology Modernizing business systems to accelerate program delivery and results

Ideas Capturing & generating development knowledge

Results Investing in successful programs



Business Transformation Executive Committee (BTEC)

- A “best practice” governance structure for agency-wide management improvements—implemented 2002
- Broad-based membership - senior career executives from across the Agency
- Developed major components of BT Plan

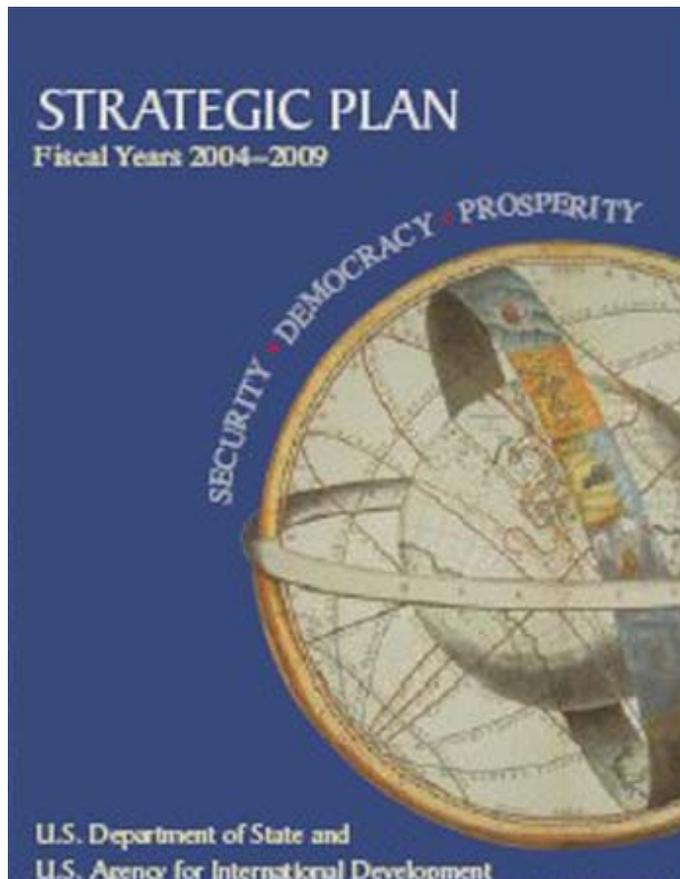


Administrator's Reform Objectives

- Simplicity and standardization
- Customer service culture
- Lower operating costs
- Partner inclusiveness
- Transparency
- Accountability and compliance
- Program performance



USAID's Strategic Plan & Joint Management Goals



Joint Management Strategic Objectives & Goals

Strategic Objective	Strengthen Diplomatic and Program Capabilities.
Strategic Goals	Management and Organizational Excellence. Ensure a high quality workforce supported by modern and secure infrastructure and operational capabilities.
Performance Goals	<ul style="list-style-type: none"> • A high performing, well-trained, and diverse workforce aligned with mission requirements. • Modernized, secure, and high quality information technology management and infrastructure that meet critical business requirements. • Personnel are safe from physical harm and national security information is safe from compromise. • Secure, safe, and functional facilities serving domestic and overseas staff. • Integrated budgeting, planning, and performance management; effective financial management; and demonstrated financial accountability. • Customer-oriented, innovative delivery of administrative and information services, acquisitions, and assistance.



President's Management Agenda:

"Government likes to begin things - to declare grand new programs and causes. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises."

—President George W. Bush



President's Management Agenda

Guiding Principles

- Citizen-centered
- Performance-driven
- Results-oriented



USAID Transformation Plan Incorporates President's Management Agenda (PMA)

