

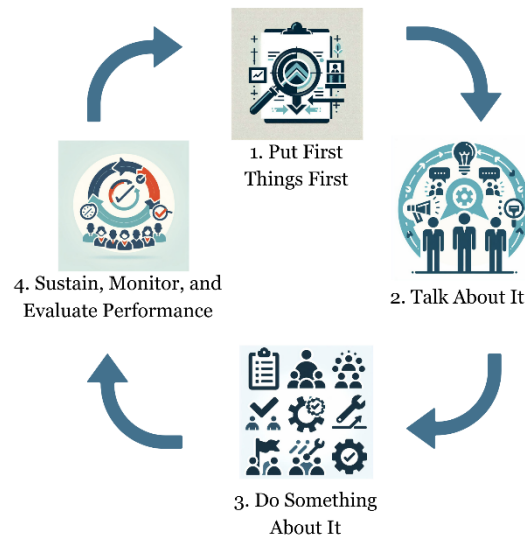
## Results in Brief

In response to sweeping federal workforce reductions and budget constraints, this white paper outlines a strategic, four-step framework to help agencies sustain and improve performance. Drawing on lessons from past downsizing efforts and best practices in Value-Based Management (VBM) and Agile principles, this analysis provides actionable guidance for navigating organizational transformation in a resource-constrained environment.

Key takeaways include:

- **Resource constraints**, while challenging, can drive innovation, prioritization, and efficiency if managed strategically.
- **VBM** offers a structured approach to aligning resources, risks, and results to maximize stakeholder value.
- **Agile principles** support iterative planning and execution, enabling agencies to adapt quickly to change and maintain mission focus.
- A **four-step transformation process**—Put First Things First, Talk About It, Do Something About It, and Sustain, Monitor, and Evaluate—provides a roadmap for agencies to reassess priorities, engage stakeholders, implement change, and continuously improve.

### Planning and Executing Successful Organizational Transformation



This review emphasizes the importance of leadership, communication, and performance measurement in executing successful change and offers tools and frameworks to support agencies in building resilient, high-performing organizations despite fiscal pressures.

# Section 1: Introduction - The Current Challenge for Federal Organizations

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The federal government faces growing demands for public services amid tightening fiscal constraints and rising public debt and is on an “unsustainable fiscal path that poses serious economic, security, and social challenges if not addressed.”<sup>1</sup> Against this backdrop, government efficiency is not just a goal, but a necessity.

Enhancing government efficiency and effectiveness is a longstanding challenge that prior administrations of both parties have sought to address through a combination of modernization, operations improvements, and budget and staff cuts. For example, President Ronald Reagan formed the Private Sector Survey on Cost Control, commonly referred to as the “Grace Commission,” with the aim of eliminating waste and inefficiency in the federal government.<sup>2</sup> Following that effort, the Clinton Administration’s National Partnership for Reinventing Government initiative had the goal of making government more results oriented and cost efficient by introducing private sector efficiency techniques (e.g., performance measurements, customer satisfaction surveys, and a greater reliance on technology) and eliminated more than 800 agencies and 250,000 jobs.<sup>3</sup> President George W. Bush focused on agency performance management and evaluation.<sup>4</sup> And during President Donald Trump’s first term, he sought to reorganize government functions and eliminate unnecessary agencies, with the stated goal of improving efficiency, effectiveness, and accountability of the executive branch.<sup>5</sup> For more information about past reform efforts, please visit [napwash.org/news/government-reform-efforts](https://napwash.org/news/government-reform-efforts).

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Most recently, President Trump’s second administration launched a major initiative to cut the federal workforce through substantial layoffs by requiring agency heads to “promptly undertake

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<sup>1</sup> U.S. Government Accountability Office, *The Nation’s Fiscal Health: Strategy Needed as Debt Levels Accelerate*, GAO-25-107714 (Washington, DC, 2025), accessed May 2025, <https://www.gao.gov/assets/gao-25-107714.pdf>.

<sup>2</sup> Executive Order No. 12369, 47 Federal Register 28899 (July 2, 1982) [https://archives.federalregister.gov/issue\\_slice/1982/7/2/28895-28900.pdf](https://archives.federalregister.gov/issue_slice/1982/7/2/28895-28900.pdf).

<sup>3</sup> The National Partnership for Reinventing Government had four guiding principles: (1) putting the American taxpayers first, (2) cutting red tape, (3) empowering employees to get results, and (4) cutting government back to basics. EveryCRSReport.com, *The National Performance Review and Other Government Reform Initiatives: An Overview, 1993-2001*, June 4, 2001. Accessed May 15, 2025. <https://www.everycrsreport.com/reports/RL30596.html>.

<sup>4</sup> Executive Order No. 13450, 72 Federal Register 64519 (November 15, 2007), <https://www.federalregister.gov/documents/2007/11/15/07-5726/improving-government-program-performance>.

<sup>5</sup> Executive Order No. 13781, 82 Federal Register 13959 (March 16, 2017) <https://www.federalregister.gov/documents/2017/03/16/2017-05399/comprehensive-plan-for-reorganizing-the-executive-branch>.

preparations to initiate large-scale reductions in force (RIFs), consistent with applicable law” and to develop Agency RIF and Reorganization Plans (ARRP).<sup>6</sup>

Supporting this directive, the U.S. Office of Management and Budget (OMB) and the U.S. Office of Personnel Management (OPM) recently provided guidance on agency RIF and reorganization plans in a jointly authored memorandum.<sup>7</sup> The plans are to focus on the “maximum elimination of functions that are not statutorily mandated,” and result in a “significant reduction” in employees. The layoffs will be in addition to the earlier firing of probationary employees and the hiring freeze that went into effect in January 2025. The plans are to follow five guiding principles: (1) better service for the American people, (2) increased productivity, (3) a significant reduction in the number of full-time equivalent (FTE) positions, (4) a reduced real property footprint, and (5) topline budget reductions.<sup>8</sup>

Additionally, OPM has tasked agencies with eliminating duplicative program areas, consolidating management layers, reducing non-critical components, developing plans to close regional offices that are not necessary for service delivery and identifying technological solutions to automate functions. With this white paper, the Academy aims to assist government agencies in achieving efficiency without compromising effectiveness.

Following the introduction in Section One of this paper, Section Two discusses the impact of resource constraints on organizations to pair with the principles in Section Three, which will highlight the core principles of Value Based Management (VBM) and Agile principles. These principles will guide implementation of the four-step process in Section Four. The four-step process includes supporting strategies for agency leadership to optimize organizational performance in this environment. Those steps include the following.

1. Put First Things First
2. Talk About It
3. Do Something About It
4. Sustain, Monitor, and Evaluate Performance

A team of three Academy Fellows and Academy staff drafted this whitepaper based on relevant best practices in literature and interviews with subject matter experts with prior experience as

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<sup>6</sup> Executive Order No. 14210, 90 Federal Register 9669 (February 11, 2025) <https://www.federalregister.gov/documents/2025/02/14/2025-02762/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative>.

<sup>7</sup> U.S. Office of Management and Budget and U.S. Office of Personnel Management, *Guidance on Agency RIF and Reorganization Plans Requested by Implementing the President’s “Department of Government Efficiency” Workforce Optimization Initiative*, February 26, 2025. Accessed May 15, 2025. <https://www.opm.gov/policy-data-oversight/latest-memos/guidance-on-agency-rif-and-reorganization-plans-requested-by-implementing-the-president-s-department-of-government-efficiency-workforce-optimization-initiative.pdf>.

