

# Cross Agency Priority Goal

## Quarterly Progress Update

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### Benchmark and Improve Mission-Support Operations

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FY2014 Quarter 3

# Mission-Support Benchmarking: Overview

## Goal Statement

- Improve administrative efficiency and increase the adoption of effective management practices by establishing cost and quality benchmarks for mission-support operations, giving agency decision makers better data to compare options, allocate resources, and improve processes.

## Urgency

- Federal agencies lack a complete set of tools and reliable data to measure their performance in key administrative areas. This discourages agency executives from taking necessary steps to reduce costs, efficiently deploy resources, and improve quality of service.
- Agencies are often hesitant to adopt shared services for mission-support functions without “apples-to-apples” data that allows them to compare options, quantify potential savings, and ensure equal (or better) service quality.
- Finally, the absence of government-wide benchmarks can hamper the identification and sharing of effective management practices, because OMB and agencies lack full visibility into which agencies or shared service providers are the top performers in a given function.

## Vision

- Over the next three years, the benchmarking initiative will result in markedly higher efficiency and better performance from Federal mission-support functions, and identify opportunities to apply, where appropriate, private sector standards.
- The effort will encompass five administrative functions – acquisition, financial management, human capital, IT management, and real property – at major bureaus/components within the 24 CFO Act Federal agencies. Lessons and best practices will be shared with all agencies and applied where the greatest benefits will be received.

# Progress update

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- Phase I data – consisting of approximately 40 metrics across five mission-support functions – was collected and quality-checked, then prepped for analysis by the 24 CFO Act agencies, as well as by OMB and GSA from a government-wide perspective – *completed Q2 2014*
- Initial data analysis and benchmarks were completed and shared with the mission-support leadership of the 24 CFO Act agencies, including Deputy Secretaries, CAOs, CFOs, CHCOs, CIOs, SRPOs and PIOs – *completed Q3 2014*
- Each agency's leadership team met with OMB and GSA officials for a “deep dive” discussion of the agency's Phase I benchmark results, sharing preliminary findings, key insights, and potential follow-up actions – *ongoing through Q3 2014*
- Requirements gathering began for the government-wide benchmarking database that will enable authorized individuals within all Federal agencies to access Phase I metrics, perform analysis, build a variety of charts, and compare themselves against customized peer groups at the agency- or component-level – *work underway, with expected availability in Q4 2014*

# Action Plan Summary

Sub-Goal	Actions to Achieve Impact	Key Indicators
Reduce administrative costs and improve service quality in <b>acquisition functions</b>	<ul style="list-style-type: none"> <li>CxO Councils agree on Phase I metrics for their respective functional areas, based on information needed to drive efficiency and service-level improvements</li> </ul>	<p><b>Year One</b></p> <ul style="list-style-type: none"> <li>% of agencies contributing data within each of the five functions</li> <li>% of bureaus/components contributing all data within each of the five functions*</li> <li>% of CFO Act agencies participating in benchmarking evaluation meetings with OMB/GSA*</li> <li>Overall % of metrics data collected within each of the five functions</li> <li>Overall % of metrics data collected across all five functions</li> </ul> <p><b>Years Two and Three</b></p> <ul style="list-style-type: none"> <li>Increase in shared services adoption among 24 CFO Act agencies for selected processes in IT, Human Capital and Financial Management</li> <li>Cost savings – or some other indicator of efficiency improvement, such as reduction in square footage of Federal property – resulting from benchmark-related actions in each of the five functions</li> <li>Improvement in service quality and/or customer sat. for each of the five functions</li> </ul>
Reduce administrative costs, improve service quality, and increase use of shared services in <b>finance functions</b>	<ul style="list-style-type: none"> <li>Work groups for each function develop standard metric definitions and collect Phase I data at bureau/component level at 24 CFO Act agencies</li> </ul>	
Reduce administrative costs, improve service quality, and increase use of shared services in <b>human capital functions</b>	<ul style="list-style-type: none"> <li>Agencies analyze their Phase I benchmarks, identify areas for near-term focus and opportunities to increase efficiency; agencies collaborate with OMB/GSA/OPM to develop resourcing and implementation plans</li> <li>Work groups and CxO Councils analyze government-wide benchmark results to identify drivers of success at top-performing agencies and bureaus/components</li> </ul>	
Reduce administrative costs, improve service quality, and increase use of shared services in <b>IT management functions</b>	<ul style="list-style-type: none"> <li>Finance, HR and IT Management work groups coordinate with Federal shared service providers to gather cost and quality benchmarks that will inform agency decisions on shared services adoption</li> </ul>	
Reduce administrative costs and improve service quality in <b>real property functions</b>	<ul style="list-style-type: none"> <li>Phase II begins in early FY15, with emphasis on defining and collecting government-wide benchmarks focused on quality of administrative services</li> <li>Goal team monitors agency progress against targets in years two and three, while working to improve data quality and gather additional rounds of benchmark data</li> </ul>	

\* This indicator has proven more difficult than anticipated to accurately measure, because some bureaus and components do not have functional capabilities, and therefore cannot be benchmarked. To compensate, we have added an indicator measuring agency involvement in high-level assessment meetings with OMB/GSA.

