

IBM Center for The Business of Government

The Road to  
**AGILE GOVERNMENT:**  
*Driving Change to Achieve  
Success*

**G. Edward DeSeve**

Coordinator, Agile Government Center  
National Academy of Public Administration



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# FOREWORD

**On behalf of the IBM Center for The Business of Government and the National Academy of Public Administration (the Academy), we are pleased to present this special report, *The Road to Agile Government—Driving Change to Achieve Success*, by G. Edward DeSeve, Fellow of the National Academy of Public Administration and Visiting Fellow with the IBM Center for The Business of Government.**

Agile software development features small, cross-functional, self-organizing teams that include customers working quickly to deliver solutions in increments that immediately provide value. Agile delivery approaches support government goals of economy, efficiency, and effectiveness by improving agency capacity to manage their budgets and delivery dates.

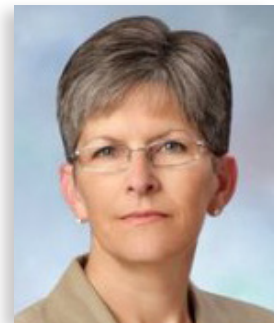
In this report, Ed DeSeve draws on lessons from agile software development to expand the scope of these lessons across other key government functions and mission areas. The report describes the role of the Agile Government Center (AGC), a new initiative through the Academy, in promoting agile practices across agencies. The AGC has gained significant momentum by bringing key government, industry, academic, and nonprofit stakeholder groups into a broad coalition—the Agile Government Network—which has developed a set of agile principles to drive government improvement. The Network has also developed case studies of agile government in action for use by government leaders at all levels. The report discusses how application of these principles can improve outcomes and build public trust in government, and offers several recommendations for leaders going forward.

The IBM Center has had a longstanding focus on how agile techniques can help improve government—prior studies on this topic include *A Guide to Critical Success Factors in Agile Delivery*, *Agile Problem Solving in Government: A Case Study of The Opportunity Project*, and *Transforming How Government Operates: Four Methods of Change*. In addition, the Academy will soon release a study that examines agile government in greater depth, supported by the Samuel Freeman Charitable Trust and the Project Management Institute.

We hope that this report helps government leaders, academic experts, and other stakeholders infuse agile thinking throughout government agencies, leading to better outcomes and improved trust in government.



DANIEL J. CHENOK



TERESA W. GERTON

Daniel J. Chenok  
Executive Director  
IBM Center for The Business of Government  
[chenokd@us.ibm.com](mailto:chenokd@us.ibm.com)

Teresa W. Gerton  
President and CEO  
National Academy of Public Administration  
[tgerton@napawash.org](mailto:tgerton@napawash.org)

# EXECUTIVE SUMMARY

**Why agile? Today, governments around the world are dealing with the effects and after-effects of the COVID-19 pandemic, major social unrest ranging from Black Lives Matter to ending repression in Hong Kong, and the impacts of weather-related disasters and climate change.**

Timely and effective response to these urgent issues are hampered by the use of traditional processes that employ bureaucratic hierarchy, focus on command and control, and do not involve the public in solving problems.

Addressing these and other major challenges requires fast, flexible, inclusive, mission-centric responses that involve networks of government, not hierarchies. “Agile government” provides a pathway to drive such change. Agile is not a new term—for two decades it has helped revolutionize software development—but its tenets can be applied much more broadly as a new way of thinking and acting that will require significant reforms in how government is managed. The principles and models that underlie agile government can be adapted to manage projects, larger programs, and major enterprises. Following the “Road to Agile Government” will strengthen capacity for providing more effective and responsive government to the people. This approach comprehensively addresses failures in implementing government programs, and the deficit of public trust that exists.

Given today’s challenges, governments can find many compelling reasons for transitioning to an agile environment. These include:

- Bringing together, and moving forward, all parts of an organization or network in a crisis
- Helping to build trust in government by improving outcomes for the public and increasing customer satisfaction
- Reducing the complexity and increasing the efficiency of government

To begin the agile journey, this report first outlines strategic imperatives for agile government, especially its potential to address crises, improve outcomes from services, and thereby build trust. The report next defines agile government’s scope, and walks through the ten principles of agile government, with discussion and examples of how applying these principles leads to faster, more flexible, and higher quality government.



## Agile Government Principles

**Mission:** Mission is extremely clear, widely accepted and the organization is laser focused on achieving it.

**Metrics for Success:** Metrics are widely agreed upon, outcome-focused, evidence-based, and easily tracked.

**Customer-Driven Behavior:** Customers are part of the teams that design and implement agile programs. There is continuous iteration and improvement based on customer feedback.

**External networks:** Networks are an important part of leveraging customers and the public.

**Speed:** Appropriate speed is essential to produce quality outcomes, regulatory consistency, and a clear focus on managing risks.

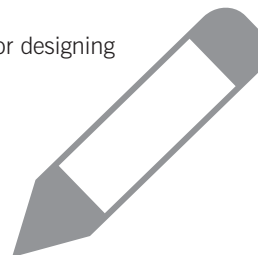
**Cross Functional Teams:** Empowered, highly-skilled, diverse cross-functional teams and networks lead to improved results

**Innovation:** Innovation is rewarded, and rules and regulations that hinder problem solving are examined and changed as necessary.

**Persistence:** Persistence requires continuous experimentation, evaluation, and improvement in order to learn from both success and failure.

**Evidence informed solutions:** Solid evidence forms the foundation for designing and implementing policy and program options

**Organizational leaders:** Leaders eliminate roadblocks, aggregate and assume risks, empower teams to make decisions and hold them accountable, and reward good outcomes.



The report then describes other operational outcomes that agile government can achieve, including cost-effective results for taxpayers, greater customer satisfaction, and simpler processes. The reports concludes with four recommendations for government leaders and stakeholders:

- Analyze your organization to determine its strengths and weaknesses, and use this analysis to guide how to apply agile principles.
- Create or leverage a burning platform to drive change
- Consider agile at all levels of government, including projects, programs, and the whole of government.
- Analyze results in line with established metrics and use evidence to inform decisions.

## What is the current state of agile?

An Academy study sponsored by the Samuel Freeman Charitable Trust and the Project management Institute is examining agile practices in the federal government. The December 2020 study—in which this author is participating as a member of an Expert Advisory Group—specifically considers the following questions:

- How would an agile federal government differ from current management practices?
- What are the issues and impediments to an agile federal government?
- Under what circumstances is it most appropriate for the federal government to become more agile? Are there circumstances when it would be inappropriate for the federal government to become more agile? If so, when?
- How should an agile federal government be promoted by central management agencies such as the Office of Management and Budget, the Office of Personnel Management, and the General Services Administration?
- How should the President's Management Agenda be used to promote an agile federal government?
- What specific implementation actions should federal departments and agencies undertake to make their organizations more agile?

Agile government, as this report's title indicates, is a journey—a continuing and developing process. Agile techniques build trust and reduce complexity. Importantly, agile approaches can drive real change and improve results, both to achieve more effective governance and to benefit the public served by government.

