Acknowledgements

Slide 1 Overview


Government innovation is my passion, it:
- ensures the vitality of democracy
- connects citizens with government, and
- most importantly, restores trust in self-government.

The value I bring to you is that I have seen the United States reinvention effort from beginning to end.

This was the longest running, most successful reform effort in the history of our government. How did we know?

In 2000, federal spending was the smallest share of the economy since 1974.

In 1993, it was 22.5% of our gross national product. Last year it was 19.3%.

Crime was down for the 5th year in a row. Welfare rolls are still shrinking. 13 of our 14 cabinet departments were smaller. And trust in government is on its way up. These facts demonstrate our success.

Slide 2--Outline

I’ll explain how we began, by reviewing the performance of our agencies for 6 months in 1993.

I’ll talk about HOW WE KINDLED the fires of reinvention. HOW WE ENSURED THAT AGENCY LEADERS KNEW WHAT TO DO AND OFFERED TRAINING ON HOW TO DO IT.

IN 1998 we realized we had a little over 30 months to finish our initiative—and we began our phase three efforts.

We knew that regardless of who won our presidential election we would have a new team of agency heads.

Today, I also want to tell you what I think we did right.
And in the U.S., we say, “Hindsight is 20/20 vision.” If we were beginning today we would do some things very differently, I’ll talk about our mistakes.

Slide 3—Phase 1 March /Sept. 93

Improving trust in government, the performance of government agencies, and reducing costs were our measures of success.

When we began in 1993 the U.S. was flat broke. Our economy was stalled and government was too expensive. Besides being too big it just didn’t work.

Our government was like an old assembly line that was used to make Model-T fords in the 1900’s. Some processes had hundreds of hand offs. In some agencies only the head of the agency could make decisions.

In many cases, rules prevented anyone from deviating from rigid procedures or using their judgment.

Citizens who used agency services-- that is agency customers--didn’t get heard.

There had been 11 other reform efforts in the U.S. in the last 75 years.

Many of these were great plans. None had been implemented. *Our first rule was get started don’t worry about the perfect plan.*

The other 11 plans were developed by consultants. We used 250 federal managers to identify what needed to be done.

We said over and over, “if you can’t trust government to do the small things like answer the phone, or give you the right information you won’t trust it to do the big things like reduce crime or improve education.”

We talked to business leaders who had transformed their organizations. They told us to focus on customers and listen to workers. We found they were right.

At town hall meetings with government employees we learned that the best way to find out what is really going on is to ask front-line workers.

During the first 6 months, the team of 250 that reported to the vice president came up with 1,200 recommendations that proposed cutting 252,000 workers and saving $108 billion dollars.
When the report was published, it became an overnight best seller.

We thought our job was done.

Everyone agreed it was one of the best management books every written. It was a clear blue print for change.

On September 7, 1993 the team presented the report to president CLINTON. He accepted every recommendation.

All the federal managers who worked on the project returned to their agencies, except for a small staff that was going to hold one customer service conference and clean-up the office,

We decided to meet with our alumni—the 200 federal employees who worked on the report--about a month after they went back to their agencies. We expected to hear stories about how everything was changing.

Instead, they told us nothing was happening. Their bosses weren’t even reading the report.

We learned an important lesson, that I’d like to share with you—you can give a written instruction—even when you are president of the united states—and that doesn’t mean anything will happen.

**Slide 4—Phase 2—FANNING THE FLAMES**

We told the Vice President that the agencies were not acting on the report. He said they don’t know how to do what we are asking them.

He said we had to teach them what to do. And that triggered Phase 2.

We fanned the flames of reinvention, by repeating our simple uplifting message over and over and over and over. By holding conferences, workshops, and even creating a training video with the vice president.

We gave out gold cards to federal employees. These looked like credit cards but said: Put customers first, empower employees, cut red tape, and cut back to basics. And they were signed by the President.

**Let me repeat, the principles on our gold card were:**
Put Customers First—In 1993, we surveyed employees and less than 30% of them believed their agencies focused on customers. By 2000 that number had risen to 75%.

The card said empower employees: We created labor/management councils and we used lots of innovative tools. We set up reinvention laboratories—where employees had permission in writing to do away with regulations and take risks.

We got bosses to say if what you are going to try is legal—and ethical—and better serves customers—break the rules. Go ahead and do it.

_We made a fundamental decision to trust federal employees this was our success._ We said over and over that federal employees are the best work force in America—good workers trapped in bad systems.

**What’s the solution for fixing bad systems?**

We said cut red tape. Agencies eliminated over 640,000 pages of internal rules. Our government had rules for just about everything—rules that sucked the enthusiasm out of our employees.

At the Department of Defense—one Navy rule said it was necessary for telephones on ships to work under water—to work after the ship sank. Underwater phones cost $450.00.

Who would be there to make the call?

Gone is that rule and now the navy buys phones off the shelf for $30.00.

Our job would have been much easier if there had been more money in agencies available to train employees.

We found it was imperative that training be conducted to ensure that employees and managers know how to make change happen.

We also worked with businesses to identify how we could reduce regulations that choked their businesses. Over the life of the project we eliminated 16,000 pages of those regulations.