USAID Transformation Plan

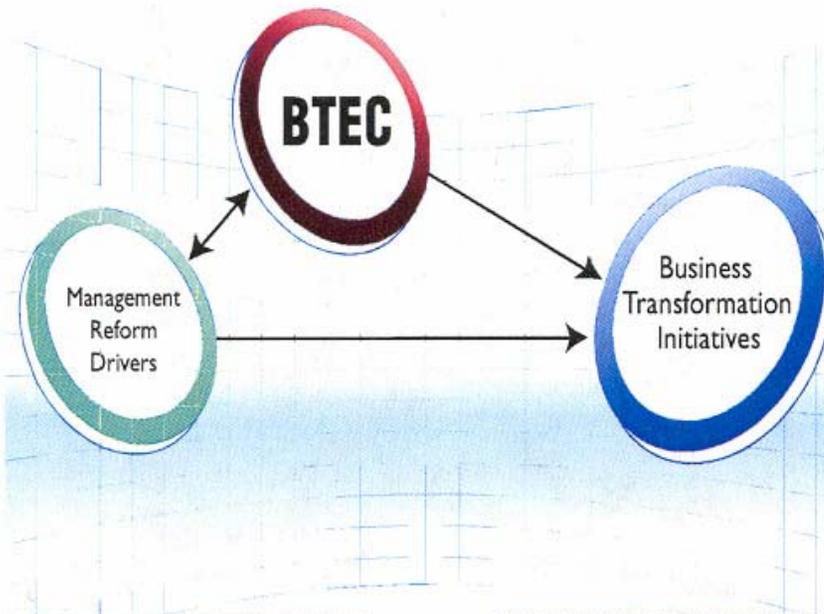
- Strategic Management of Human Capital
- Business Systems Modernization
- Knowledge for Development
- Strategic Budgeting

President's Management Agenda

- Strategic Management of Human Capital
- e-Government
- Financial Performance
- Competitive Sourcing
- Budget & Performance Integration



USAID Business Transformation



Management Reform Drivers

- Administrator's Management Principles
- State-USAID Joint Strategic Plan
- President's Management Agenda

Business Transformation Initiatives

- Strategic Management of Human Capital
- Knowledge for Development
- Business Systems Modernization
- Strategic Budgeting



Message from the Administrator

**Andrew Natsios, Administrator,
U.S. Agency for International
Development**



Human Capital

**Patrick Brown,
Deputy Director, Human Resources,
Management Bureau**



People: Human Capital

Revitalizing our workforce by attracting new talent, increasing training and providing performance incentives

- Hired new employees with mission critical skills through the Development Readiness Initiative to align workforce skills to business requirements
- Saved \$836,000 in taxpayer funds through online training enabling employees to complete nearly 2000 web-based courses to enhance job performance
- Trained nearly 1000 employees on Executive and Senior Leadership to enhance career development opportunities
- Streamlining employee performance evaluations and linking rewards to results to boost staff morale, motivation, and performance



USAID Recruitment Targets

FY 2004 Hires--Progress Report as of 08/12/2004

Category	Projected FY 2004	Employment Offers Made	Clearances Initiated	Entered on Duty as of 8/12/2004
FS replace Attrition	80	106	106	44
FS DRI	20	20	20	20
FSL 85	85	78	63	Offers accepted: 63
CS replace Attrition	90	77	76	70
CS DRI	32	34	34	15
Total	307	315	299	212