## Background on the Report and the Agile Government Center

*The Road to Agile Government: Driving Change to Achieve Success* has been developed in a joint effort between the National Academy of Public Administration (or the Academy) and the IBM Center for the Business of Government. The author is the Coordinator of the Agile Government Center, a initiative that brings together government, academic, non-profit, and industry leaders to develop principles, case studies, and methodologies for advancing agility across the public sector.

In November 2019, at the fall meeting of the Academy, a session was devoted to a discussion of agile government based on a joint roundtable held in September 2019. As a result, the Academy decided to move forward with the creation of the Agile Government Center that was designed to be global in scope and do three things:

- Determine agile government principles
- Identify cases of agile government
- Assist in implementing agile government

In this report, we review the principles that have been developed, vetted, revised, and restated over the past year. These principles are designed to serve as guideposts on the journey toward agile government. They are simple, common sense suggestions that can serve as a checklist for good management at the project, program and the enterprise, or whole of government, level. The suggestions can be used where they are helpful, but are not designed to be a “magic bullet” for government management. Rather, this checklist gives managers a template to help examine various courses of action.

The principles, cases, and additional material referenced in this report are available at the website: <https://www.napawash.org/grandchallenges/challenge/agile-government-center>.



# The Need for Agile Government: Addressing Crises, Improving Outcomes, and Building Public Trust





In some past crises—like the global response to the year 2000 Y2K crisis, the recovery after the global financial crisis, and the continuing struggle against wildfires in the western United States—governments have effectively used techniques based on agile principles to deliver impactful solutions to complex and interdependent challenges.

We face similar crises today. Agile government principles are guideposts that give managers a way to determine where they are on the agile journey. These principles can be used at the project, program, or whole of government level to shape actions.

The response and recovery to COVID-19 yet again demonstrates the applicability of agile principles to national and global crises. Governments that used agile techniques—similar to those described here—focused laser-like on the mission of controlling the virus, acted with speed, created action networks, and showed continuing leadership from the top—and were more successful than others.<sup>1</sup> While we know that agile principles form the crux of effective crisis response, evidence of their impact points to their becoming core practices for how governments operate routinely.

Around the world, traditional models of government and governance<sup>2</sup> are under extraordinary stress. The origins for this stress run deep. For example, public management scholar Don Kettl likens much of government today to dinosaurs during the Jurassic period.



The dinosaurs became extinct because they didn't adapt to a changing environment, Kettl says. Today, there are bad signs that American government is caught in its own Jurassic trap—a mismatch of its structures and processes for the jobs it's trying to accomplish.<sup>3</sup>

—Don Kettl



To avoid these traps, government must become more agile. This is true not just in America but around the world.

To address these conditions, agility needs to be consciously built in at all levels of government and across projects, programs, and entire governments. The cases presented below highlight how the application of agile government has aided organizations in responding to very disparate situations, including the United States Treasury implementation of the DATA Act, New Zealand's implementation of the principles of Whānau Ora on a national scale, and the World Bank's undertaking of its own “agile journey.”

One indicator for the global need for greater agility is the fact that public trust in government is at or near historic lows. The public does not believe that governments have the capacity to meet public needs. In its January 2020 Trust Barometer,<sup>4</sup> the Edelman Organization found that government was distrusted in 17 of 28 markets around the world.

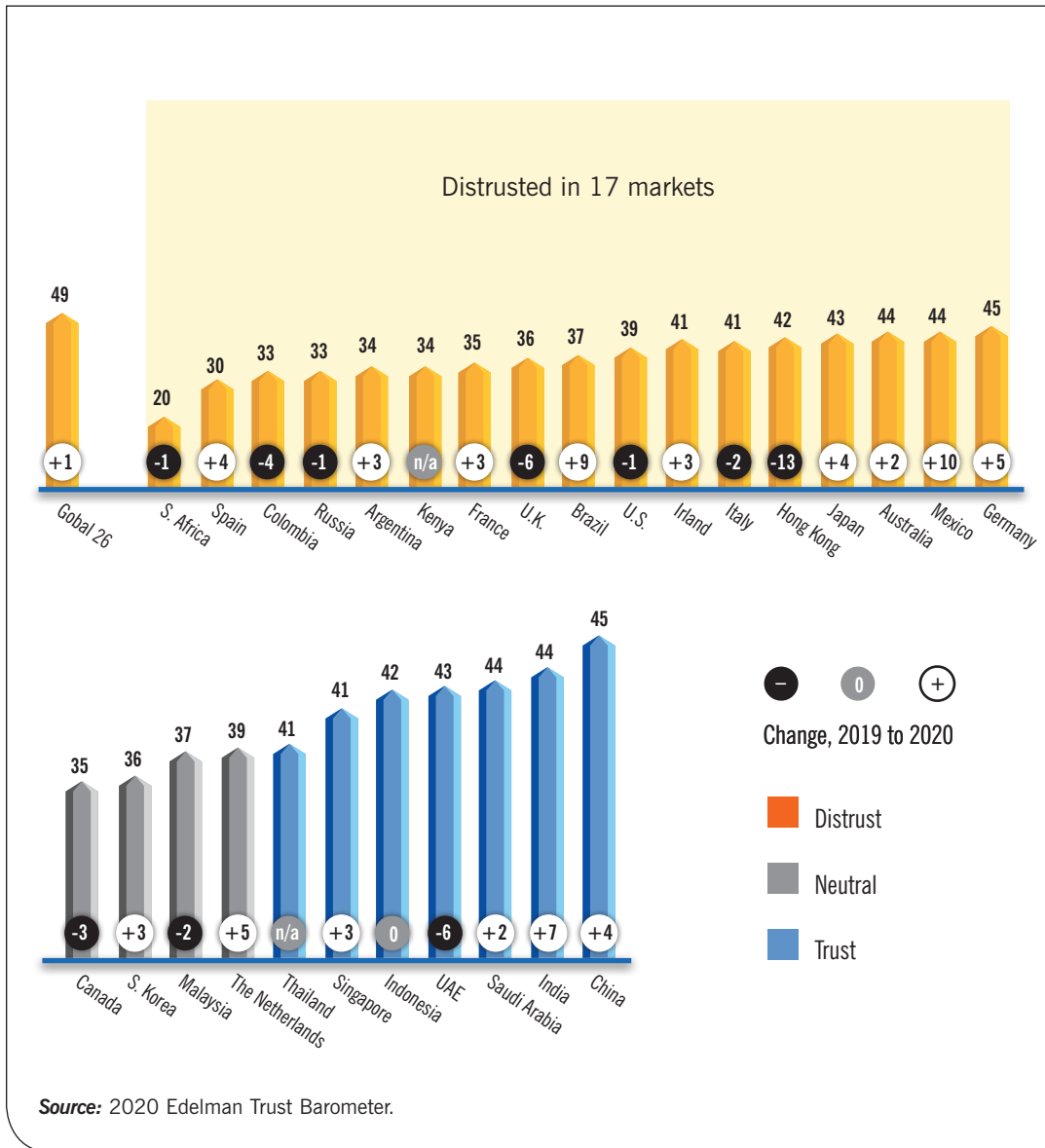
1. <http://www.businessofgovernment.org/blog/resilience-local>.

