

Highlights of [GAO-11-908](#), a report to the Committee on Homeland Security and Governmental Affairs, and Its Subcommittee on Oversight of Government Management, the Federal Workforce, and District of Columbia, U.S. Senate

Why GAO Did This Study

Given continuing budget pressures combined with the focus on performance envisioned in the GPRA Modernization Act of 2010, federal agencies need to identify ways to operate more efficiently. GAO was asked to (1) describe selected initiatives that federal departments are implementing to achieve efficiencies; and (2) identify key practices associated with implementing these initiatives, as well as selected state initiatives, that can be applied more broadly in the federal government. GAO reviewed agency documents and interviewed officials from the Departments of Homeland Security (DHS), Veterans Affairs (VA), Defense (DOD), and Housing and Urban Development (HUD), as well as officials from five states—Virginia, Iowa, Texas, Washington, and Georgia.

What GAO Recommends

GAO recommends that OMB share the key practices for implementing efficiency initiatives identified in this report, and develop proposals for funding mechanisms to support up-front investment costs of longer-term efficiency projects that could result in greater cost savings or other efficiencies in the future. OMB staff stated that the report does not give sufficient weight to its sharing of information consistent with the key practices GAO has identified. While the report recognizes a number of OMB's initiatives, GAO is unaware of the extent of OMB's efforts to share the practices identified in this report. DHS, DOD, VA and HUD had no comments on the recommendations.

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STREAMLINING GOVERNMENT

Key Practices from Select Efficiency Initiatives Should Be Shared Governmentwide

What GAO Found

Federal departments in our review used different approaches to improve efficiency. Their efficiency initiatives generally fell within two categories—(1) reexamining programs, structures, and functions to determine whether they effectively and efficiently achieved their mission; and (2) streamlining and consolidating operations to make them more cost effective. For example, the Secretary of Defense's Efficiency Initiative, HUD's Transformation Initiative (including HUDStat), and VA's Operational Management Reviews implemented broad examinations of their programs, structures, and related processes. DHS's Efficiency Review, VA's Project Management Accountability System, and DOD's Continuous Process Improvement/Lean Six Sigma Program employed targeted methods to streamline and consolidate processes and systems. Most of the federal initiatives were relatively new; consequently, their overall impact has yet to be determined. However, each of these initiatives, as well as select state initiatives—such as the Virginia Productivity Investment Fund—demonstrated key practices from which federal agencies could learn, as exemplified below.

Key Practices in Select Federal and State Efficiency Initiatives

Key practice	Examples of how practices were implemented
<p>Use change management practices to implement and sustain efficiency initiatives:</p> <ul style="list-style-type: none"> Ensure top leadership drives the transformation Dedicate an implementation team to manage the transformation process Set implementation goals and a time line to build momentum and show progress from day one Involve employees to obtain their ideas and gain their ownership of the transformation 	<ul style="list-style-type: none"> Held regular sessions led by Secretary or Deputy Secretary to track progress of major departmental initiatives (e.g., HUDStat and VA's OMR) Used COOs or CMOs to lead efficiency efforts (e.g., involvement of the Army, Navy, and Air Force CMOs in the Secretary of Defense's Efficiency Initiative and HUD Transformation Initiative) Created a dedicated department-level team to identify, track, and report on efficiencies (e.g., DHS's ER, VA's OMR, HUD Transformation Initiative, and Texas Sunset Advisory Commission) Set specific departmentwide cost savings and/or efficiency goals and an implementation time line (e.g., Secretary of Defense's Efficiency Initiative, Washington's Government Management Accountability and Performance) Created an ongoing formal and collaborative structure that involves employees and leadership in identifying and developing efficiency policies (e.g., DHS's ER, VA's OMR and PMAS) Provided financial or nonfinancial employee incentives for identifying efficiencies (e.g., DHS's ER, Secretary of Defense's Efficiency Initiative, DOD's CPI/LSS, Virginia's Productivity Investment Fund, and Iowa's Charter Agencies)
<p>Target both short-term and long-term efficiency initiatives</p>	<ul style="list-style-type: none"> Identified efficiency initiatives that can generate immediate returns as well as more substantive changes to operating procedures, programs, and organizational structures (e.g., DHS's ER, DOD's CPI/LSS, and Secretary of Defense's Efficiency Initiative) Identified dedicated funding mechanisms to support the up-front costs associated with long-term efficiency improvements (e.g., Virginia's Productivity Investment Fund, and HUD's Transformation Initiative)
<p>Build capacity for improving efficiency</p>	<ul style="list-style-type: none"> Used a department-level office to standardize guidance and training and facilitate sharing best practices (DOD's CPI/LSS) Identified and shared performance trends and best practices during regular sessions that involved headquarters and regional leaders of major operations and programs (e.g., VA's OMR and HUDStat) Identified and formally solicited input from experts in business and government operations (e.g., DOD's Secretary of Defense's Efficiency Initiative, Georgia's Commission, and Virginia's Council on the Future)

Source: GAO.