<sup>8</sup> U.S. Office of Management and Budget and U.S. Office of Personnel Management, *Guidance on Agency RIF and Reorganization Plans Requested by Implementing The President’s “Department of Government Efficiency” Workforce Optimization Initiative*, February 26, 2025.

leaders of several federal agencies, including OPM, OMB, and the U.S. Government Accountability Office (GAO). The team used the following questions to guide its research:

1. What is the impact of resource constraints on organizational performance?
2. What strategies should senior leadership consider for performance optimization in a resource-constrained environment? Is there an optimal prioritization or sequence?
3. What lessons learned from prior federal downsizing efforts might help agencies maintain performance in a resource-constrained environment?

## Section 2: Impact of Resource Constraints on Organizational Performance

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Federal agencies use a variety of resources to perform their mission responsibilities and objectives, including administrative, human, financial, physical, and political.<sup>9</sup> As the recent executive orders and OMB policy guidance relate to a reduction in program budget (financial constraints) and staff (human resource constraints), this paper outlines various strategies to optimize organizational performance within this environment.

Managing budget cuts and the attendant resource constraints is a recurring challenge for federal, state, and local governments. Various factors—including economic downturns, political shifts, and changing administration priorities—may result in reduced programmatic spending and staffing levels. In response, government agency leaders must devise appropriate cutback strategies that address the changing funding priorities, balanced against customer needs and other stakeholder interests.

Faced with reduced funding, government agencies may implement different measures, including the following:

- Improving productivity
- Making across-the-board cuts in agency resources
- Reducing or eliminating non-priority or low performing programs
- Implementing a hiring freeze
- Laying off personnel
- Reducing capital expenditures and maintenance outlays
- Cutting wages
- Transferring functions to other government agencies
- Contracting out to the private sector.<sup>10</sup>

Importantly, the impact and effectiveness of different measures will vary depending on agency characteristics. For example, an across-the-board cut may impact larger and smaller agencies differently as larger, more established agencies may have additional resources to manage the financial stress while smaller agencies' core staff and services are more likely to be deeply impacted.<sup>11</sup>

Although resource constraints can be limiting and lead to tough choices, they may also motivate leaders to prioritize, innovate, and improve efficiency. GAO's research on government efficiency suggests that federal agencies are challenged to change the way they do business by setting priorities and managing their resources to achieve better performance more efficiently. The

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<sup>9</sup> Fry, Stoner, and Hattwick, *Business: An Integrative Approach*, 2004.

<sup>10</sup> Levine, Charles H., *Managing Fiscal Stress: The Crisis in the Public Sector* (Chatham, NJ: Chatham House Publishers, Inc, 1980).

<sup>11</sup> Ibid

Academy's research suggests that —if done correctly—and with the desired end state in mind, the above actions can lead to enhanced efficiencies within the federal workforce.<sup>12</sup>

### ***Lessons Learned from Prior Workforce Reductions***

In considering the impact of workforce reduction strategies, it is useful to review the experiences of several federal agencies that experienced significant cuts in staffing in prior administrations, lessons learned and the adaptive strategies they implemented.

Starting in the early 1990s, a bipartisan consensus emerged in both Congress and the administration that the federal workforce should be cut as a means of reducing the federal deficit and that the federal government would need to provide services with a smaller but more efficient workforce. Through implementing a series of executive orders and legislative goals, the federal workforce decreased by approximately 12 percent between fiscal years 1993 and 1996.<sup>13</sup>

Two supporting initiatives worked in tandem to drive the reduction: the Federal Workforce Restructuring Act of 1994 and the Administration's major reform initiative—the National Performance Review. The former mandated governmentwide reductions of 272,900 FTE positions through fiscal year 1999, while the latter sought to streamline operations, reduce management control and headquarters positions, and improve government operations.

According to GAO, certain federal agencies experienced larger cuts in specific components yet were generally able to maintain effective operations and mission execution. In addition, customers of these agencies' services and programs remained generally satisfied, based on stable rates of relatively high customer satisfaction.

Those agencies include:

- Housing and Urban Development – almost 1,900 (some components cut 50 percent)
- Department of the Interior – more than 10,400 (some components cut 24 percent)
- General Services Administration – more than 4,500 (some components cut 23 percent)
- NASA – almost 4,000 (some components cut 48 percent)
- Office of Personnel Management – almost 2,500 (some components cut 36 percent)

Some of the adaptive strategies included:

- Organizations refocused their mission – at Interior, the Bureau of Reclamation shifted from water resources construction to resource management. NASA shifted emphasis from human spaceflight operations to research and development. This shift took careful consideration of the risks to human spaceflight.
- Components reengineered work processes – changes included consolidating functions in fewer locations, realigning operations to mirror business processes, embracing

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<sup>12</sup> *The Government Accountability Office's 2025 High Risk List, Before the Committee on Oversight and Government Reform*, 119<sup>th</sup> (February 25, 2025) (Gene L. Dodaro, General Comptroller of the U.S. and Head of the General Accountability Office) <https://oversight.house.gov/hearing/the-government-accountability-offices-2025-high-risk-list/>

<sup>13</sup> U.S. Government Accountability Office, *Agency Officials' Views on Maintaining Performance During Downsizing at Selected Agencies*, GGD-98-46, (U.S. GAO, March 1998), <https://www.gao.gov/assets/ggd-98-46.pdf>.

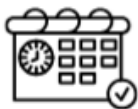
technology, and outsourcing. HUD consolidated regional offices and created a center of excellence for home ownership.

- Components built and maintained employee skills - hand-in-glove with reengineering work processes, agencies invested in staff by offering retraining and consolidating expertise. Some organizations established staff rotation and knowledge transfer programs.<sup>1</sup>

Among the lessons learned:<sup>14</sup>



In developing and implementing the downsizing strategy, leadership should solicit input from staff, unions, and employee associations.



Early planning allows agency leadership to effect the changes with minimal disruption to service delivery.



Critical skills should be backed up by more than one person to ensure the agency retains those skills after the downsizing.



Open and sustained communication with staff helps minimize the inherent distrust and fear of downsizing. Staff should be treated with compassion and know they are valued.



There must be no favoritism even though leadership may be reluctant to let certain staff members leave.

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<sup>14</sup> U.S. Government Accountability Office, *Agency Officials' Views on Maintaining Performance During Downsizing at Selected Agencies*, 1998.

## Section 3: Principles of Value Based Management and Agile Principles

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Several tools that can inform resource optimization strategies include Value Based Management (VBM) and Agile principles. These tools focus on both delivering maximum value, while improving efficiency and relying on leaders to take a deliberate, iterative approach to prioritization.

### ***Value Based Management***

At its core, VBM is a common-sense approach to guiding organizational efforts on behalf of its stakeholders. VBM can help a government agency achieve efficiency and optimization through focusing on value at the strategic level with input from external and internal stakeholders. This unity of effort is especially important in periods of disruption and uncertainty. As discussed below, an integral part of VBM is a focus on balancing risk. In times of disruption and uncertainty, an organization's risk appetite must be constantly reassessed.

Any organization, including federal agencies, exists to deliver products and/or services of value to a set of stakeholders, including the recipients of federal services. Also included, however, is anyone with an interest in the output of the organization, including political leaders, Congress (who funds operations), and federal employees. Successful organizations consider this broad range of stakeholders through a strategic planning process. The question thus arises: how does one maximize value provided to the organization's collective stakeholders? Moreover, how does one unambiguously define value? One simple definition of value is risk-adjusted return on investment.

Return on Investment (ROI) is simply the value of benefits divided by the cost of providing those benefits. Assuming no risk, we would always want the value of the benefits—as evaluated by the stakeholders—to exceed the cost of providing those benefits. However, we know that any effort to deliver products or services to customers inevitably incurs some risk and that the result may be other than was originally intended. After considering all potential risks, decisions to move forward on a particular product or service should always aim to deliver the greatest risk-adjusted ROI.