2. <https://www.napawash.org/grandchallenges/challenge/agile-government-center>.

3. <https://www.volckeralliance.org/blog/2016/jul/america%E2%80%99s-real-crisis-jurassic-government>.

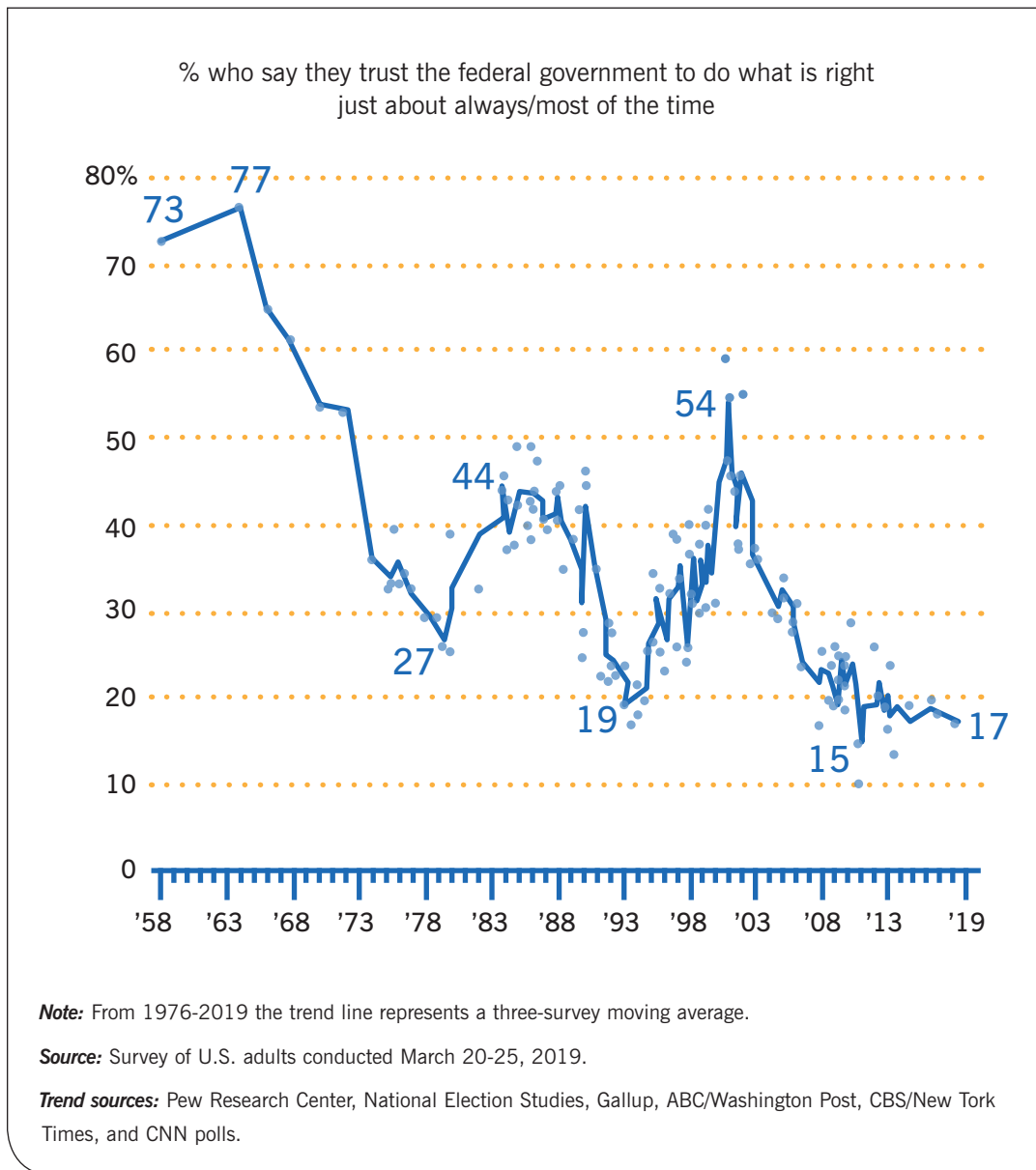
4. <https://www.edelman.com/sites/g/files/aaatuss191/files/2020-01/2020%20Edelman%20Trust%20Barometer%20Global%20Report.pdf>.

Figure 1: Percent trust in government



Similarly, in the United States, the Pew Research Organization has found that trust in government was near historic lows.<sup>5</sup>

5. Pew <https://www.pewresearch.org/chart/public-trust-in-government-near-historic-lows/>.

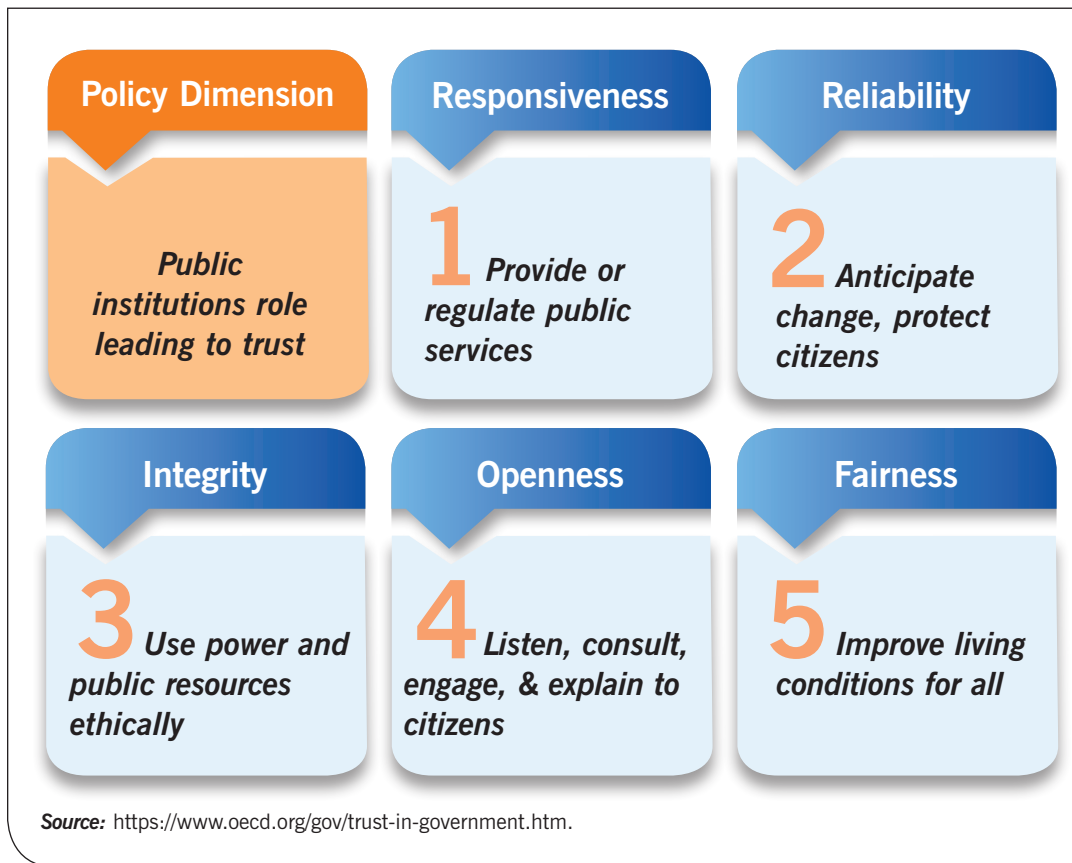
**Figure 2: Public trust in the federal government remains at historic low**

