In meeting varied missions, government executives confront significant challenges. Responding properly to them must be guided and informed by the harsh fiscal and budgetary realities of the day. It can no longer be simply a wishful platitude that government do more with less. Leaders need to change the way government does business to make smarter use of increasingly limited resources—leveraging technology and innovation to be more efficient, effective, anticipatory, adaptive, and evidence-based in delivering missions and securing the public trust.

Government executives, however, must also avoid the tyranny of the present or the next budget cycle, and recognize that the challenges of today often morph into the hazards of tomorrow. So anticipating the future—getting ahead of events rather than being subsumed by them—becomes integral to positioning, resourcing, and preparing an agency for what may come, while always keeping focused on primary responsibilities.

This edition of *The Business of Government* magazine underscores the importance of correlating short-term decision-making with long-range consequences. We highlight the latest trends and best practices for improving government effectiveness by introducing you to key government executives, detailing the work of public management practitioners, and offering insights from leading academics.

**Forum on Six Trends Driving Change in Government**

Fiscal austerity, citizen expectations, the pace of technology and innovation, and a new role for governance make for trying times. These challenges influence how government executives lead today, and more important, how they can prepare for the future. It is anticipating the future—using foresight in government—that can deepen our understanding of the forces driving change.

In a special report, *Six Trends Driving Change in Government*, the IBM Center for The Business of Government has identified trends that correspond to these challenges and drive government change. Separately and in combination, they paint a path forward in responding to the ever-increasing complexity government faces.

The areas covered by *Six Trends* are performance, risk, innovation, mission, efficiency, and leadership. Focusing on these has the potential to change the way government does business. This forum reflects our sense of what lies ahead, providing an excerpt of the *Six Trends* special report. We hope these insights are instructive and ultimately helpful to today’s government leaders and managers. For a more in-depth exploration of each trend, download or order a free copy of the full report at businessofgovernment.org.

**Conversations with Leaders**

Throughout the year, I have the pleasure of speaking with key government executives and public sector leaders about their agencies, accomplishments, and vision of government in the 21st Century. The four profiled manifest the leadership and strategic foresight needed to meet their varied missions.
From the Managing Editor’s Desk

- **Dr. Anthony Fauci**, director of the National Institute of Allergy and Infectious Diseases, leads an agency that has for 60 years been at the forefront of research in infectious and immune mediated diseases, microbiology, and immunology. Dr. Fauci outlines his agency’s strategic priorities, how NIAID accelerates basic research into health care practice, and the lessons learned from studying emerging and reemerging infectious diseases.

- **Chris Mihm**, managing director for strategic issues at the U.S. Government Accountability Office, describes his group’s work in three broad areas—oversight, insight, and foresight. His oversight mission focuses on making sure that funds are expended for their intended purposes. Mihm also offers insights into what works, identifying best practices that can be leveraged and adopted, where appropriate, across government. Finally, what he calls foresight involves pinpointing emerging trends, making Congress aware of them, and informing them of the trends’ possible implications for public policy and governance.

- **Vice Admiral Mark Harnitchek**, director of the Defense Logistics Agency, is charged with providing full-spectrum logistical support to the armed services and civilians around the world every day and for every major conflict over the past five decades. Logistics is a cost driver that must be managed with deliberate precision. Admiral Harnitchek recognizes that the very nature of envisioned threats and conflicts over the next decade, combined with increased fiscal challenges, demand an agile, joint logistics response marked by innovation and best practices.

- **Curtis Coy**, deputy under secretary for economic opportunity within the U.S. Department of Veterans Affairs, manages a portfolio of educational and job training services for eligible veterans to enhance their economic opportunity and successful transition. With some one million veterans likely to separate or retire in the next five years and many young veterans unemployed, Coy discusses how VA promotes employment and educational opportunities for veterans and what VA is doing to enhance opportunities for veterans to obtain knowledge and skills to properly transition to civilian life.

**Insights from Leaders**

Over the past six months, I also had an opportunity to speak with public servants pursuing innovative approaches to mission achievement and citizen services. Six government executives provide insights into how they are changing the ways government does business.

- **Dave Bowen**, chief information officer at the Defense Health Agency, shares his insights into the information technology strategy for DOD’s Defense Health Agency, how the DHA will enhance IT efforts to deliver care anytime, anywhere, and how DHA is modernizing its technology infrastructure and working toward a robust, integrated electronic health record.

- **Nani Coloretti**, assistant secretary of the Treasury for management, offers her insights on Treasury’s management performance agenda, what her department is doing to consolidate its office space and right-size its operational footprint, and how it is working to transform the way it does business.

- **Mary Davie**, assistant commissioner, U.S. General Services Administration’s Office of Integrated Technology Services, describes how ITS is increasing government IT’s value while lowering its cost. She identifies her office’s strategic priorities and how she is improving its operations, becoming more efficient and agile.
From the Managing Editor’s Desk

• **Dave Lebryk**, commissioner, Bureau of the Fiscal Service, U.S. Department of the Treasury, outlines his insights on how the Fiscal Service transforms the way the federal government manages its financial services, what Fiscal Service does to promote the financial integrity and operational efficiency of the federal government, and how Lebryk is seeking to realize efficiency, better transparency, and dependable accountability.

• **Kathy Stack**, advisor for evidence-based innovation at the Office of Management and Budget (OMB), describes program evaluation and how evidence and rigorous evaluation can be integrated into decision-making. She details her insights on the importance of using evidence to inform program delivery and how agencies conduct rigorous program evaluations on a tight budget.

• **Dr. Simon Szykman**, chief information officer at the U.S. Department of Commerce, highlights the department’s information technology strategy, how it has changed the way it does IT, the challenge of cybersecurity, and much more.

**Perspectives on Federal Acquisition and Complex Contracting**

In fiscal year 2012, the federal government contracted for $517 billion in products. Complex products require more sophisticated contracting approaches. Why do federal agencies need to acquire and procure goods and services? What are the basic phases of the federal acquisition lifecycle? What are the challenges of acquiring complex products? What lessons can be learned from the Coast Guard’s Deepwater program? How can government executives most effectively manage complex acquisitions? We explore these questions and more with Professor Trevor Brown of the John Glenn School of Public Affairs at The Ohio State University, and Professor David Van Slyke of the Maxwell School of Citizenship and Public Affairs at Syracuse University.

**Viewpoints**

John Kamensky ponders whether “moneyball government” is the next big thing. Dan Chenok explores the need to modernize the budget process to reflect modern technology, and Gadi Ben-Yehuda provides his viewpoint on learning to trust open data.

I close this edition with overviews of several recent Center reports. If you have not read these reports, we encourage you to do so by going to businessofgovernment.org. We hope you enjoy this edition of *The Business of Government* magazine. Please let us know what you think by contacting me at michael.j.keegan@us.ibm.com. I look forward to hearing from you.