While the risk-adjusted return on investment definition of value is straightforward, one must keep in mind that the evaluation of the return (i.e., benefits sought) may be very subjective and evaluated differently by different individuals or organizations. For example, customer satisfaction, workforce satisfaction, and innovation certainly offer value but may be rated differently by different stakeholders. Similarly, the investment (i.e., costs to achieve the return) may also be subjective and measured in non-monetary terms and evaluated differently by different stakeholders. Reaching consensus on how an organization evaluates risk-adjusted return on investment may sometimes be a challenge but is always important.

Carrying this concept one step further in complexity, most organizations seek to deliver more than one specific product or service. Maximizing stakeholder value (i.e., overall organizational risk adjusted ROI) thus requires maximizing the value of an organization's overall portfolio of products and services. This means that any organization should seek to employ their limited resources in a manner that maximizes the overall value of the portfolio of stakeholder products and services, even if this requires a reduced ROI for certain individual products or services. This portfolio management approach is identical to a key concept of enterprise risk management, which seeks to manage risk of the overall portfolio of products and services, rather than managing risks of organizational elements independent of one another.

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If delivering value is the destination of an effective organization, then what is the path to getting there? A "roadmap" is needed—one that envisions a destination of maximum stakeholder value and outlines the steps necessary to achieve that destination. The starting point is a strategic planning process that engages key stakeholders and reaches agreement on the desired results to be achieved, given the resources available and the acceptable risks. Once strategic goals are defined and accepted, further definition of desired strategic objectives and supporting program objectives set the stage for more detailed discussions on the balancing of products and services to be delivered, resources available and allocated through a budgeting process, and risks deemed acceptable.

This three-way balancing of results sought, resources allocated, and risks accepted must start with organizational leadership, but then flow downward through an orderly governance process to ensure the envisioned destination is meaningfully communicated and refined in greater detail. Feedback should then flow upwards from supporting organizational levels to ensure leadership is aware of challenges and obstacles in delivery which may then result in modifications to the plan. In addition to this top-down, bottom-up communication of results sought, resources allocated, and risks accepted to maximize value delivery, there must also be lateral communication across functional and programmatic elements to avoid conflicts and any degradation to overall enterprise value. This governance and communication process can be depicted as follows:

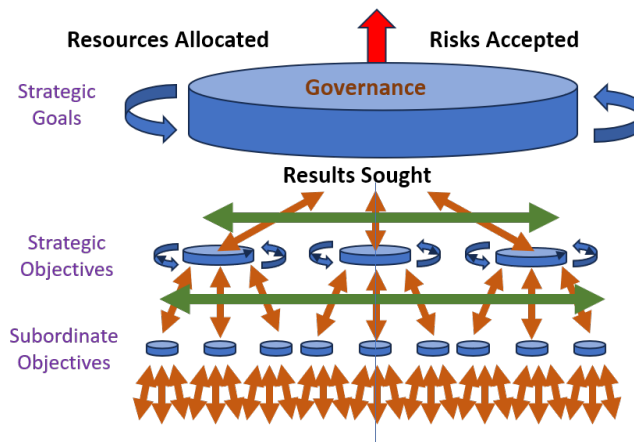


Figure 1: Governance and Communication Process, *Value-Based Management in Government 1st Edition* (Doug Webster and Gary Cokins)

The above approach can represent a significant change to those organizations that have often responded simply to a leader’s vision, or federal Congressional budgeting priorities, without meaningful considerations of how needed cost/performance/risk tradeoffs need to be made to optimally respond to numerous—and sometimes conflicting—stakeholder desires.

By defining an enterprise destination through an appreciation of stakeholder needs and priorities and moving towards that destination through a more integrated approach to program objective setting, budgeting, and risk management, organizations will be able to deliver greater stakeholder value than less integrated approaches currently found in most federal agencies.

While Value Based Management establishes a strategic framework for aligning organizational goals with stakeholder value through deliberate planning, governance, and risk management, it does not prescribe how those strategies should be executed in practice. To bridge this gap between vision and implementation, organizations can turn to Agile principles. Agile offers a flexible, iterative approach that complements VBM by enabling teams to adapt quickly, manage risk continuously, and deliver value incrementally. The following subsection explores how Agile principles can operationalize the strategic intent of VBM, especially in environments where responsiveness and resource efficiency are critical.

## Agile Principles

Agile Government is a way of thinking and managing to achieve results. Implementing Agile Government requires agencies to adopt a mindset shift where action and doing are the focus. Customer or end-user design is prioritized. There is empowerment of staff who work in smaller teams that operate in many iterative periods of time, with an emphasis on continuous learning and creating feedback loops. Risk is identified and addressed early throughout this iterative process, not at the end. When the Agile principles are utilized in management and problem solving, they allow an organization or an individual to deliver and create products for customers in an adaptive way.<sup>15</sup> In a resource-constrained environment, organizations and agencies must be

<sup>15</sup> The National Academy of Public Administration and The Project Management Institute, *Building an Agile Federal Government, A Call to Action*, (National Academy of Public Administration, December

as efficient as possible, being flexible to changes, and having the ability to react and solve problems quickly.

Agile has use and application to both the planning process (i.e., Step Two: Talk About It) and the execution process (i.e., Step Three: Do Something About it). When planning changes or adjustments in a constrained environment, Agile dictates that there must be clear communication of strategy at all levels, and a clear and focused mission and vision that is easy to communicate and understand. The mission of the organization should be accomplished by doing the following: using evidence, empowering staff to make decisions, holding employees accountable for said decisions, achieving employee buy-in, identifying and addressing risk early, and most importantly, allowing for adjustment.<sup>16</sup>

When executing a plan using Agile, successfully implementing change and addressing problems depends on utilizing new, iterative, and adaptable approaches. Execution strategies should be applied in this phased approach to adapt to changing conditions and achieve successful organizational change. Important parts of execution include clear communication of implementation plans, providing both customer experience (CX) and employee experience (EX), leveraging technology, and streamlining processes and workflows.

Organizations must assess the following when starting to implement an Agile framework, or when encountering significant changes. Answering these questions can provide an opportunity to leverage technology to accomplish the same or more work, with less (See Table 1).

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2020), 7. [https://s3.us-west-2.amazonaws.com/napa-2021/studies/increasing-the-agility-of-the-federal-government/Agile\\_Gov\\_whitepaper\\_v4.pdf](https://s3.us-west-2.amazonaws.com/napa-2021/studies/increasing-the-agility-of-the-federal-government/Agile_Gov_whitepaper_v4.pdf)

<sup>16</sup> The National Academy of Public Administration and The Project Management Institute, *Building an Agile Federal Government, A Call to Action*, 12.

