

**From Theory to Reality:
Operational/Acquisition Planning and Coordination
Required for Realizing the Goals of the Economic
Stimulus**

*Recommendations Related to the Implementation of the
The American Recovery and Reinvestment Act of 2009*

March 2009

Prepared for:

**The Obama-Biden Administration, Congressional Staff, and
Implementing Agencies**

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From Theory to Reality: **Operational/Acquisition Planning and Coordination Required for Realizing the Goals of the Economic Stimulus**

Executive Summary

The passage of The American Recovery and Reinvestment Act of 2009 (“Stimulus bill”) is a significant achievement for the Obama Administration. While getting the bill passed through Congress required overcoming challenges, the bigger hurdle lies in operationally implementing the programs to achieve the objectives of the stimulus. We already see agencies “scrambling” to line up resources and devise strategies, all in a very uncoordinated manner across the government.

Those of us deeply involved in the business of government know that the operational execution of programs, especially those implemented under quick timeframes, typically do not end up with great results (ex. Katrina, SBI). The primary culprits for their failure are usually the same: (1) lack of qualified program and acquisition personnel to handle the workload, and (2) poor planning and coordination.

While accountability and transparency measures currently being implemented should be applauded, it is critical that the Administration, Congress and implementing agencies get the workforce and planning portions right in order to achieve the objectives of the stimulus. Otherwise, we will be left in a situation where all we can do is track contracts and point fingers for resulting program failures.

In addition to the measures already being implemented, **we recommend the following planning and coordination measures be undertaken immediately:**

- **Implement Program Planning and Coordination Councils** – Implemented as part of a government-wide governance structure, these “loosely structured” Councils (as opposed to creating large new federal bureaucracies) should be set up for major program areas (e.g. Clean Energy) and bring together key stakeholders responsible for program and acquisition management. They should outline key program objectives and intended outcomes (e.g. creation of private sector or federal positions), identify points of collaboration and leverage, and monitor program performance. Most importantly, they should link dollars to key performance outcomes.
- **Coordinate and leverage resources and knowledge across agencies** – Through the Recovery and Accountability Transparency Board, a subgroup should have the sole responsibility for developing program resource plans in coordination with Agencies and Program Planning and Coordination Councils. The Board should focus on strategically deploying resources where needed, **including leveraging the contingency contracting capabilities** put in place by various departments (e.g. Defense, State, Homeland Security).

- **Leverage and/or jointly develop sourcing and acquisition tools** – With the enormous amount of spend focused on specific program areas, agencies should work together to define high-level program requirements and jointly pursue acquisitions, when possible. To the maximum extent possible, existing acquisition vehicles (ex. schedules, GWACs, etc.) should be leveraged in order to reduce procurement cycle times. In cases where new solutions must be developed, agencies should work together to develop “rapid” requirements and industry analyses, and conduct streamlined acquisitions (while ensuring maximum competition).

Given the sense of urgency, only OMB and the Administration can provide the leadership needed to bring together agencies to implement stimulus programs in a coordinated and efficient manner. There really is no other choice. With agencies moving diligently in an uncoordinated manner, we are sure to have many successes but also risk the chance of many failures.

Implementing the Stimulus – Introduction

A mad scramble. That is exactly what is happening within agencies as they try to align resources, develop plans, and put forth strategies for implementing the stimulus. Typical questions being asked:

- How do we acquire billions in goods and services in very short-time periods while meeting stringent competition requirements?
- What are the real objectives we need to achieve? What do “green buildings” mean?
- Where do we find the resources? Should we hire retired personnel? Pay overtime? Hire contractors to support us?
- Can we apply streamlined contingency contracting procedures?

In short, there is confusion, discomfort, and lack of coordination. Everyone knows what’s at stake. The economic stimulus, while just one piece of the puzzle in getting our economy back on track, is an extremely important one. We all must do our jobs well to make it a success. But what does that mean?

Many Obstacles Ahead – Challenges

While the current guidance is focused on tracking and measurement, no one is really sure what is being measured. Is it how quickly we spend the money? Or how many jobs we create?

We believe the biggest barrier to achieving stimulus objectives will be overcoming a general lack of planning and clarity on performance objectives. Additionally, workforce issues — including an insufficient number of program management and contracting personnel — pose a significant challenge to achieving stimulus objectives. These and other barriers are discussed below.

- **Lack of planning and coordination among agencies**– While agencies are strapped for resources, most are on their own in implementing their share of

stimulus programs. At the same time, most are unsure of the performance expectations for specific programs. With leadership from OMB and the top of the Administration, there is a real opportunity to coordinate programs across agencies, bring together key stakeholders, and define a clear set of performance outcomes for each major program area.