Agile government can address this disillusionment by establishing the customer—in this case, the public—as the focus of every action and the measure of every impact. This is of critical import to a well-functioning public sector, because a government cannot operate effectively without the trust of its people.

The Organization for Economic Cooperation and Development (OECD) puts it simply: “Trust is the foundation upon which the legitimacy of public institutions is built and is crucial for maintaining social cohesion.”<sup>6</sup> OECD goes on to present five “dimensions that influence public trust”:

- Reliability
- Responsiveness
- Openness
- Integrity
- Fairness

6. <https://www.oecd.org/gov/trust-in-government.htm>.

**Figure 3: Five policy dimensions influencing trust in public institutions**

Each of these dimensions is essential to consider when implementing agile government. They are completely consistent with and embedded in the agile government principles, as described in this report.

An overarching factor in building public trust is communication, which involves both sharing information and listening. Agile government builds on the intentional involvement of stakeholders. Leaders must formally seek to understand the attitudes of the public and to take these attitudes into consideration when creating policies and programs. Many mechanisms exist to include public opinion in policy setting, most notably the use of independent or in-house polls. Here, leaders carefully track the data from organizations such as Pew or Edelman and use the findings to help initiate and modify policies. Similarly, in-house polls taken by campaigns and sitting governments provide insight about how to implement policies that can deliver positive outcomes.

President Obama used polls to understand the public's view of the American Recovery and Reinvestment Act (ARRA). He found that the Act was very unpopular but widely misunderstood. The public conflated the Troubled Asset Recovery Program (TARP) and auto company bailouts, which they did not like, with the broader Recovery Act, whose elements they did like. Obama decided to work with federal leaders to demonstrate positive results of the Act, but the administration could never fully overcome public concern.

A specific form of public consultation involves regulatory development, under which the impacts of potential regulations are usually discussed with the affected public to incorporate their concerns in the rulemaking process. And political leaders often take a more informal path—former New York City Mayor Ed Koch was famous for asking, “How’m I doin’?” and using the responses to modify city programs.

# Defining Agile Government



The concept of agile government derives from the Agile Manifesto originally proposed in 2001 to deal with software development practices that yield progressively less useful products. From this manifesto, a generation of improvement in software development and project management has emerged, one focused on customer needs and speedy, iterative product delivery.

## THE ORIGINS OF AGILE

Frustrations around seemingly unproductive software development activities—the concerns about which were shared by like-minded professionals—led to the now-famous Snowbird meeting in Utah in early 2001. But that was not the first time this particular group of software leaders had met. They had gathered the year before, at the Rogue River Lodge in Oregon in the spring of 2000.

This group included Jon Kern, Extreme Programming pioneers Kent Beck and Ward Cunningham, Arie van Bennekum, Alistair Cockburn, and 12 others—all well known today in the agile community. *Agile, as a practice*, was not the ultimate goal; in fact, “agile” had yet to be used in formal conversation before that time. At that meeting, the terms “light” and “lightweight” were more common, although none of the participants were particularly satisfied with that description.

In particular, these thought leaders sought ways to quickly build working software and get it into the hands of end users. This fast delivery approach provided some important benefits: enabling users to receive business benefits from new software faster, and allowing the software team to obtain rapid feedback on the software’s scope and direction.

Rapid feedback and willingness to change turned out to be key features of the agile movement. If the software team does not understand what the user needs, developers deliver a first approximation and then listen to feedback. But little is set in stone at the beginning of the project.<sup>7</sup>

As agile software projects began to yield impressive results, corporations began to use agile techniques in broader ways to implement major programs and indeed manage entire organizations.<sup>8</sup> But governments have moved more slowly in making this expansion. The Boston Consulting Group notes that the transition to broader applications of agile techniques in government follows a path similar to that of its software antecedent:

In short, agile has arrived in the public sector. To keep making progress in adopting agile as its primary way of working, agencies should move beyond practices such as the “daily stand-up” status check-ins as well as put in place enablers such as senior leadership support, new funding models, and training.

7. <https://techbeacon.com/app-dev-testing/agility-beyond-history-legacy-agile-development>.

8. See “The Age of Agile” by Stephen Denning for a detailed description of this transition.

Patience and flexibility are key. Agile is a change in mindset, and changing mindsets isn't easy. There is also no cookie-cutter approach to adopting agile. In rolling out agile, organizations need to be experimental and responsive to what is working and what isn't. The longer that an organization nurtures agile, the bigger the benefits.<sup>9</sup>

The Agile Government Center (AGC) at the Academy has developed a working definition of agile government:

Agile government is mission-centric, customer-focused, communication- and collaboration-enabled, and continually provides value to customers and the public. Agile government involves public and customer participation with small teams that are empowered by leaders to take rapid action to deliver timely, transparent results.<sup>10</sup>

Along with the definition, the AGC has developed ten Agile government principles, which point to specific steps government leaders and stakeholders can take to achieve the benefits of agile government as articulated in the definition (see next chapter). This living definition will evolve over time based on feedback from interested parties in all sectors. The principles apply to all three functions of government:

- Policy development
- Regulatory development
- Program and policy implementation

They also are relevant to the broader function of governance as discussed in the Agile Government Center post, "Agile Government and Agile Governance: We Need Both."<sup>11</sup> Specifically, agile "governance encompasses the three functions of government listed above. These three functions combine to develop and implement laws and regulations and to provide value to the public as follows:

**"Government"** is the organization charged with executing laws and regulations that deliver services and information.

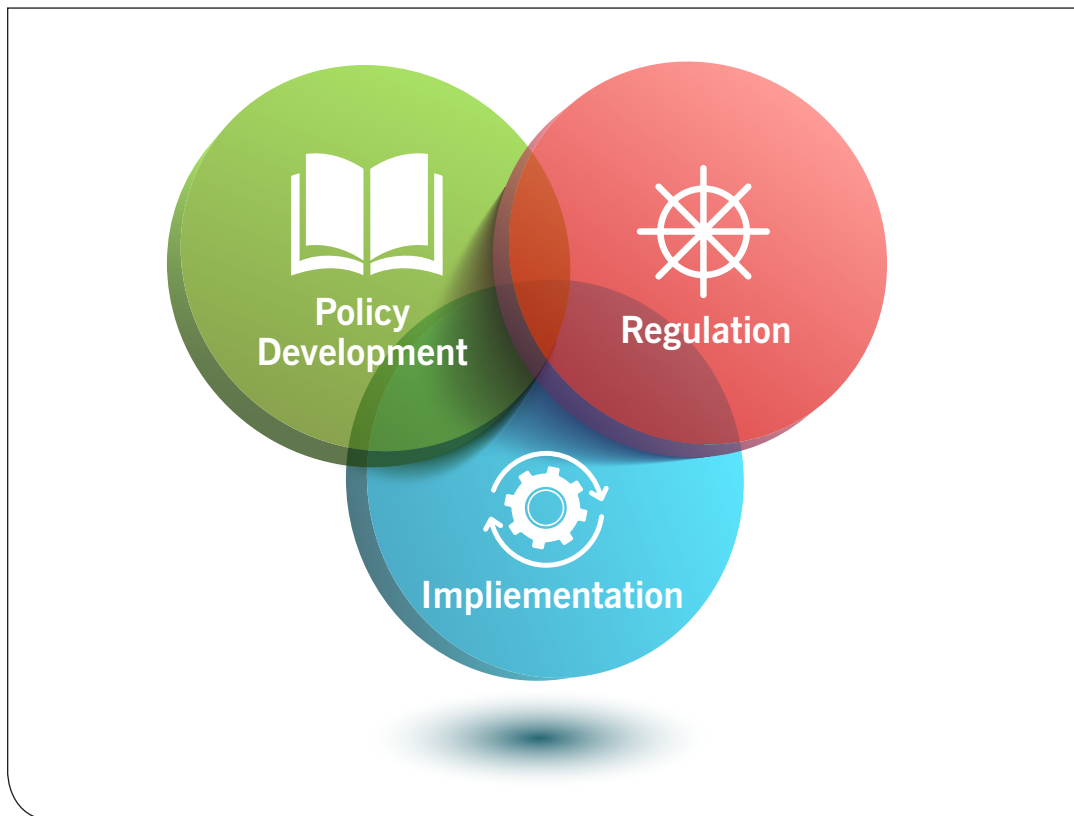
**"Governance"** is the process of developing a broader view to assure that the public good is accomplished in arenas involving internal and external actors.<sup>12</sup>

9. <https://www.bcg.com/en-us/publications/2020/getting-to-agile-at-scale-public-sector>.

10. <https://www.napawash.org/grandchallenges/blog/defining-agile-government>. See as reference to the origin of the definition.

11. <https://www.napawash.org/grandchallenges/blog/agile-government-and-agile-governance-we-need-both>.

12. <https://www.napawash.org/grandchallenges/blog/agile-government-and-agile-governance-we-need-both>.

**Figure 4: Three functions of government**

The World Economic Forum Global Agenda Council on the Future of Software and Society shares this view that governance can be more agile:

We believe in governance systems that are robust, adaptable, and responsive. Agile software development is a proven means to achieve rapid results which meet the goals of users efficiently. These methods are readily adaptable to governance. Through this we value:

1. Outcomes over rules
2. Responding to change over following a plan
3. Participation over control
4. Self-organization over centralization<sup>13</sup>

An excellent discussion of the use of agile government is contained in the World Economic Forum's work on agile governance.<sup>14</sup>

13. A Call for Agile Governance Principles, Victoria Espinel, Chair World Economic Forum Global Agenda Council on the Future of Software and Society.

14. <https://www.weforum.org/communities/gfc-on-agile-governance>.



# Agile Government Principles



The AGC has put forward ten principles of agile government. This section of the report details each principle, and gives examples of how they have been used to improve government performance.

## Mission

***Mission is extremely clear, widely accepted and the organization is laser focused on achieving it.***

While it may seem like a simple exercise to create an extremely clear mission statement, it is not. The Department of Veterans' Affairs (VA) has a clear historic mission:

To fulfill President Lincoln's promise "To care for him who shall have borne the battle, and for his widow, and his orphan" by serving and honoring the men and women who are America's veterans.

Despite its clarity, the VA's mission is not specific. Would it be useful to expand the discussion about who has borne the battle and recognize the contributions of all veterans? Is the department "laser focused" on achieving this mission? Is it a useful operational dictum? Perhaps further explication should be done for each of the segments of VA—which address health, benefits, and cemetery services—that would expand and extend this mission in a way that both recognizes its historic significance and also expands it to reflect present day scope.

This principle assumes that an organization or part of an organization has a fully developed mission and can execute it. The Department of Defense (DoD) has a pithy description of a mission: "A short sentence or paragraph that describes the organization's essential task(s), purpose, and action containing the elements of who, what, when, where, and why."<sup>15</sup> While this has the benefit of brevity, DoD's definition of mission command provides a more useful concept for government broadly:

Mission command is based on mutual trust and a shared understanding and purpose between commanders, subordinates, staffs, and unified action partners. It requires that every soldier be prepared to assume responsibility, maintain unity of effort, take prudent action, and act resourcefully within the commander's intent.<sup>16</sup>

We can combine the definition of mission with the concept of mission command to inform the essence of, as author Stephen Denning says, "agile management." In this way, we find the "what"—the organization's essential task(s), purpose, and action—and the "how"—more decentralized, spontaneous, initiative based, and cooperative.<sup>17</sup>

Organizational theorist Peter Drucker has a more complex view, and sees the creation of a mission as a task within the overall development of the "Theory of the Business."

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15. <https://www.jcs.mil/Portals/36/Documents/Doctrine/pubs/dictionary.pdf>.

16. [https://armypubs.army.mil/epubs/DR\\_pubs/DR\\_a/pdf/web/ARN19189\\_ADP\\_6-0\\_FINAL\\_WEB\\_v2.pdf](https://armypubs.army.mil/epubs/DR_pubs/DR_a/pdf/web/ARN19189_ADP_6-0_FINAL_WEB_v2.pdf).

17. The Age of Agile p. 226.



First, there are assumptions about the environment of the organization: society and its structure, the market, the customer, and technology. Second, there are assumptions about the specific mission of the organization. Third, there are assumptions about the core competencies needed to accomplish the organization's mission. These assumptions about mission define what an organization considers to be meaningful results; in other words, they point to how it envisions itself making a difference in the economy and in the society at large.<sup>18</sup>

—Peter Drucker



Each of these descriptions of an effective mission statement offers to an agency that applies agile principles a place to start in developing and implementing their own mission. As noted above, there should be a laser focus on, and continual reference to, the mission. While any organization's mission statement must be revised to adapt to changed circumstances over time, the mission must be clearly articulated so as to be understood and adopted by those charged with its accomplishment.