Table 1. Organizational Agile Readiness Factors

Category	Readiness Factor
<b>Organizational Structure</b>	<ul style="list-style-type: none"> <li>• Who is driving the activity?</li> <li>• Level of organizational support and enthusiasm?</li> <li>• Outsourcing strategy (will support and people power all come from inside the organization? Or will contractor support be available?)</li> </ul>
<b>Organizational Culture</b>	<ul style="list-style-type: none"> <li>• How do leaders view the use of Agile for this undertaking?</li> <li>• Is this in response to a crisis, or not?</li> <li>• What level of Agile experience does the organization have? How successful?</li> <li>• What kind of support can be expected from the organization's human resource (HR) experts?</li> </ul>
<b>Operational Context</b>	<ul style="list-style-type: none"> <li>• What is the extent of customer/citizen involvement in this project?</li> <li>• What authority does the project lead have to commit resources?</li> <li>• What is the team size and what is the structure of the team?</li> <li>• What is expected to be the duration of the project? What is the length of the planning horizon?</li> <li>• What is the level of investment the organization will make in training and coaching the project team in Agile principles?</li> </ul>
<b>Operational Capability</b>	<ul style="list-style-type: none"> <li>• Is the capacity and capability of existing technology adequate?</li> <li>• If appropriate, what capability does the organization offer for "automated testing?"</li> <li>• What is the organization's track record in adopting new technologies and tools?</li> </ul>

Source: *The National Academy of Public Administration and Project Management Institute, Organizational Agile Readiness Factors, Chapter 3, p. 20.*<sup>17</sup>

In any environment, but especially in an ever-changing resource-constrained environment, implementation involves constant and iterative analysis of data, evidence, and metrics, to find answers.<sup>18</sup> As agencies are experiencing large-scale reduction of uniquely skilled professionals, it is imperative that there is organizational capacity to pivot and change course in an iterative environment. Early efforts of agencies separating employees with deep knowledge of financial compliance and nuclear security, for example, have required agencies to be able to move quickly and redirect based on the need to maintain superior customer service. Implementation also involves adjusting goals, strategies, and actions based on analyses and conversations within the

<sup>17</sup> The National Academy of Public Administration and The Project Management Institute, *Building an Agile Federal Government, A Call to Action*, (National Academy of Public Administration, December 2020), 20.

<sup>18</sup> Metzenbaum, Shelley and Shea, Robert, *The 5 A's of Agile Government Performance and Tools for Adoption*, The National Academy of Public Administration, November 29, 2022. Accessed May 14, 2025. <https://napawash.org/articles-from-our-partners/the-5-as-of-agile-government-performance-and-tools-for-adoption#:~:text=Agile%20governments%20constantly%20ask%2C%20analyze,improve%20continuous%20on%20multiple%20dimensions.>

organization. This constant iteration and ability to adjust to changes and roadblocks make Agile principles useful for organizations facing resource challenges and seeking to maximize value delivered.

## Section 4: Planning and Executing Successful Organizational Transformation

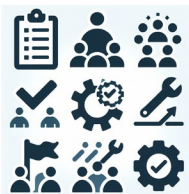
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Optimizing performance in a federal agency facing significant budget cuts requires innovative strategies and a focus on efficiency and value delivered to stakeholders. This section discusses the process by which organizations should execute organizational transformation efforts within the context provided by Section Two, and the frameworks provided by Section Three. Best practice literature, including government, private sector, and academic reports, highlight various strategies and action steps that government leadership might implement to maximize effectiveness and prioritize efficiency. These actions are listed below, utilizing a four-step process:



1. **Put First Things First** – gather information to identify gaps between the current state and desired future state of the organization; prepare to make a case for change, shape a vision, and secure top leadership support.

2. **Talk About It** – make the case for change, secure top leadership support, communicate a unified vision for the change, build a coalition of support among key staff and stakeholders.



3. **Do Something About It** – develop an implementation plan with broad participation from leaders and staff; ensure ownership of the change from all levels of the organization; create a dedicated and empowered change implementation team; developing skills and capabilities that are lacking and needed, and implement the change.

4. **Sustain, Monitor, and Evaluate Performance** – sustain top leadership support; monitor performance based on measures developed in previous step; evaluate performance periodically to make mid-course corrections as needed; create a continuous feedback loop with the annual strategic planning and budgeting process.



Implementing substantial cuts in an agency's resources represents significant change. Adapting to those cuts while sustaining and improving performance will require dedicated leadership to oversee organizational transformation, and may require reevaluation of products/services that deliver maximum stakeholder value. Indeed, successfully navigating such sweeping change will

require a whole-of-agency effort, in keeping with organizational transformation and change management best practices.<sup>19</sup>

The discussion of the four-step process below integrates the Academy's framework for sequencing change management efforts and monitoring attendant key success indicators. This change management framework is based on leading practices in the field, case studies, and scholarly literature on organizational transformation. Key components include:<sup>20</sup>

- Prepare Approach: Define Success, Define Impact, Define Approach
- Manage Change: Plan and Act, Track Performance, Adapt Actions
- Sustain Outcomes: Review Performance, Activate Sustainment, Transfer Ownership

## Step One: “Put First Things First”

Step One of is a gap analysis of the organization's current state and the desired future state. Three related processes support this analysis:



- (i) reassessing strategic goals and mission priorities through a collaborative process with stakeholders, staff and customers;
- (ii) identifying how to allocate agency resources in accordance with those priorities; and
- (iii) assessing whether the remaining workforce is sufficient and has the requisite skills to meet mission requirements. These help the agency to prioritize strategic initiatives and prepare it for crucial first steps in the change management process including demonstrating the case for change and ensuring top leadership support for change.<sup>21</sup>

Building on the strategic-level goal setting in VBM, agencies should first reassess how their strategic goals meet their intended mission in the uncertain environment. As an organization's plan to deal with the impacts of disruption and uncertainty to optimize, the reassessment should account for the short, medium, and long term. Organizations may employ tools and methodologies within the context of VBM such as environmental scanning and SWOT analysis, to inform the assessment.

The answers to the following questions can cascade to subordinate organizations within agencies. They can ask similar questions about how their work contributes to objectives under the agency's strategic goals in the new environment. This effort will identify challenges or opportunities to address the effects identified above.

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<sup>19</sup> U.S. Government Accountability Office, *Result-Oriented Cultures*, GAO-03-669, (U.S. GAO, July 2003), <https://www.gao.gov/assets/gao-03-669.pdf>.

<sup>20</sup> Prosci, *Introduction to Change Management: What it is and why it makes a difference to your organizations* (Prosci, n.d.), 12, accessed May 14, 2025, [An-Introduction-Guide-to-Change-Management-guide.pdf](#).

<sup>21</sup> Marcy, Kristine, et al., *Effective Practices in Strategic Planning and Change Management for Health Services Division of the Bureau of Prisons*, (National Academy of Public Administration, October 2019), 10-12, [D2-D3\\_HSD\\_Final\\_Report.pdf](#).

Figure 2. VBM Strategic Goal and Key Mission Assessment



Once key mission requirements have been established, agency leaders must identify and focus on the most critical programs and services that align with those priorities to help agencies make difficult decisions about where to allocate limited resources. Indeed, in a resource-constrained environment, agencies must “reset” priorities so that the most important tasks can be completed with available resources. This differs from the traditional practice of allocating resources incrementally, largely based on historical practice.<sup>22</sup> It requires effective resource planning that builds on three core activities:

- identifying the specific activities and tasks that must be completed to achieve the priority objectives,
- determining the type and level of resources required to perform the work, and
- developing a strategy to obtain the necessary resources.<sup>23</sup>

<sup>22</sup> Using prior years' allocations as a baseline, agency leaders adjust allocations to incorporate direction from OMB, Congress, internal constraints on spending, and other factors. OMB guidance sets overall parameters for the agency's top line budget— typically a given percentage of the prior year's budget.

<sup>23</sup> U.S. Government Accountability Office, *Key principles for Effective Strategic Workforce Planning*, GAO-04-39, (U.S. GAO, December 2003), <https://www.gao.gov/assets/gao-04-39.pdf>.