Conventional wisdom in many regulatory agencies was that business was bad—and inspectors needed to have a police mentality—but now we only treat offenders that way.

Agencies that partnered with businesses achieved outstanding results.
Chemical manufacturers cut pollution by 50% through partnering.

And workplace injuries are way down because companies are signing on to a voluntary program to train workers on safety rather than be inspected.

We documented $137 billion dollars in savings.

BY 2000 our workforce was not the 252,000 we expected but 350,00 people smaller.

Our efforts to empower employees resulted in another $31 billion dollars worth of savings through reinvention laboratories.

And we have abolished 16,000 pages of regulations that affected the public.

We accomplished all of these things by listening to customers and to front-line workers.

**slide 5--phase 3 FOCUS**

With about 30 months left in the Clinton administration, we realized that we had begun the next phase or reinventing government. We focused on imbeding reinvention in the culture of government.

Our new director came from the private sector and he reinforced the importance of results. He helped us refocus on more effective strategies.

We used four strategies that we felt were catalytic.

By catalytic, we meant that the very nature of the strategy begins a process of change that can’t be predicted.

And we didn’t often know the magnitude of the change it would create.

Our first catalytic strategy was to encourage agency leaders to manage with a balanced scorecard.

Our vision was that when agency leaders come to work in the morning they will have a dashboard of performance measures.

These measures will tell them about program results, employee satisfaction, and customer satisfaction.
Beginning in 2000 all senior managers had their performance evaluated by these three measures—results, customer service and employee satisfaction.

The one hundred largest services are now using the same customer survey, so they can compare their service delivery to each other.

When we did this we found two important lessons people were most satisfied when services were delivered in their communities.

Our second strategy was electronic government. The strategy that enabled the others.

Amazon.com is an amazing private sector internet company that reinvented bookselling. Instead of going to bookstores, it has changed our behavior so we buy books on line, at a discount. Amazon even delivers the books overnight.

We believe that federal employees will use E-GOV like Amazon. Com to create ways of providing service we don’t yet envision.

Many of our agencies provide services to the same clients. We continually urged agency leaders to partner to get results no one agency could achieve alone.

We found the best way to do this is electronically. We created one stop “web sites” for agencies that serve students, seniors and working adults.

Our vision was that when anyone deals with the government it should look like government was designed to serve them.

While it was difficult to get some agency heads to devote budget and manpower to intergovernmental projects, it was easy to do it electronically.

We also focused on the 32 agencies, we called them High Impact Agencies, and these agencies have 90% of government’s customers.

TO END THIS PRESENTATION

**Slide 6—Right Slide**

I’d like to tell you what I think we did right.

We recruited the fanatics—the creative out-of-the-box thinkers.
We created a simple, uplifting message—and repeated it not once—not twice—but over and over and over again. (— put Customers first, cut red tape, and empower employees.)

We partnered with civil servants at the top level of government.

We moved faster than we ever thought we could.

We set bold deadlines and created a sense of urgency for each project.

We used lots of the Vice President’s time—up to 12 hours a week at the beginning.

We listened to workers and customers.

And we invented and gave the hammer award.

It was a simple $6.00 hammer with a bit of ribbon and a hand signed card from the vice president, with his personal congratulations for a job well done.

We gave the hammer award to teams of employees who improved customer service, cut red tape, and got results Americans cared about.

We gave over 1,800 awards to 20,000 employees and have documented savings of $32 billion dollars.

We chose the hammer as our symbol as an answer to the mythical hammer bought by the department of defense that cost $400 because of red tape.

One that had to be specially designed to work at the South Pole, like the underwater telephone.

Now, let me talk about what we could have done better.

slide 7 – better slide

When we started downsizing the government, we asked headquarters at each agency for their plan.

Guess what?

Many cut field offices instead of headquarters components. They didn’t want to change themselves. It’s always easier to ask others to change.
We should have asked the people serving customers to develop the plans.

We worked with over 500 federal agencies. We should have focused on the high impact agencies first—the ones that serve the most customers.

We should have begun sooner to have regulatory agencies partner with businesses. Our partnership programs had some of our most impressive results.

Because they released the energy of our partners—who turned to their employees to help. Our partners joined our team.

We should have made the effort to partner with agency heads earlier. We should have asked how we could help them.

We should have started a reinventing government university—and provided more training for government’s leaders.

In the U.S., many of our schools of public administration focus on public policy and give less emphasis to managing business processes.

Our agencies are often multi-billion dollar organizations. Leaders must have impeccable management credentials instead of public policy expertise.

Now some of our schools of public administration are recognizing the need and changing, they are increasing their emphasis on business management.

Finally, we should have started earlier to publish measures of results. Those agencies that measured and published how they were doing had the most impressive gains.

I could talk about my passion all day—reinventing government—but I have 20 minutes.

I am going to leave you what I found to be true about change.

**slide 8—UNIVERSAL TRUTHS**

I call them universal truths that would be true in every country.

Workers know work better than managers or politicians.

Customers know what they want better than anybody else.

People are capable of doing things they (and you) never dreamed up.
Last, move fast.

And now I have time for questions.