## Metrics for Success

***Metrics are widely agreed upon, outcome-focused, evidence-based, and easily tracked.***

The purposes statement of the 2009 American Recovery and Reinvestment Act (ARRA) contains a template for “Metrics for Success.”

### PUBLIC LAW 111-5 111TH CONGRESS

(a) Statement of Purposes.--The purposes of this Act include the following: [[Page 123 STAT. 116]]

- (1) To preserve and create jobs and promote economic recovery.
- (2) To assist those most impacted by the recession.
- (3) To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
- (4) To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
- (5) To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

**Source:** <https://www.congress.gov/bill/111th-congress/house-bill/1/text>

18. <https://hbr.org/1994/09/the-theory-of-the-business>.

The Recovery Implementation Office (RIO)—a small cross-functional team under the direction of the vice president—used these purposes to work with the network of implementing agencies in creating a set of agency-specific metrics for measuring success. Further, the Recovery and Transparency Board, the Council of Economic Advisers, and the Government Accountability Office continually measured the number of jobs created and preserved by American Recovery and Reinvestment Act programs.

For the RIO, sending funds to agencies, helping those agencies spend the funds under contract, and doing both with speed were essential performance metrics. A specific commitment was made and met to expend 75 percent of the funds by September 30, 2010. Much of the funding not expended by this time was designed to be released later. Along with monetary policy, the Recovery Act contributed to the longest economic expansion in U.S. history.<sup>19</sup>

This principle asserts that effective metrics must be widely agreed upon. This does not mean that everyone agrees to the policy that underlies the metric. Rather, it implies broad general agreement about what success looks like.

Different ARRA constituencies considered different measures of success to be most important. The public focused on job creation. State governments were most focused on the condition of state finances. States received more than \$300 billion from ARRA, with much of it designed to provide direct budget relief. Continuous conversations by the vice president with governors during the distribution of funds reflected their satisfaction.

## Customer-Driven Behavior

***Customers are part of the teams that design and implement agile programs. There is continuous iteration and improvement based on customer feedback.***

Involving customers in the process of program implementation is fundamental to agile government. Governments often have difficulty identifying their “customers.” In Circular A-11<sup>20</sup> the White House Office of Management and Budget (OMB) defines customers as follows:



Customers are individuals, businesses, and organizations (such as grantees or state and municipal agencies) that interact with a federal government agency or program, either directly or via a federal contractor or even a federally-funded program.



This broad definition of customers may not be particularly helpful for implementing programs and fulfilling agency missions. Customers of government services may also be defined as those who receive direct benefits, such as Social Security checks. In terms of program implementation, a broader definition of customer may include all those

19. <https://www.cbpp.org/research/economy/chart-book-tracking-the-post-great-recession-economy>.

20. <https://www.whitehouse.gov/wp-content/uploads/2018/06/s280.pdf>.

individuals, agencies, contractors, and others who participate in creating and using a product or service. For example, the general public is a customer of police services and should be consulted via polls and interviews about the quality of this service across multiple dimensions, but other customers could include the court system, business owners, and even social welfare service providers. Similarly, a government agency that uses the services of another central agency—either by choice, or by law or regulation—is a customer of that central agency.

The Department of Treasury's Bureau of Fiscal Affairs created a case study for the Agile Government Center that illustrates effective involvement of customers in the successful deployment of a highly complex new program. Specifically, under the Digital Accountability and Transparency Act (DATA Act), Treasury faced the challenge of tracking more than \$4 trillion in annual spending across the entire federal government on a quarterly basis on a quarterly basis and reporting in a way that was clear, consistent, and easily understandable by the public. The sheer scale of the effort, potentially an overwhelming challenge even with the most modern technology, was made more complex because the federal data that the DATA Act required Treasury to collect was scattered across the federal government in hundreds of disconnected systems. The law only gave Treasury three years to both collect this data from more than 100 federal agencies and to display it for the public. Treasury needed a new approach to accomplish so much work in such a short timeframe. They turned to agile development, user-centered design, and open source code that were, in 2014, relatively new concepts just getting traction in government.

Treasury adopted these principles early, and used them to guide the DATA Act implementation. This use of customer feedback allowed Treasury to meet statutory deadlines and reduce development and deployment time from years to only six months. As the DATA Act case concludes:

That is a remarkable reduction in the time needed to develop a complex system with more than 100 validation rules and 400 data elements to collect data on \$4 trillion in federal spend. This project demonstrates the power of the agile approach. In addition, Treasury's project engaged hundreds of staff from about 100 federal agencies and significantly expanded the adoption of agile practices across the federal government today.<sup>21</sup>

## External networks

***Networks are an important part of leveraging customers and the public.***

Effective use of networks proved an important part of both implementing ARRA and meeting the Year 2000 (Y2K) challenge. Regarding ARRA, as highlighted in a previous IBM Center report, *"Managing Recovery: An Insider's View."* by G. Edward DeSeve.

As discussed in Vice President Biden's February 2011 progress report to the president: The administration could not have implemented the Recovery Act without strong collaboration that broke down the bureaucratic barriers that existed in government. To make the Recovery Act work, the administration cut through red tape within and between agencies and compelled every level of government to cooperate more closely with the communities it was trying to help.

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21. Op.Cit.

The conscious creation of networks between agencies; between agencies and recipients; between agencies and the White House; and among agencies, grantees, overseers, and the White House allowed collaboration to thrive within the rules of managed networks.<sup>22</sup>

Y2K czar John Koskinen described the working of networks in his effort a decade earlier as follows:

Only the federal government can provide the leadership necessary to energize the national resources necessary to meet such a challenge. But government can't do it alone. The federal agencies need to be members of an ongoing management group, but they need to reach out to the relevant players in the private sector to form a functioning partnership<sup>23</sup>.

Networks don't just happen—they must be built and tended. As with principles for agile government, there are principles for network management based on empirical evidence for what works that complement agile principles. These network principles include:

- A clearly defined network structure
- A commitment to a common purpose analogous to the mission referred to earlier
- Trust among participants
- Governance
- Access to authority
- Leadership
- Distributed accountability
- Information sharing
- Access to resources<sup>24</sup>

## Speed

***Appropriate speed is essential to produce quality outcomes, regulatory consistency, and a clear focus on managing risks.***

The importance of speed often is made visible by an external action-forcing event. Y2K represents the classic example. The millennium was coming and no one knew whether computers would work. Of prime concern, the aging technology infrastructure for air traffic control, which included decades old systems and archaic software code.

The Federal Aviation Administration (FAA) worked with the airlines, its technology partners, and other federal agencies to assure that the core systems would function on 1/1/2000. Across government and around the world, the process went well but not perfectly, as John Koskinen explains:

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22. <http://www.businessofgovernment.org/report/managing-recovery-view-inside>.

23. <http://arstar.ihost.com/blog/responding-year-2000-challenge-lessons-today>.