Program assessment tools created by OMB provide a useful framework<sup>24</sup> for prioritizing programs and services. Using the answers to these questions, agency leaders and program officials can begin to chart a course for meeting the agency’s goals in a disruptive environment:

Table 2. Questions to Chart Course to Meeting Agency Goals

<b>OMB Framework Questions for Prioritizing Programs and Services</b>	
<b>What is the original purpose of the program/activity?</b>	<ol style="list-style-type: none"> <li>1. Does it directly support strategic objectives?</li> <li>2. Is it a core competency of the agency’s mission?</li> <li>3. Are implementing guidance, law, regulation relevant in the uncertain environment?</li> <li>4. Do similar programs/activities exist throughout the agency or interagency (e.g., are there opportunities to merge functions/ processes/ resources)?</li> </ol>
<b>What are the intended outcomes of the program/activity?</b>	<ol style="list-style-type: none"> <li>1. Are they still relevant?</li> <li>2. To what extent can outcomes be achieved with available resources?</li> <li>3. What are the risks of not achieving the outcomes?</li> <li>4. How can the risks be mitigated?</li> <li>5. Is it possible to analyze alternatives to achieve the relevant outcomes?</li> </ol>
<b>What baseline information exists on the performance of the activity/program?</b>	<ol style="list-style-type: none"> <li>1. Are the lines of responsibility, authority, and accountability still relevant?</li> </ol>
<b>What is a realistic end state for the program/activity (or short, medium, long-term states)?</b>	<ol style="list-style-type: none"> <li>1. How can existing resources (people, budget, technology) be used to achieve end states?</li> <li>2. Prioritize existing resources to accomplish short-, medium-, and long-term goals.</li> <li>3. What are achievable milestones?</li> <li>4. What are the risks to achieving milestones?</li> <li>5. How can risks be managed?</li> </ol>

Finally, as an organization’s staff often account for a significant share of its resources, strategic workforce planning is a key component of successful resource management strategy. Strategic workforce planning requires leadership to evaluate and address requisite skills across the agency. Informed by a strategic prioritization of tasks, workforce planning includes (1) analyzing the skills needed to achieve agency goals now and in the future, (2) assessing the skills possessed by the

<sup>24</sup> U.S. Office of Management and Budget, *Assessing Program Performance*, February 2005, <https://web.archive.org/web/20080616222524/http://www.whitehouse.gov/omb/part/>.

current workforce, (3) identifying any current or future gaps in critical skills, and (4) developing strategies to fill such gaps.<sup>25</sup>

## Step Two: “Talk About It”



Step Two of the organizational transformation emphasizes the importance of effective and sustained leadership in developing the new vision for the organization, early and sustained communication with internal and external stakeholders, and securing their buy-in. It also prescribes strong implementation planning to identify and develop crucial components for success such as the critical path to project completion, internal and external communication plans, and mechanisms to oversee and monitor progress.

Implementing substantial cuts in an agency’s resources disrupts an organization’s operating environment and creates uncertainty among staff. Navigating those changes requires a whole-of-agency effort and leaders need to make a compelling case for change and expected benefits to secure buy-in from employees at all levels.

As GAO observed from the downsizing of federal agencies in the 1990s, early planning and consistent communication allows agency leaders to effect changes with minimal disruption to service delivery and helps minimize the inherent distrust and fear of downsizing.<sup>26</sup> Additionally, major cross-cutting organizational change is difficult, requires a large commitment of time, energy, and resources, and entails significant risks and uncertainty.

“Members of an organization must have a compelling motivation to invest in such an effort. Generally, leaders must be convinced that the performance of the organization, if not its very existence, is seriously enhanced when cross-organizational changes are made. Similarly, the opposite is also true. A lack of integrated focus can lead to significant threats to organizational performance.”<sup>27</sup>

### ***Establishing a Clear Vision for the Organization***

Literature about effective organizations emphasizes the importance of a common leadership “vision” that sets direction, clarifies organizational priorities, and focuses attention on what matters. Without a vision and clear priorities, the organization’s personnel might have a general understanding of what tasks they must complete and why, but still lack clarity, and possibly the means – to accomplish organizational objectives efficiently, effectively, expeditiously, and in a manner that meets customers’ needs. Identifying and providing the means to achieve the objectives is a primary – and critical – responsibility of leaders.

Sustained leadership is required to successfully develop and execute an overall vision. Leadership is needed to ensure necessary coordination and collaboration are happening across agencies, roles

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<sup>25</sup> U.S. Government Accountability Office, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO 04-39, (U.S. GAO, Dec. 11, 2003), <https://www.gao.gov/assets/gao-04-39.pdf>.

<sup>26</sup> U.S. Government Accountability Office, *Agency Officials’ Views on Maintaining Performance During Downsizing at Selected Agencies*, 1998.

<sup>27</sup> Marcy, Kristine, et al., *Effective Practices in Strategic Planning and Change Management for Health Services Division of the Bureau of Prisons*, 12-13.

and responsibilities are clear, and agencies are held accountable for operationalizing the strategy and prioritizing mission requirements. This is essential as the consolidation of resources has also led to reorganizing functions to other agencies, requiring additional commitment to coordination and a clearly articulated vision. Leadership is also responsible for communicating the strategy and progress on achieving strategic goals to Congress and other external stakeholders and advocating for adequate resources to effectively implement the strategy. A case for change must explain simply and directly the challenges facing the organization and why the current organization is unable to optimally meet the challenge. It should describe the changes needed to enhance performance outcomes and meet the challenge. Ideally, a case for change should quantify the benefits of changes over time.

Finally, leaders must be seen as driving the change by setting the direction, pace, and tone that is instilling the culture needed for successful change.<sup>28</sup> Top leaders have awareness of internal and external risks and resource constraints, and only they can set priorities, allocate resources, provide enterprise-wide oversight, and make certain decisions.<sup>29</sup> It may be necessary to train leaders on the skills necessary to successfully oversee the transformation and execute related strategies.<sup>30</sup>

Success Factors for this phase include:

- Senior leadership is committed to change and aligned on the need for change as well as on change messages.
- Leaders have the necessary skills to execute change strategies.
- Leaders set annual priorities and communicate them to internal and external stakeholders.

### ***Building a Coalition of Support Among Key Internal Stakeholders***

Once top leaders are supportive of a unified vision and case for change, they should disseminate it to other members of the organization in an efficient and effective sequence. “Leaders have limited time and attention and can only selectively monitor and intervene to support change management efforts.” The top priority for dissemination are those key internal stakeholders identified in Step 1: “Put First Things First,” whose cooperation and support will be necessary to enable effective action on strategic issues.<sup>31</sup> Stakeholders with a strong influence and interest are also important to involve early on in the process as they can voice support for changes and diffuse opposition.

Success factors for this phase include the following:

- Leaders communicate frequently about the change with internal and external stakeholders and speak with one voice.
- Leaders understand their roles in the change process.

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<sup>28</sup> U.S. Government Accountability Office, *Organizational Transformations*, GAO-08-322T, (U.S. GAO, December 13, 2007) 9, <https://www.gao.gov/assets/gao-08-322t.pdf>.

<sup>29</sup> The Economist Intelligence Unit, *Why good strategies fail: Lessons for the C-suite*, 2013, pp. 9, 16.

<sup>30</sup> Bill Hall, “Strategy Execution Is Critical Yet Often Ignored,” Forbes Coaches Council, July 28, 2021. Accessed January 12, 2022.

<sup>31</sup> Marcy, Kristine, et al., *Effective Practices in Strategic Planning and Change Management for Health Services Division of the Bureau of Prisons*, 14.

- Key stakeholder groups have been identified.

### ***Developing an Implementation Plan***

Demonstrating the case for change, ensuring top leadership support, deciding on a clear vision, and building a coalition of support are key components that enable organizations to develop effective implementation plans. The activities involved with, and core components of, an implementation plan are:<sup>32</sup>

*Figure 3. Core Components of an Implementation Plan*



<sup>32</sup> Correa, Soraya, et al., *USDA FPAC, Identifying a Path for Success and Advancing Change Management, Review of the Structure of Business and Enterprise Services*, (National Academy of Public Administration, 2023), <https://s3.us-west-2.amazonaws.com/napa-2021/FPAC-Change-Mgmt-Project-Summary.pdf>.

*Source: National Academy of Public Administration*

Implementation plans serve as dynamic documents that organizations should update and mature over time. Developing annual and long-term priorities and targets is one way to iterate on initial implementation plans.