- **Lack of qualified program managers and contracting workforce** – The complexity of many programs run by the federal government (including many articulated within the stimulus) requires substantial leadership and operational experience. While the government retains pockets of talented managers throughout agencies, the sheer number of personnel necessary to manage the growing number of programs falls well below requirements. Additionally, the contracting workforce has steadily declined even as workload has risen significantly. Now add the stimulus spending and we have a big problem...lack of a qualified workforce. In the short-term, agencies may have no choice but to rely on outside resources to assist with execution. At the same time, however, agencies need to put together strategic workforce development plans that reduce reliance on contractors and bring knowledge in-house.
- **Lengthy acquisition timelines** – The success of the stimulus, to a large degree, is dependent on how quickly funds are spent. Cutting corners to speed up the acquisition cycle, which sacrifices planning and competition in the process, almost always leads to poor results and failed programs. Agencies will need to determine how best to leverage existing contracts and vehicles, while still ensuring competition and other acquisition priorities such as small business participation.

Any guidance or actions provided by the Obama Administration, OMB, and agency leadership should, at a minimum, address the core issues identified above.

Plan and Coordinate First – Recommendations

Given the obstacles defined above, we strongly believe that planning and coordination will be key to achieving the objectives of stimulus. Doing so can only happen through strong leadership from OMB and the Administration.

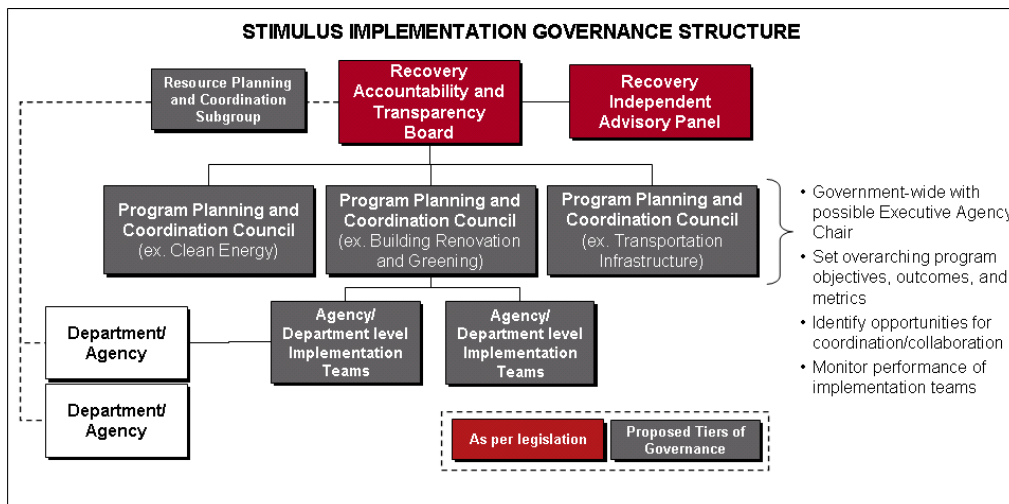
Implement Program Planning and Coordination Councils

Implemented as part of a government-wide governance structure, Program Planning and Coordination Councils should be set up for major program areas (e.g. Clean Energy) and bring together key stakeholders responsible for program and acquisition management. These councils should outline key program objectives and intended outcomes (e.g. creation of private sector or federal positions), identify points of collaboration and leverage, and monitor program performance. Most importantly, they should link dollars to key performance outcomes. These Councils would be these “loosely structured” as opposed to creating large new federal bureaucracies.

These entities may or may not mandate policies, but more importantly should operate as “Communities of Practice” to share knowledge at a government-wide level. The goal of the Councils should be to:

- Identify objectives, intended outcomes and related metrics at a government-wide level
- Identify potential opportunities for collaboration, coordination, and knowledge sharing among agencies (e.g.. requirements planning, industry analysis, or acquisition/contracting)
- Establish sub-groups, if appropriate, for high-level requirements planning and industry research
- Monitor progress against key metrics

The Councils should be placed under the Recovery Accountability and Transparency Board and include agency implementation teams, as needed. A possible governance structure is depicted below.



Coordinate and leverage resources and knowledge across agencies

Given resource and skills shortfalls within the program and contracting disciplines, it is important that agencies come together to coordinate and strategically deploy resources, where needed. Through the Recovery and Accountability Transparency Board, a subgroup should have the sole responsibility for developing program resource plans in coordination with Agencies and Program Planning and Coordination Councils.

Additionally, agencies should develop strategic workforce plans that place a premium on bringing in qualified and proven leadership with the appropriate program management and strategic contracting skills. It is important not only to assess the number of personnel, but also the right level of contracting officials with the appropriate warrant authority (many of the large stimulus programs will require substantial warrant authority on part of Contracting officers issuing contracts).