Business System Modernization

**Steve Crabtree, Division Chief, Financial
Systems, Management Bureau**

&

**Lynn Kopala, Deputy Director, Office of
Acquisitions and Assistance, Management
Bureau**



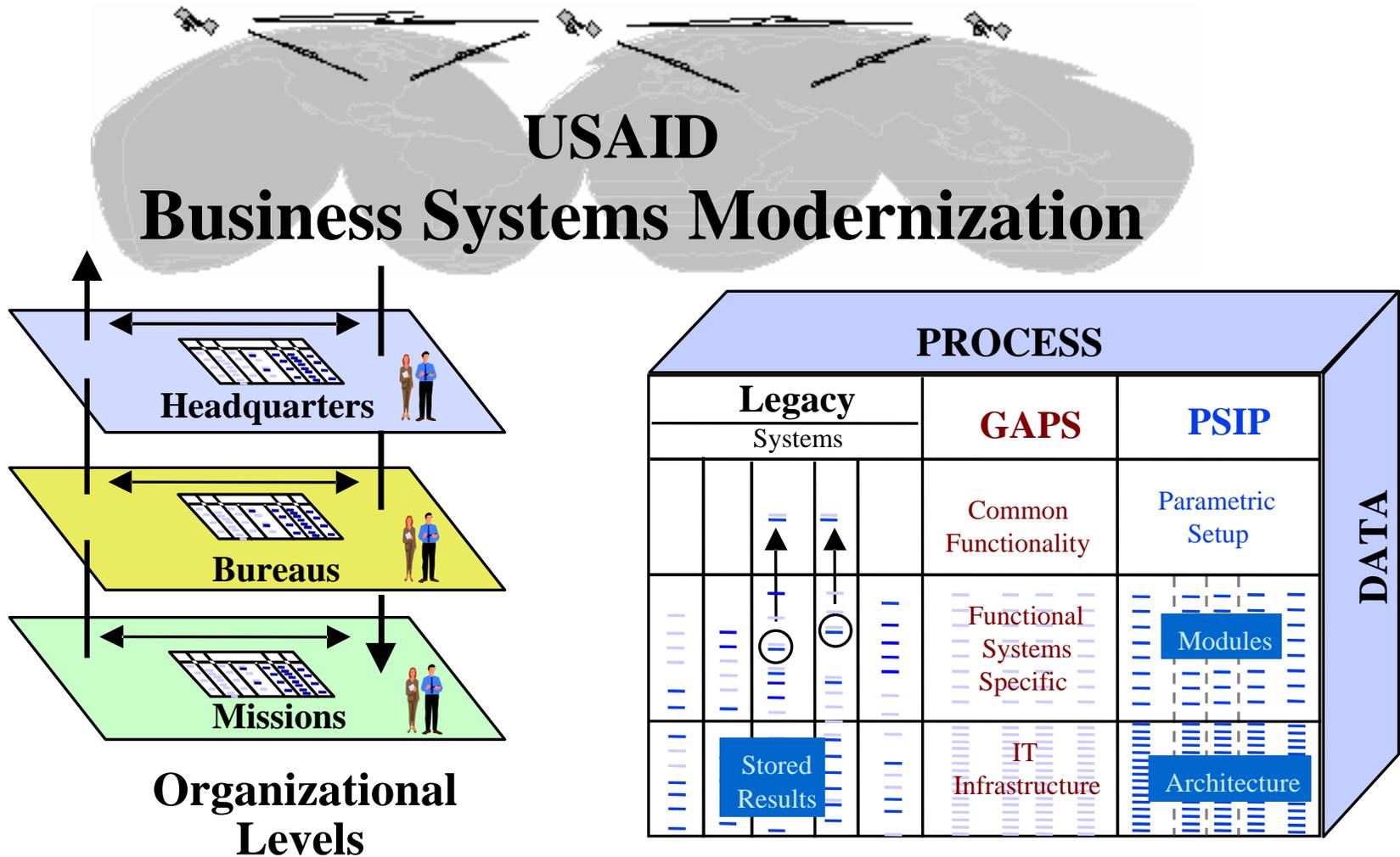
Technology: BSM

Modernizing business systems to accelerate program delivery and results

- Received first-ever clean audit on Agency financial statements that demonstrates transparent and accountable practices
- Deploying new financial management system and procurement software overseas to enhance decision-making and enable fast and accountable transactions
- Saving over \$5 million in taxpayer funds over 3 years through joint licensing agreements as a result of the JFMS collaboration with State
- Reduced late payment penalties to vendors by \$127,000 as a result of financial management improvements
- Launched an online recruitment tool that simplifies the hiring process, enables applicants to apply for jobs over the Internet, and provides better services to citizens.



Functional Understanding



Our Team evaluates the functionality at all organizational levels.

Islands of Automation

USAID

Current Islands of Automation

Disparate systems require extensive manual processing; data are inconsistent in format and content.



USAID

Future Integrated Global Business Platform

Systems work together seamlessly to merge with an Executive Information System (EIS) - an automated reporting system that enables managers to extract information from Agency data bases to make informed decisions and track program performance.



Ideas: KfD



**Peter Hobby, KM Advisor, Management Office,
E&E Bureau**



Ideas: KfD

Capturing and generating USAID
development knowledge

- Enhancing Knowledge management systems and methods to capture and share development expertise and new ideas
- Providing instant access to knowledge assets through on-line “yellow pages”



KfD enables the transformation of:

- **People** (revitalizing our workforce)
- **Technology** (modernizing business systems)
- **Results** (successful programs)

With **Ideas**...

capturing and generating USAID
development knowledge



The KfD Strategy...