### ***Managing Risk***

Risk is an inherent aspect of any organization's day-to-day operations, especially for organizations undergoing substantial changes. In developing an implementation plan, leaders will need to assess both key risks to mission performance and potential opportunities to advance its mission. This is accomplished through the thoughtful examination of stakeholder interests, mission priorities and the organization's risk appetite.

To support this strategic balance, leaders will need to develop robust risk management frameworks and thorough processes for profiling risk at the enterprise. A risk management framework is a set of guiding principles that help organizations manage enterprise risk. Organizations that endeavor to change should profile their risks early in the process by identifying and cataloguing them in an initial risk register. The implementation team should serve as the focal point for developing and maintaining the framework and register in coordination with other parts of the organization. It should update this risk register on a regular and frequent basis, for example, weekly or monthly.

The section above on VBM explains how VBM employs a wide lens for identifying and communicating risk throughout the organization. It strategically drives the balancing of results sought, resources available and allocated, and risks accepted in a manner that optimally meets key stakeholder needs.

### **Step Three: “Do Something About It”**



Step Three outlines manageable, actionable steps that can help achieve change towards efficient organizational operation. Such actions include the streamlining and simplification of processes and workflows, optimizing customer (CX) and employee experience (EX), leveraging technology for efficiency, and instructions on how to implement effective change management. The change management implementation team should serve as the touch point between top leadership and the management and line staff for each function, or line of business, of the organization.

### ***Initiating Change Implementation Actions***

The goal of Step Three is to execute, build momentum, and show progress. Leaders develop and execute implementation and communication plans, develop metrics, measure progress, and make midcourse corrections, as needed.<sup>33</sup> Annual and longer-term implementation plans are developed during Step Three. As annual priorities are set, corresponding annual metrics to measure progress should be developed. Periodic leadership strategy review meetings enable leaders to monitor

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<sup>33</sup> Prosci, *Introduction to Change Management*, 13.

progress and evaluate if milestones will be met—and, if not, modify strategies and deadlines to respond to new developments or to overcome unforeseen obstacles.<sup>34</sup>

Change on the scale being undertaken will take agencies multiple years to implement, impacting every aspect of the work, including technology, workforces, budgets, organizational structures, and cultures. Addressing change on this scale will require different strategies, each with its own dependencies and indicators. Setting priorities annually will make the overall initiative more manageable for leaders driving the change, the workforce tasked with implementing it, and customers who need to adapt to the new environment.

Action items and owners in the initial implementation plan should be determined as part of an internal communications strategy. This helps ensure ownership of the change effort throughout the organization by providing the individuals responsible for action items with a voice in the planning stages. Early engagement of employees impacted by organizational change is crucial to maintain morale and encourage ownership of changes because organizational changes often necessitate modifications or overhauls of work roles, processes, and job descriptions. Developing a comprehensive and systematic plan to guide communication enables leaders to actively manage how information about the transformation cascades down through the organization.<sup>35</sup> A communication strategy should include mechanisms for two-way communication, to ensure that employees feel their concerns and experiences are important. Likewise, leaders must demonstrate that they take this feedback seriously and make reasonable adjustments.<sup>36</sup>

The change management implementation team developed in Step Two should lead this effort in coordination with existing communications units or staff. The Implementation Team should also drive efforts on action items, facilitate cross-agency communication, provide briefings on progress, roadblocks, and risks to leadership, as well as provide oversight from change initiation to completion. The implementation team's function as a liaison between top leaders and other parts of the organization is critical for identifying issues quickly and making mid-course corrections and applying Agile principles if needed.

### ***Streamlining Processes and Workflows***

Streamlining workflows and processes<sup>37</sup> focuses on the identification of the workflows and processes that are required for an organization to operate, centralization of key processes, and the standardization of operations and service components of an organization. Part of maintaining this operation is ensuring that there are consistent, repeatable standard approaches that are

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<sup>34</sup> Kelsey Miller, "A Manager's Guide to Successful Strategy Implementation," *Harvard Business School Online Business Insights Blog*, February 25, 2020, <https://online.hbs.edu/blog/post/strategy-implementation-for-managers>.

APQC and Grant Thornton. "Transformational Change—Making It Last" 2014, 26.

<sup>35</sup> APQC, *Transformational Change*, 25.

<sup>36</sup> U.S. Government Accountability Office, *Results-Oriented Cultures*, GAO-03-669, 15.

<sup>37</sup> Workflow and processes are "an orchestrated and repeatable pattern of business activity enabled by the systematic organization of resources into processes that transform materials, provide services, or process information."

Business Process Management Center of Excellence, *Glossary*, October 26, 2009. Accessed May 15, 2025. [https://web.archive.org/web/20170131011831/https://www.ftb.ca.gov/aboutFTB/Projects/ITSP/BPM\\_Glossary.pdf](https://web.archive.org/web/20170131011831/https://www.ftb.ca.gov/aboutFTB/Projects/ITSP/BPM_Glossary.pdf).

documented and updated. This allows for key processes to operate efficiently, even when there are changes in resources, personnel, or circumstances.

Standard Operating Procedures (SOPs) are used to streamline workflows and processes. SOPs establish a durable knowledge management process and system. SOPs that are consistent, detailed, updated and complete allow for work to continue despite a constrained environment or when there are new employees where knowledge transfer from previous employees may not be possible or thorough.

Basic considerations for SOPs, processes and workflows include:

- SOPs and process documents should be fully developed and updated with the goal of ensuring transparency, coordination, and knowledge sharing. Roles and responsibilities should be clarified with all duties covered and, as much as possible, equitable distribution of work.
- Where possible, processes that are similar or identical throughout an organization should be connected and centralized or at least standardized throughout.
- Invest time upfront in the training of new employees to ensure they can quickly add value to the organization.
- Expedite the learning curve for new employees, creating more job- and series-specific support resources and capturing key knowledge of departing employees.

### ***Optimizing Customer and Employee Experience***

Even in a resource-constrained environment, government agencies and organizations are still expected to accomplish their missions, deliver services to the customer (the American public), and maintain a positive environment for their employees. How agencies treat their customers and those who carry out the work to achieve that delivery impacts the quality of said work and service.

Maintaining excellence in customer experience (CX) when resources are scarce will require additional attention on employee experience (EX). For example, employees forced to navigate paper-based processes that are slow and bureaucratic would find it extremely challenging to deliver CX that is “tech-enabled, seamless, and intuitive.”<sup>21</sup> In addition, “it’s unlikely that employees will deliver highly empathetic, caring, and personal service if their employer doesn’t cultivate an organizational culture that embraces those values.”<sup>22</sup>

Focusing on EX is especially important in times of resource constraints. Shrinking staff sizes and other cutbacks that require employees to “do more with less,” especially in the short term, have an enormous impact on morale. Employees who do not have the tools and support they need to do their jobs well cannot deliver on excellence in CX.

Leaders, managers, employees, and customers all have a role to play in improving CX and EX. When leaders understand the relationship between EX and CX and demonstrate a commitment to a culture of excellence in these areas, managers are also more likely to demonstrate that commitment, leading to improvement. Using customer and employee feedback to identify what is working well and improvements needed to policies, processes, programs, and services will help ensure changes are addressing the most significant pain points. Engaging with employees and

customers when developing solutions also builds support for proposed changes and helps identify potential risks and avoid any unintended consequences.

In a resource-constrained environment, the two most important things an agency can do to sustain and improve CX and EX are to (1) streamline and automate functions, processes, and services (including giving customers self-service capabilities through a customer relationship management system) and (2) empower frontline staff to make decisions and implement innovative practices to improve CX, enabling rapid problem resolution and service delivery. Both strategies will improve efficiency and effectiveness.