The Administration and Agencies can deploy a multitude of workforce augmentation strategies including:

- Bringing back retired personnel
- Requesting contingency contracting officer support from departments such as Defense, State, and Homeland Security to provide surge capability
- Paying overtime to existing staff, when possible
- Hiring contractors in the short-term to support planning and execution of programs
- Partnering with non-profits such as Partnership for Public Service to leverage workforce programs (e.g. FedExperience)

Leverage and/or jointly develop sourcing and acquisition tools

With the enormous amount of spend focused on specific program areas, agencies should work together to define high level program requirements and jointly pursue acquisitions, when possible. To the maximum extent possible, existing acquisition vehicles (ex. schedules, GWACs, etc.) should be leveraged in order to reduce procurement cycle times. In cases where new solutions must be developed, agencies should work together to develop “rapid” requirements and industry analyses, and conduct streamlined acquisitions (while ensuring maximum competition).

Several possible areas for agency coordination exist throughout the acquisition process:

- Program Planning
 - Identify objectives, outcomes and metrics across agencies, possibly through the Planning Councils
 - Assess and develop high-level program requirements
 - Conduct industry analysis and market research
- Acquisition and Contracting
 - Research existing contracting vehicles that can be modified or leveraged as-is
 - Conduct joint acquisitions or create contracting vehicles that can be used by multiple agencies
 - Leverage volume to maximize purchasing power
- Performance management
 - Establish consistent metrics that can be tracked across agencies
 - Develop common data collection and analysis processes in order to streamline performance monitoring without added bureaucratic drag
 - Establish common requirements within contracts for vendor performance reporting

OMB – the Leadership We Need

Government-wide or multi-agency initiatives sound easier to implement in theory than they are in practice. There are, however, many examples of successful government-wide initiatives, but they have one thing in common – strong leadership.

Given the sense of urgency, only OMB and the Administration can serve as the “champion” needed to bring together agencies to implement stimulus programs in a coordinated and efficient manner. There really is no other choice. With agencies moving diligently in an uncoordinated manner, we are sure to have many successes but also risk the chance of many failures.

Conclusion

The Stimulus bill represents both a significant opportunity and an enormous implementation challenge for the federal government. Taking the programs envisioned within the bill from theory to reality will require vision and operational savvy. The only way to achieve success, given the constraints within the federal workforce, is strong leadership and maximum emphasis on planning and coordination. It will be challenging...but we're Americans and we don't shy away from challenges.

About the Authors:



Mr. Raj Sharma is the Founder, President and CEO of Censeo Consulting Group, a leading supply chain and operations strategy consulting firm that advises C-level executives in both the commercial and federal sectors. Censeo has been recognized by *Consulting* magazine as one of only “Seven Small Jewels” in the entire consulting industry.

Raj is recognized as a thought leader in the federal government, having advised department and agency leadership on acquisition transformation and management issues. Raj has worked with OMB and GSA to help create a framework for strategic sourcing, now being applied across the government. Raj is often asked to speak at large government conferences and has been published in many major periodicals in relation to supply chain and federal acquisition transformation. Raj has been named as a “Pro to Know” by *Supply and Demand Chain Executive* for the past three years.

Raj has an MBA from Carnegie Mellon University and a BA from the University of Maryland.



Dr. Timothy M. Laseter currently serves on the faculty of the Darden Graduate School of Business at the University of Virginia and has served on the faculty of a number of other leading schools including the Tuck School at Dartmouth, IESE in Barcelona, the London Business School, and the Stern School at New York University. He holds a BS in Industrial Management from the Georgia Institute of Technology plus an MBA and a Ph.D. from the Darden School. Dr. Laseter draws upon over 20 years of consulting experience and ongoing research to provide

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Laseter is author of *Balanced Sourcing: Cooperation & Competition in Supplier Relationship* (Jossey Bass 1998)—which has been published in English, Spanish, Japanese and Chinese. He coauthored, *Strategic Product Creation* (McGraw-Hill 2007) with Rom Kerber, former Chief Technology Officer of Whirlpool Corporation. Additionally he serves as a contributing editor to *strategy+business* penning a regular column entitled “Operating Strategies” covering a variety of topics including supply policy, delivery economics, strategic outsourcing, Product Development and e-Business. Over the years, he has been quoted in a host of publications including the *Wall Street Journal*, *Financial Times*, *Industry Standard*, *Progressive Grocer*, *Purchasing*, *Internet Retailer*, *ComputerWorld*, *Advertising Age* and *The New Yorker*. In addition to his academic commitments, he continues to consult to a mix of large companies as well as start-ups