# Work Plan

Milestone Summary			
Key Milestones	Milestone Due Date	Milestone status	Owner
Agencies analyze their Phase I benchmarks, identify areas for near-term focus and opportunities to improve administrative efficiency	July /August 2014	On track	24 CFO Act Agencies
OMB and GSA analyze benchmark results government-wide to identify and broadly share effective practices at top-performing agencies and bureaus	July/August 2014	On track	OMB, GSA
Leadership teams at each agency meet individually with OMB/GSA to share key findings, discuss opportunities for improvements in administrative efficiency, and consider implementation/resourcing options	July/August 2014	On track	OMB, GSA, 24 CFO Act agencies
Finance, HR and IT Management work groups collect cost and quality metrics from Federal shared service providers to inform agency decisions on shared services adoption	July/August 2014	Partially on track	OMB, GSA, OPM
CxO Councils review benchmark results for their function, share effective practices	September/October 2014*	Partially on track	OMB, GSA
Cross-Council Advisory group leads assessment of first round of benchmarking to apply “lessons learned” to subsequent rounds and to improve data quality in the future	August/September 2014	Partially on track	OMB, GSA
Develop government-wide database that allows agencies to access the full data set, perform their own analysis and generate customized reports	September/ October 2014	On track	GSA
Work groups for each function select Phase II metrics (with emphasis on measuring quality and level of service in mission-support functions) and develop standard definitions	October/November 2014	TBD	OMB, GSA
Phase II metrics collected and quality-checked	January/February 2015	TBD	OMB, GSA

\* Milestone was adjusted to allow for completion of agency meetings with OMB/GSA before CxO Councils collectively review benchmarks in their Sept./Oct. meetings.

# Key Indicators

Key Implementation Data						
Year One Metrics (Phase I data shown here)	Source	Baseline	Target?	Frequency	Latest data	Trend
% of agencies contributing data within [function]	Agency Data Calls	2014	100%	Annual	100% for all functions except Real Property, which is 96%	
% of bureaus/components contributing all data within [function]*	Agency Data Calls	2014	N/A	Annual	N/A*	
% of CFO Act agencies participating in benchmarking evaluation meetings with OMB/GSA	GSA project team	2014	100%	Annual	75% (18 of 24 agencies), with remaining agencies scheduled in late Aug. or early Sept.	
Overall % of metrics data collected across all five functions**	Agency Data Calls	2014	100%	Annual	93%**	

*(Continued on next page)*

\*This indicator has proven more difficult than anticipated to accurately measure, because some bureaus and components do not provide mission-support services, and therefore cannot be benchmarked. To compensate, we have added an indicator measuring agency involvement in high-level assessment meetings with OMB/GSA.

\*\*Calculated at the agency level. If an agency submitted a data point for a given metric, that metric was considered “complete” for the agency. Completion rates were totaled for all agencies for a given metric; then all 39 metrics were totaled to arrive at the overall % of metrics data collected across all five functions.

# Key Indicators (continued)

Key Implementation Data						
Year One Metrics (Phase I data shown here)	Source	Baseline	Target?	Frequency	Latest data	Trend
Overall % of metrics data collected within Acquisition*	Agency Data Calls	2014	100%	Annual	100%	N/A
Overall % of metrics data collected within Financial Management*	Agency Data Calls	2014	100%	Annual	91%	N/A
Overall % of metrics data collected within Human Capital*	Agency Data Calls	2014	100%	Annual	94%	N/A
Overall % of metrics data collected within IT Management*	Agency Data Calls	2014	100%	Annual	96%	N/A
Overall % of metrics data collected within Real Property*	Agency Data Calls	2014	100%	Annual	90%	N/A

Indicators under Development – Years Two and Three Metrics
1.Increase in shared services adoption among 24 CFO Act agencies for selected processes in IT, Human Capital and Financial Management
2.Cost savings – or a similar indicator of efficiency improvement, such as reduction in square footage of Federal property – resulting from benchmark-related actions in each of the five functions
3.Improvement in service quality and/or customer satisfaction for each of the five functions

\*Calculated at the agency level. If an agency submitted a data point for a given metric, that metric was considered “complete” for the agency. Completion rates were totaled for all agencies for a given metric; then all metrics were totaled for a given function to arrive at the overall % of metrics data collected for the function.