The first step to implementing customer-centric and automated processes, practices, and systems is to perform a business process reengineering analysis (e.g., identifying process inefficiencies and opportunities for process automation), with customer and employee input, for each user flow or system category. While automating processes will require initial investments, in the long term it will reduce staffing needs and improve the remaining employees' ability to be responsive to customers.

There are several other management techniques for improving CX and EX, including the following:

- Developing customer and employee journey maps.
- Setting CX and EX goals, strategies, policies, and organization and individual performance metrics.
- Developing staff in CX and human-centered design through training and rotations to established and successful CX offices.
- Rewarding excellence and innovation in CX by establishing a CX awards program.
- Evaluate the administrative burden experienced by customers and measure the extent to which changes affect that burden.<sup>38</sup>
  - Role of strategic vision and decision making

### ***Leveraging Technology to Enhance Efficiency***

In a resource-constrained environment, a personnel reduction can restrict the ability of an agency to deliver its services and complete its work in an efficient manner. Technology can help remaining employees work more efficiently. The implementation and use of modern technology tools and strategies (such as data sharing, integrations, automation, and analytics) help enable organizations and programs to reduce costs, streamline processes, integrate programs, eliminate duplicative processes, and enable collaboration.<sup>39</sup>

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<sup>38</sup> Partnership for Public Service and Accenture, *Government for the People: Designing for Equitable and Trusted Customer Experiences* (November 2021), 21, <https://ourpublicservice.org/wp-content/uploads/2021/11/Government-for-the-People.pdf>.

<sup>39</sup> Augustine, Nancy Y. et al, *Modernizing Public Benefits Delivery: How Innovation Can Deliver Results For Eligible Households and Taxpayers* (National Academy of Public Administration, June 2023), 6, [https://s3.us-west-2.amazonaws.com/napa-2021/Modernizing-Public-Benefits-Delivery\\_NAPA\\_June-2023\\_Final.pdf](https://s3.us-west-2.amazonaws.com/napa-2021/Modernizing-Public-Benefits-Delivery_NAPA_June-2023_Final.pdf).

GAO has explored internal use of artificial intelligence (AI) to “make its work for Congress and taxpayers more efficient, in-depth, and effective.”<sup>40</sup> When deploying AI capabilities within GAO, AI prototypes helped efficiently summarize past reports, aid in editorial review, and scan congressional documents for mandated work for GAO. GAO found several use cases for AI, that could be utilized in the wider federal government to increase efficiency. This is particularly helpful when there are fewer personnel resources available, such as when constraints are in place.<sup>41</sup> Use cases include:

- Organizing large volumes of text,
- Summarizing draft GAO legislative mandates, which increases efficiency, reduces manual processes, and flags duplication,
- Improves GAO auditing through the use of extended reality glasses, which improves data collection and collaboration, and reduces costs and risks, and
- Triage IT help desk requests and provides constant self-service assistance to GAO employees, which allows staff to focus on more complex requests. In a constrained environment, where employees have increased duties and responsibilities, automation can ease workloads and allow employees to focus on their critical duties.<sup>42</sup>

The use of technology can make processes that may be inefficient because it takes significant time to complete or requires multiple employees and automates the process. This allows for the use of fewer employee resources, more efficient completion of work and service delivery, both of which are important in a constrained environment.

### ***Creating Momentum & Identifying Indicators of Success***

While the implementation team provides centralized direction and monitoring of progress, implementation should be decentralized.<sup>43</sup> To that end, the implementation team specifies the roles and responsibilities of functional offices in carrying out the change. Adherence to this plan is accomplished through a performance management system. High-performing organizations link organizational and individual performance.<sup>44</sup>

A performance management system is a tool for cascading transformation goals from the organization level down to offices, units, teams, and individuals. The first step is to ensure that roles and responsibilities are assigned and understood. An executive sponsor should be assigned to each objective, and individuals with supporting roles should be identified. These leaders should then assign responsibilities to their staff. Including competencies and behaviors supportive of organizational transformation in individual performance plans and reviews, and rewarding

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<sup>40</sup> U.S. Government Accountability Office, *Artificial Intelligence: GAO’s Work to Leverage Technology and Ensure Responsible Use*, GAO-24-107237 (U.S. GAO, January 2024), <https://www.gao.gov/assets/d24107237.pdf>.

<sup>41</sup> U.S. Government Accountability Office, *Artificial Intelligence: GAO’s Work to Leverage Technology and Ensure Responsible Use*, i.

<sup>42</sup> U.S. Government Accountability Office, *Artificial Intelligence: GAO’s Work to Leverage Technology and Ensure Responsible Use*, 3.

<sup>43</sup> APQC, *Transformational Change*, 21.

<sup>44</sup> U.S. Government Accountability Office, *Results-Oriented Cultures*, GAO-03-669, 22. Lists key practices for effective performance management, many of them focused on linking individual and organizational performance.

employees who successfully demonstrate them, can help reinforce the adoption of change.<sup>45</sup> Providing training and mentoring to those responsible for executing strategy, as needed, can further support successful strategy execution.<sup>46</sup>

Additionally, strong measures of organizational and individual performance alike are essential for setting expectations and evaluating results against those expectations. It is important to engage employees impacted by the change in the development of performance metrics to ensure they are measuring the right things, and to encourage buy-in, which mitigates potential gaming of the system or the creation of “shadow” functions.<sup>47</sup> As the current administration continues to make significant changes and reduce agency resources, it will be essential to identify the right things to measure and work to build agreement among all those affected by the change.

Step Three change management success factors include the following:

#### *Internal Communications Strategy*

- Addresses each phase employees go through when confronted with change: denial, resistance, exploration, and commitment/adoption.
- Provides opportunities for two-way communication about the change that create feedback loops for leaders and build understanding and acceptance among all.
- Conveys information about the change, such as timeframes, why the change is happening, the desired end state, consequences of not changing, and how the change will affect individuals.
- Progress is publicized and successes are celebrated as they occur.

#### *Implementation Plan and Actions*

- Leaders “model” new values and behaviors (i.e., “walk the walk” as well as “talk the talk”).
- The critical path to project completion is identified and progress is defined and measurable.
- Employees and other key stakeholders have been consulted in developing reforms.
- Action items and owners are assigned and understood.
- Adherence to a strong performance mechanism is emphasized and overseen by the implementation team, which provides support to address obstacles.
- Strategy reviews are conducted according to an established schedule, and midcourse corrections are made as necessary.
- Staff know to go to the implementation team for assistance and additional information, and the implementation team has sufficient connections across the organization to provide the requisite information and resolve issues.
- Personnel are prepared for upcoming changes.

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<sup>45</sup> APQC, *Transformational Change*, 31

<sup>46</sup> APQC, *Transformational Change*, 32.

<sup>47</sup> Marcy, Kristine, et al., *Effective Practices in Strategic Planning and Change Management for Health Services Division of the Bureau of Prisons*, 29. [https://s3.us-west-2.amazonaws.com/napa-2021/studies/federal-bureau-of-prisons-medical-data-managment/D2-D3\\_HSD\\_Final\\_Report.pdf](https://s3.us-west-2.amazonaws.com/napa-2021/studies/federal-bureau-of-prisons-medical-data-managment/D2-D3_HSD_Final_Report.pdf).

## Step Four: “Sustain, Monitor and Evaluate Performance”



During Step Four, activities and outcomes continue to be tracked to identify areas for continued improvement, leaders and employees are held accountable for change and employees and organizational units that demonstrate competencies and behaviors that support the change effort are rewarded.<sup>48</sup> This section provides guidance for sustaining change and building upon successful efforts.