Provides solutions to meet these needs with:

- Communities of Practice (CoPs)
- After Action Learning
- Expertise Locators
- Knowledge Mapping
- Knowledge ‘Yellow Pages’
- Collaboration Software
- Improved document management, search, and portal technologies, and
- KfD-provided leadership and incentives for knowledge sharing



BTEC KfD Next Steps

- Strategy Rollout
 - Bureaus, Missions, Partners
- Implementation Planning
 - Project Plans
 - Performance Measurement Plan
- KfD Yellow Pages
 - Prototype, Pilot, Implement
- USAID Knowledge Conference
 - Spring, 2005



Strategic Budgeting

Joseph Lombardo, Director, Strategic and Performance Planning, Policy and Program Coordination Bureau



Results: Strategic Budgeting

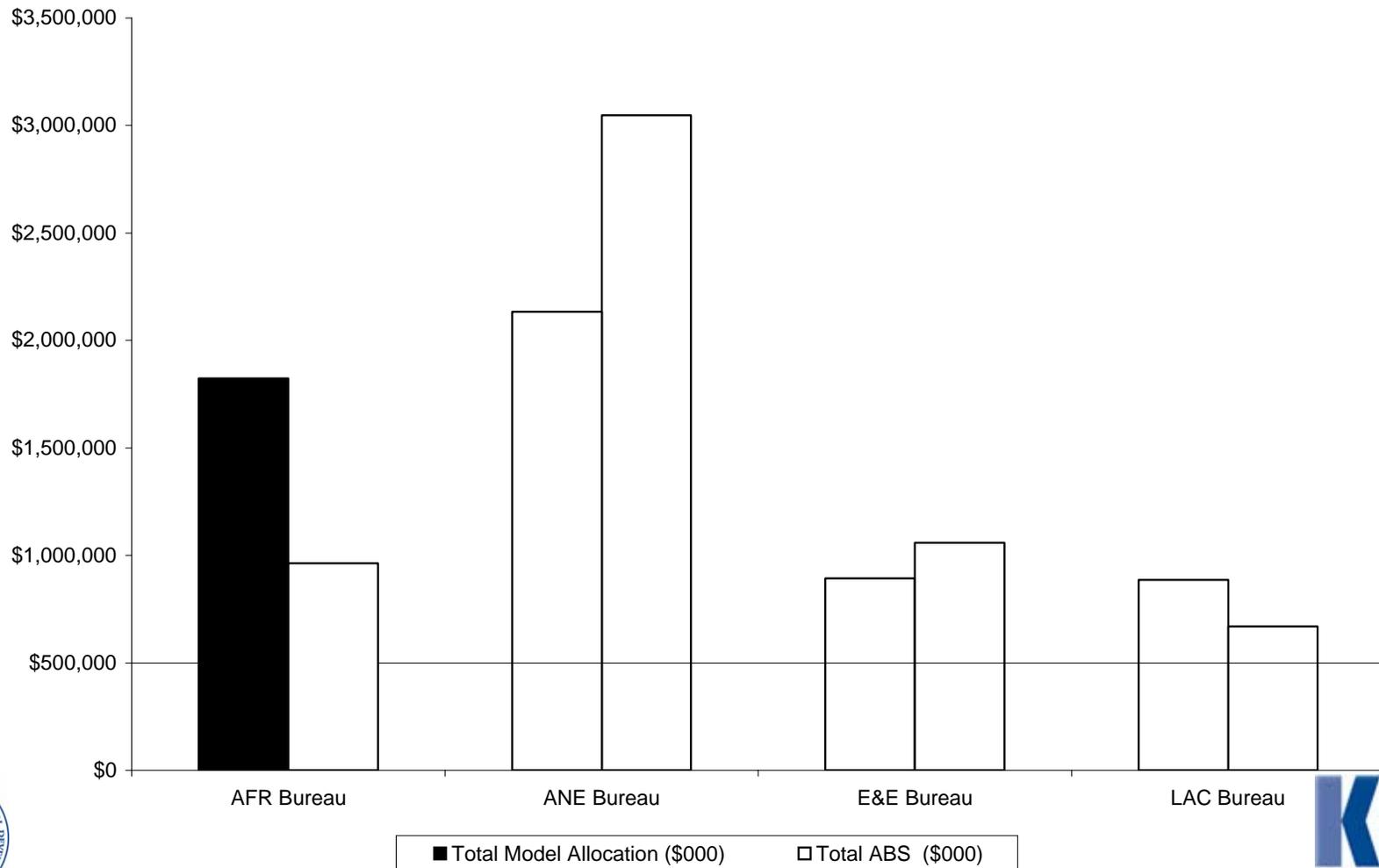
Investing in successful programs

- Strategically allocating program funds to countries with the most need and the highest commitment
- Better aligning staff with foreign policy priorities with a new Overseas Staffing Template-21 positions moving to ANE programs
- Re-allocated \$30 million to higher performing, higher need programs