24. G. Edward DeSeve in *Transforming Public Leadership for the 21st Century* (2007).

A number of significant failures occurred on New Year's Eve, The Defense intelligence satellite system went down, the low-level wind shear detectors at major U.S. airports failed, and the Japanese lost the ability to monitor the safety systems for their nuclear power plants. Yet, the theme immediately emerged on New Year's Day of 2000 that this had all been an overreaction to a problem that didn't really exist.

Nowhere is the need for speed more evident than in fighting wildfires. To emphasize speed, agencies responsible for fighting fires have prepositioned resources and have established a resource exchange in time of crisis as described in an Agile Government Center blog:<sup>25</sup>

The National Wildfire Coordinating Group (NWCG) was established in 1976 through a Memorandum of Understanding between the Department of Agriculture and the Department of the Interior. The memorandum defined the function and purpose of NWCG as follows:

To establish an operational group designed to coordinate programs of the participating agencies so as to avoid wasteful duplication and to provide a means of constructively working together. Its goal is to provide more effective execution of each agency's fire management program. The group provides a formalized system to agree upon standards of training, equipment, aircraft, suppression priorities, and other operational areas. Agreed upon policies, standards, and procedures are implemented directly through regular agency channels.<sup>26</sup>

Establishing these relationships well in advance of the emergency allows rapid responses and builds trust among the parties. Those "regular agency channels" include the National Interagency Fire Center (NIFC), its National Interagency Coordination Center (NICC), and the National Multi-Agency Coordinating Group (NMAC). When NIFC/NICC resources are exhausted, the National Multi-Agency Coordinating group (NMAC) becomes the coordination point for additional resources, tasked with reallocating resources across agencies as a part of national wildland fire operations management, priority setting, and resource allocation through multiagency coordination. This coordination occurs across geographic areas and across the member agencies.<sup>27</sup>

I had the unnerving experience of watching this coordination in action. The 2013 Beaver Creek Fire in Blaine County, Idaho, burned over 150,000 acres and threatened the communities in the Wood River Valley. The NICC responded by sending more than 1500 firefighters to the area in a just a few days and backed them up with air support from tankers and ground support from fire companies all over the West. In addition to the resources on the ground, Beth Lund, the fire incident command leader, quickly organized local resources including the Idaho State Police, the Blaine County Sheriff's Office, and the Blaine County School District, which provided shelter and food to evacuees. Every night, she led an open session for residents of the Wood River Valley, explaining the fire's location was and current response actions.

The rapid response of all parties helped to ensure that only one home and no lives were lost. The communities thanked Incident Commander Lund and the largely volunteer brigade of responders. Once the fire was contained, the team moved on to their next hot spot.

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25. <https://www.napawash.org/grandchallenges/blog/agile-federalism-in-times-of-crisis>.

26. <https://www.nwcg.gov/executive-board>.

27. These include U.S. Forest Service, Bureau of Indian Affairs, Bureau of Land Management, National Park Service, U.S. Fish and Wildlife Service, National Association of State Foresters, U.S. Fire Administration, Intertribal Timber Council, and International Association of Fire Chiefs.

The Beaver Creek fire and its counterparts in other states showed agile government at its best. The mission was clear, coordination was paramount, the public was included at every step, and speed in reducing risk was of the essence as a primary consideration in the deployment efforts. Leaders at all levels, from the federal government to state agencies to local authorities, carried out their assigned mission with close networking and coordination.

## Cross Functional Teams

***Empowered, highly-skilled, diverse cross-functional teams and networks lead to improved results***

Creating teams and networks that incorporate a diversity of viewpoints, skills, and functions allows organizations to benefit earlier in the development process from each of these skills, rather than passing results up one functional silo and then over to another. Incorporating cross-functional viewpoints earlier, rather than reworking them into the “finished” product, points to clear benefits. The World Bank, during their agile journey, has benefitted from this use of cross-functional teams, as discussed below.

The World Bank has a clear and resonant mission: to reduce poverty, and improve living standards by promoting sustainable growth and investment in people.

This mission is reflected in the attitudes of the employees of the World Bank. In a 2015 engagement survey, the staff of the Bank delivered a resounding message to senior leadership: “We love what we do, but we don’t like how we do it”. Yet, 86 percent of the organization’s roughly 17,000 employees responded positively to the statement, adding: “I am proud to work at the World Bank Group.”

This dual response led senior officials at the World Bank to embark on an Agile Bank program, which sought to deal with problems that included:

- 1) Projects planned to last five or six years took from one to three years to reach the board and secure approval.
- 2) Redundant reviews slowed implementation.
- 3) Project documents were extremely long—over a hundred pages—and required multiple meetings and reviews that took time and added cost.
- 4) Little collaboration across World Bank teams serving different functions or thematic areas.
- 5) Large, ineffective meetings had proliferated.
- 6) In many instances, too many people reported to a single manager, overwhelming capacity.



Leaders at the World Bank created cross-functional teams and internal networks to develop new agile solutions:

Another hallmark of agile was the creation of cross-functional teams, with the caveat that a given person could only serve on one team, in order to limit scheduling problems, and that team members could not switch out to other assignments, turning their work over to substitutes. At the Bank, that meant bringing people from one or more governance practices into conversation with regional and country operations staff and finding ways to limit obligations or rotations in office that would make scheduling and continuity difficult, impeding effective teamwork.<sup>28</sup>

Those leaders also knew that they needed some early wins to gain acceptance of the concepts of an “agile Bank” throughout the institutions. As reported:

Early results of the Agile Bank Program were promising. The program generated cost savings and stronger staff engagement after the first couple of years . . . An internal evaluation unit identified several positive outcomes from the initial phases of the program, including a 15 percent decrease in “moderately unsuccessful” ratings as a result of more projects being dropped or redesigned at an earlier stage.

While early results were positive, “[t]he ability to scale and sustain the initiative was still a work in progress as of early 2020. Proponents of the program advocated above all for continued focus and patience.”<sup>29</sup> This focus and patience must come from the senior leadership team at the World Bank.

Diversity of thought should also be a hallmark of cross-functional teams, making it imperative to represent multiple viewpoints in agile teams—as described in an article from the *Harvard Business Review*:

In recent years a body of research has revealed another, more nuanced benefit of workplace diversity: nonhomogenous teams are simply smarter. Working with people who are different from you may challenge your brain to overcome its stale ways of thinking and sharpen its performance.<sup>30</sup>

28. [https://www.napawash.org/uploads/WB\\_Case\\_Study\\_for\\_website\\_PDF.pdf](https://www.napawash.org/uploads/WB_Case_Study_for_website_PDF.pdf).

29. Ibid.

30. <https://hbr.org/2020/05/diversity-and-inclusion-efforts-that-really-work>.

McKinsey & Company, the U.S.-based management consulting firm, has conducted research over several years that “reaffirms the strong business case for both gender diversity and ethnic and cultural diversity in corporate leadership—and shows that this business case continues to strengthen. The most diverse companies are now more likely than ever to outperform less diverse peers on profitability.”<sup>31</sup> As the graphic below displays, companies with the most ethnic and/or gender diversity at the corporate leadership level show a greater likelihood of above average financial performance than those with the least diversity—and this result seems to be increasing over time.