### ***Evaluating Performance to Make Mid-Course Corrections***

Monitoring how effectively program activities are advancing an organization’s mission objectives, as well as identifying gaps, opportunities, and needs is a crucial step in organizational transformation. Effective organizations use measures and metrics to monitor their outputs and outcomes. They use those data to adjust their strategic direction, develop tactics to enhance operations, and improve measures of performance in a cycle of continuous improvement. Outcome-based measures of performance assess the direct impact of activities. This process necessitates matching measures of output with attendant outcomes to assess whether current activities are addressing organizational goals and objectives effectively. The Agile principles below are effective ways to support this initiative:

- Hold quarterly review meetings with staff.
- Review progress toward meeting milestones.
- Adjust strategies and milestones as necessary.
- Determine when mid-course correction is necessary.

### ***Closing the Feedback Loop for Annual Planning***

Following initial near-term efforts to collect information and engage stakeholders, the next step is to begin creating or strengthening formal recurring processes of collecting and reporting information, assessing performance, and engaging with stakeholders. Organizational planning, including strategic and budgetary planning, is a continuous process that requires constant feedback about how current strategies are working.<sup>49</sup> This approach to continuous improvement is especially relevant for federal agencies as they are subject to the annual federal budget cycle. Instituting an effective feedback loop to incorporate performance data and attendant lessons learned helps organizations develop strategies for addressing issues and pursuing opportunities. New strategies, in turn, can be incorporated into longer-term implementation plans and annual strategic and budget plans. Performance-based management provides the organization with information and indicators to determine the effectiveness of the strategies. Leaders and the change implementation team should give particular attention to the following processes.

- Requirements and priority setting processes.

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<sup>48</sup> Prosci, *Introduction to Change Management*, 13.

<sup>49</sup> Dominguez, Michael, et al., *Organizational Assessment for U.S. Forest Service Research and Development*, (National Academy of Public Administration, September 2019), 50, [https://s3.us-west-2.amazonaws.com/napa-2021/studies/us-forest-service-assessment-of-research-development-function/Final\\_NAPA\\_Report\\_11.6.19.pdf](https://s3.us-west-2.amazonaws.com/napa-2021/studies/us-forest-service-assessment-of-research-development-function/Final_NAPA_Report_11.6.19.pdf).

- Collection and reporting of information on funding allocation and research activities across the enterprise.
- Collection and reporting of accomplishments and other performance information.
- Congressional engagement process.

### ***Embedding Evaluation and Audit Principles into Transformation***

To further institutionalize continuous improvement, organizations should consider integrating evaluating partners—such as financial auditors, internal review units, and Inspectors General—into the transformation process. These partners bring a unique perspective grounded in accountability, risk mitigation, and compliance. Their early and ongoing involvement can help identify structural or procedural vulnerabilities before they become systemic issues. By embedding these evaluators into transformation teams or advisory groups, organizations can ensure that change initiatives are not only ambitious but also resilient, transparent, and aligned with statutory and regulatory expectations.

Additionally, training staff and leadership in the principles of the Generally Accepted Government Auditing Standards (GAGAS), also known as the GAO Yellow Book, can empower organizations to “pre-audit” their progress. This proactive approach encourages teams to assess their own performance against established criteria for effectiveness, efficiency, and internal control. By adopting a GAGAS-informed mindset, organizations can build internal capacity to identify gaps, document lessons learned, and course-correct in real time—ultimately reducing the risk of audit findings and enhancing credibility with oversight bodies and stakeholders.

Finally, a key consideration in developing standard processes for collection, reporting and engagement is making sure to leverage existing processes, and guidance related to the Government Performance Reporting and Modernization Act (GPRAMA) and the Evidence-based Policy Act.

## **Conclusion**

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As departments and agencies adapt to new funding and organizational realities, there is an opportunity to meet goals of more efficient and effective – more modern – operations to better accomplish mission and meet directives while saving money. The objective of this paper is to recognize the reality of the challenges agencies face, and to offer approaches and tools and a four-step process that can facilitate improvement.

Adapting to the cutback measures while sustaining and improving performance will require agency leaders to drive, actively manage, and sustain the change management process. Successfully navigating such sweeping change will require a whole-of-agency effort, in keeping with organizational transformation and change management best practices. Agency leaders will need to reestablish a baseline to provide services that were authorized by Congress. This major undertaking requires agencies to:

- Reassess strategic goals and mission priorities through a collaborative process with stakeholders, staff and customers;
- Allocate agency resources in accordance with those priorities; and

- Assess whether the remaining workforce is sufficient and has the requisite skills to meet mission requirements.

In a resource-constrained environment, organizations and agencies need to accomplish the same mission and deliver services as effectively as they are expected to, all with diminished resources. This means being as efficient as possible, being flexible to changes, and having the ability to react and solve problems quickly, which are the main components of Agile governance. When the principles of Agile are utilized in management and problem solving, they allow an organization or an individual to deliver and create products for customers in an adaptive way, even when faced with fewer resources.

Agile principles are useful to incorporate in change efforts because they enable flexibility and mid-course correction. The end goals and solutions are accomplished in an iterative process, and any risks or roadblocks are identified and addressed early throughout the iterations. Customer or end user satisfaction is prioritized. There is empowerment of staff that work in smaller teams that operate in many iterative periods of time, with an emphasis on learning. This supports principles of change management that center broad participation and ownership of activities across organizations.

VBM involves the strategically driven balancing of results sought, resources available and allocated, and risks accepted in a manner that optimally meets key stakeholder needs. By focusing on value at the strategic/stakeholder level with input from component sub-levels, it addresses how best to achieve goals. This unity of effort is especially important in periods of disruption and uncertainty. An integral part of VBM is the focus is on balancing risk. In times of disruption and uncertainty, an organization's risk appetite must be constantly reassessed.

Drawing on well-established organizational tenets to prioritize activities, engage constructively, put words into practice, and keep the momentum during transformational efforts requires fidelity to best practices and a willingness to use innovative tools and new ways to tackle challenges. Federal employees have demonstrated this combination of approaches and are working daily to deliver agency missions to the American public.

# Appendices

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## Appendix B: List of Interviewees

- **Blair, Dan**, Senior Counselor and Fellow, The Bipartisan Policy Center
- **Bovbjerg, Barbara**, Managing Director, Education, Workforce and Income Security Issues, U.S. Government Accountability Office
- **Kamensky, John**, Lecturer, University of Massachusetts-Amherst, School of Public Policy
- **Lyon, Randolph**, Principal, RM Lyon Consulting
- **Mihm, Chris**, Managing Director, Strategic Issues, U.S. Government Accountability Office, and Adjunct Professor, Syracuse University, Maxwell School of Citizenship and Public Affairs
- **Mitchell, Joseph**, Director of Strategic Initiatives and International Programs, National Academy of Public Administration
- **Neal, Jeff**, Principal, ChiefHRO, LLC
- **Palguta, John**, Retired
- **Reger, Mark**, Consultant
- **Shea, Robert**, Chief Executive Officer, GovNavigators

## Appendix C: Who We Are

The National Academy of Public Administration is an independent, nonprofit, and nonpartisan organization established in 1967 and chartered by Congress in 1984. It provides expert advice to government leaders in building more effective, efficient, accountable, and transparent organizations. To carry out this mission, the Academy draws on the knowledge and experience of its over 1,000 Fellows—including former cabinet officers, Members of Congress, governors, mayors, and state legislators, as well as prominent scholars, career public administrators, and nonprofit and business executives. The Academy helps public institutions address their most critical governance and management challenges through in-depth studies and analyses, advisory services and technical assistance, congressional testimony, forums and conferences, and online stakeholder engagement. For more information on the National Academy of Public Administration, its fellowship, publications, and working groups, visit us at [www.napawash.org](http://www.napawash.org).

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