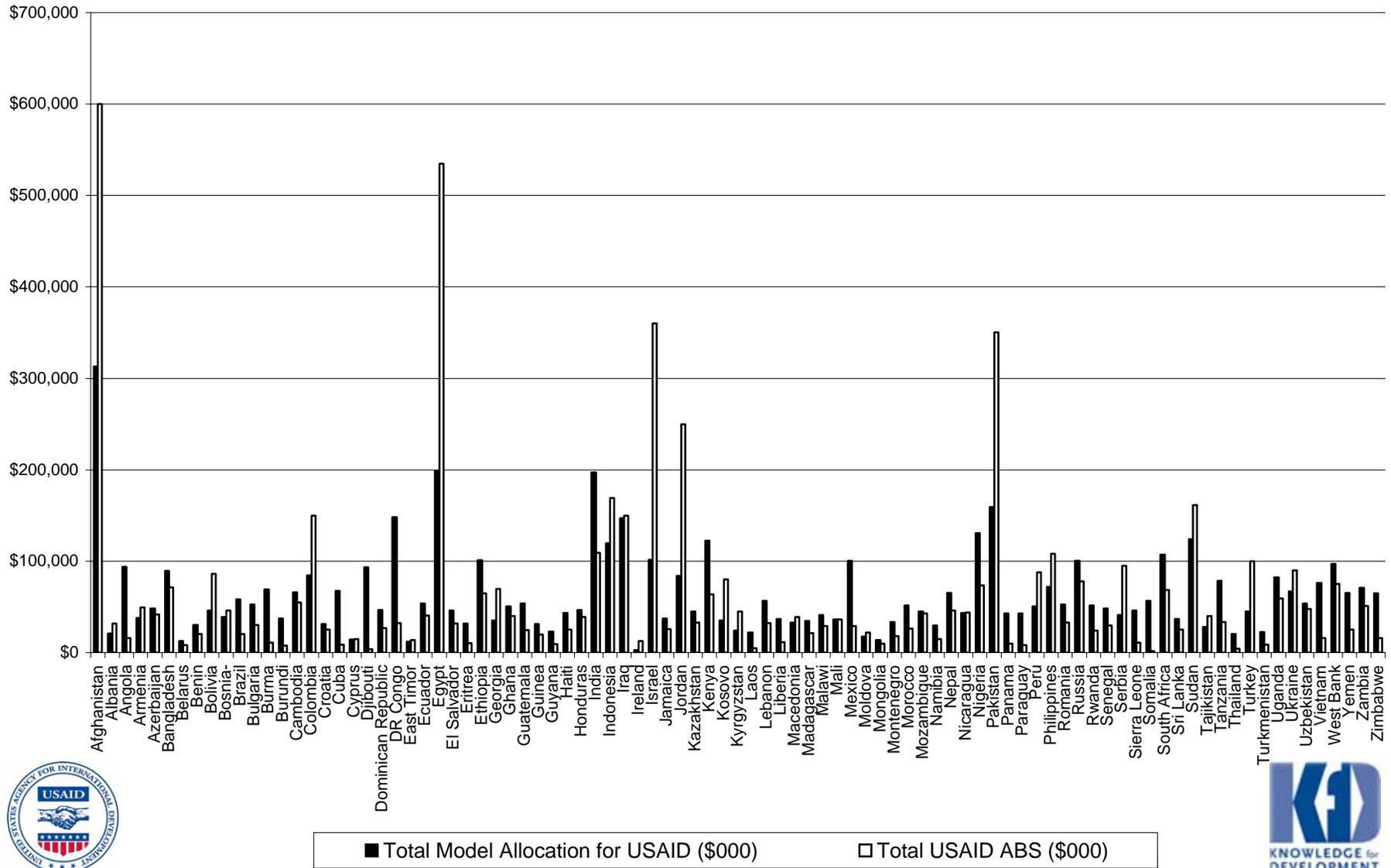
Strategic Budgeting

Bureau Summary - Worldwide Allocation



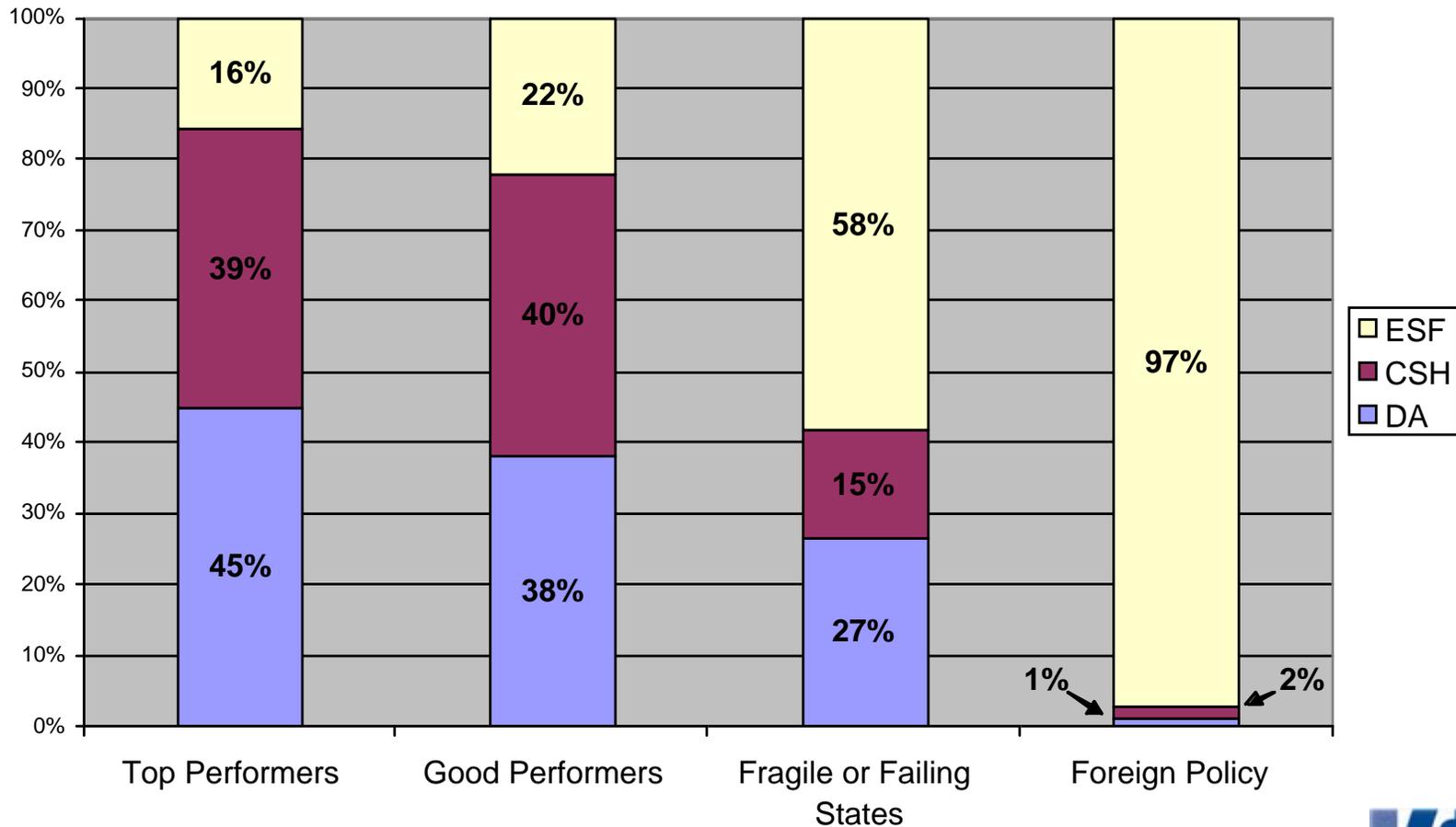
Strategic Budgeting

Worldwide Model Allocation



Strategic Budgeting

FY 2005 Bilateral ABS Proportional Funding by Account within Country Category (including cash transfers)

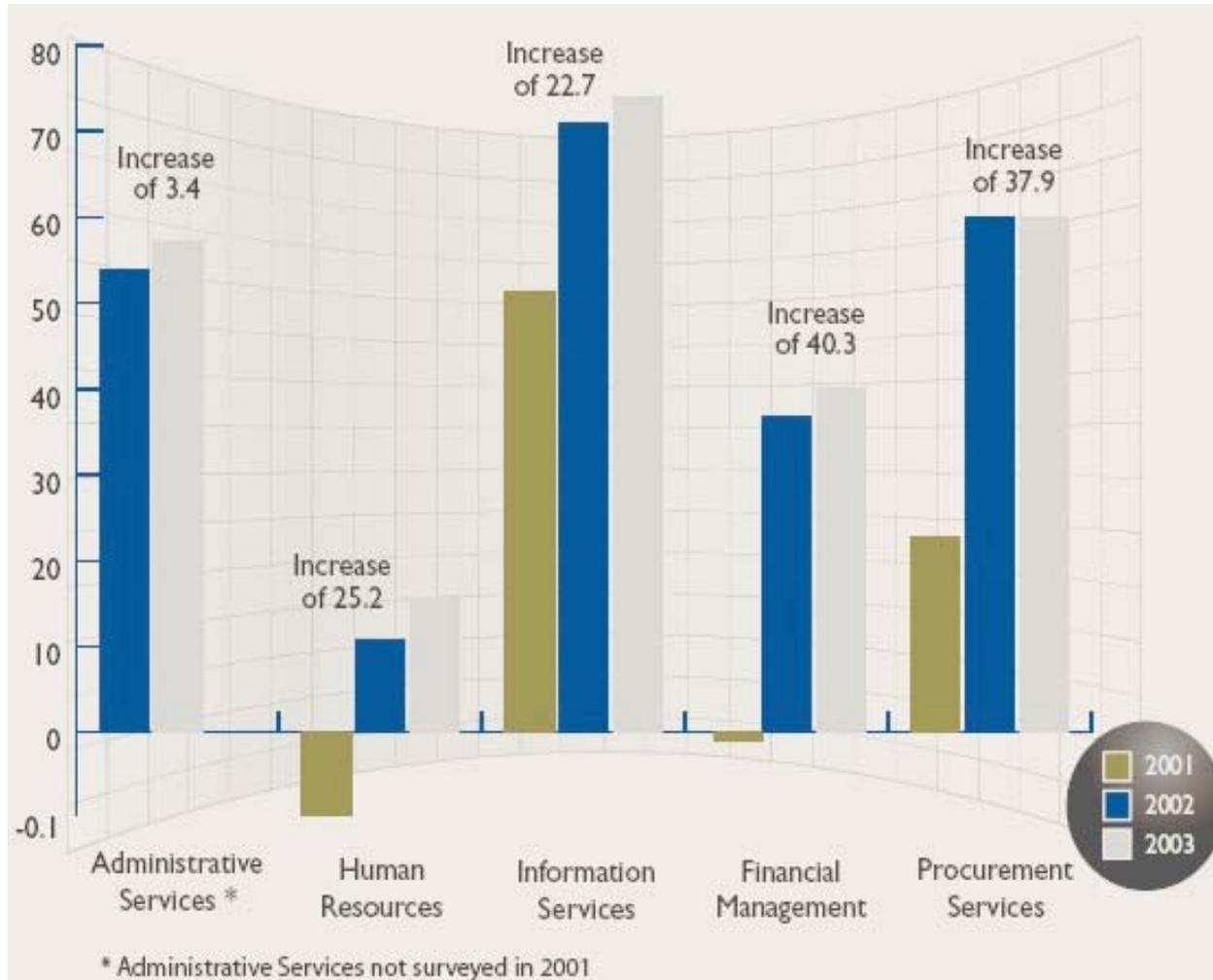


3rd Quarter PMA Scores

<i>Initiative</i>	<i>Progress</i>	<i>Status</i>
Budget and Performance Integration		
Human Capital		
Financial Performance		
Competitive Sourcing		
E-Gov		



USAID Customer Service Satisfaction



**The USAID Business Transformation
Report is available online:**

<http://www.usaid.gov/policy>

BTEC Web site:

<http://inside.usaid.gov/BTEC/>

**We welcome your feedback. Please contact us
with your comments.**



Come back next week for **Session 9**



Innovative Health Care Approaches

Organizer: Bryn Sakagawa
Panel: Mark Landry, Dr. Sara Bennett, and Dr. Pia Schneider

Tuesday, August 24, 2004