**Figure 5: The business case for gender and ethnic diversity**



31. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>.

## Innovation

***Innovation is rewarded, and rules and regulations that hinder problem solving are examined and changed as necessary.***

A focus on innovation in agile governance is shown in initiatives around the world. For example, in the United Arab Emirates, his Excellency Ali Bin Sebaa Al Marri said:

The region and the world are in the midst of tremendous economic, social, and environmental transformations—developments that call for new, innovative, and agile approach to public policy and government administration to be able to adapt to the requirements of the fourth industrial revolution and be prepared for the challenges of the future. The UAE government adopts innovation as its approach to develop government operations and prepare government entities for the future . . . “The government embraces modern technologies and harnesses their potential to develop new tools and models for government that cater to the rapidly changing global trends, and contribute to finding quick and practical solutions to the challenges facing vital sectors.”<sup>32</sup>

In Australia, the Australia Post, the government’s postal service, took on an agile initiative to increase their organizational speed and innovation so that they could better meet their mission objectives, described as follows:

Speed and innovation were prioritized in forming cross-functional teams. These teams operated in flat structures across a range of subject matter experts. They were given power to succeed, but also permission to fail, and a focus on learning from this. This encouraged persistent experimentation and improvement. Organizational leaders supported these initiatives, through altered funding arrangements, freeing up resources and breaking down divisional silos so changes to products could be quickly rolled out.<sup>33</sup>

Nowhere is the need for agile innovation more evident than in the area of regulatory reform. The speed of technology development and deployment requires a new form of regulation. The Organization for Economic Cooperation and Development recognized this:

Harnessing the full potential of emerging technologies would benefit from more innovation enabling approaches to policy making than in the past. Governance in the digital era needs to be not only innovation friendly but also innovative itself, while not losing legal certainty. Interoperable standards, frameworks, and regulatory cooperation can help in this regard.<sup>34</sup>

Agile also is being encouraged in the area of policy making. The World Economic Forum gives us an example of how this might happen:

We define agile governance as adaptive, human-centered, inclusive, and sustainable policymaking, which acknowledges that policy development is no longer limited to governments but rather is an increasingly multi-stakeholder effort. It is the continual readiness to rapidly navigate change, proactively or reactively embrace change and learn from change, while contributing to actual or perceived end-user value.<sup>35</sup>

32. [https://www.zawya.com/mena/en/press-releases/story/MBRSG\\_launches\\_4th\\_UAE\\_Public\\_Policy\\_Forum\\_Titled\\_Agile\\_Government\\_Becoming\\_FutureProof-ZAWYA20200205104211/](https://www.zawya.com/mena/en/press-releases/story/MBRSG_launches_4th_UAE_Public_Policy_Forum_Titled_Agile_Government_Becoming_FutureProof-ZAWYA20200205104211/).

33. <https://www.napawash.org/grandchallenges/blog/agc-australia-post-case-study>.

34. <https://www.oecd.org/gov/regulatory-policy/oecd-global-conference-on-governance-innovation.htm>.

35. [http://www3.weforum.org/docs/WEF\\_Agile\\_Governance\\_Reimagining\\_Policy-making\\_4IR\\_report.pdf](http://www3.weforum.org/docs/WEF_Agile_Governance_Reimagining_Policy-making_4IR_report.pdf).

## Persistence

***Persistence requires continuous experimentation, evaluation, and improvement in order to learn from both success and failure.***

President Franklin Roosevelt famously endorsed “persistence” in government: “It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something.”<sup>36</sup>

Recent studies in government encourage leaders to “fail forward.” Scholar Don Kettl calls this approach “a first cousin (or maybe closer relative) of agility, with a strong case for learning quickly and effectively.”<sup>37</sup> The authors of the report, “How to Fail (Forward): A Framework for Fostering Innovation in the Public Sector” described their reasons for focusing on failure:

We focused on failure because we believe that learning from what does not go according to plan is the cornerstone of all innovation—and therefore, of making things better for residents. We also know that failures, big and small, are inevitable in an institution as complex as government. And yet, despite its foundational importance and inevitability, we know that not enough people talk about failing.<sup>38</sup>

Whether failure offers a platform for success remains under debate. IBM Center Senior Fellow John Kamensky, an astute observer of government, suggested in an email to the author and others that, “You’ll find that ‘Fail’ is clearly a four-letter word, especially in the public sector and with media, IGs, GAO, Congress . . . There are other words and phrases that can capture the intent (e.g., a bold test pilot experiment . . . prudently mitigated further potential risks by terminating the effort at an early stage ).”

Kamensky describes persistence and innovation during the Obama administration: “The strategy began the process of weaving innovation into the fabric of government, leading to agency-level efforts to change their operating culture to be more innovative by finding and championing the innovators in the system, connecting them, and providing them the tools to succeed.”

The New York state government has also taken the agile road to persistence. In May of 2020, Governor Andrew Cuomo formed the Commission to Reimagine New York. The effort directly responds to the COVID-19 pandemic and points to the role of long-term investment in a vision for the state’s future. Initially, this initiative will focus on three areas: connectivity, access to telehealth, and workforce development. Commission Chair Eli Schmidt talked about the future this way:

New York has long taken the lead in proposing bold ideas. Never bet against New York. In every generation, we show our creativity and resilience. Let’s tap into this capacity to reimagine again and work together to build back a better society that expands opportunities for all New Yorkers.<sup>39</sup>

This strategy constitutes the kind of agile governance approach to persistent innovation that will bring rapid results. The Commission to Reimagine New York expects these results to begin to be realized by the end of 2020.

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36. [https://www.brainyquote.com/quotes/franklin\\_d\\_roosevelt\\_122780](https://www.brainyquote.com/quotes/franklin_d_roosevelt_122780).

37. Email to the author 8/4/2020

38. [https://failforward.centreforpublicimpact.org/?utm\\_source=North+America+Newsletter&utm\\_campaign=ec1b8da374-EMAIL\\_CAMPAIGN\\_2019\\_10\\_03\\_01\\_24\\_COPY\\_01&utm\\_medium=email&utm\\_term=0\\_3005088d55-ec1b8da374-221028685&mc\\_cid=ec1b8da374&mc\\_eid=c37ccbfbaa](https://failforward.centreforpublicimpact.org/?utm_source=North+America+Newsletter&utm_campaign=ec1b8da374-EMAIL_CAMPAIGN_2019_10_03_01_24_COPY_01&utm_medium=email&utm_term=0_3005088d55-ec1b8da374-221028685&mc_cid=ec1b8da374&mc_eid=c37ccbfbaa).

39. <https://www.timesunion.com/opinion/article/Build-back-a-better-New-York-as-state-begins-to-15455639.php>.

## Evidence informed solutions

### ***Solid evidence forms the foundation for designing and implementing policy and program options***

The 2017 report of the Commission on Evidence-Based Policymaking described the current situation in the U.S. Federal Government as follows:

Today, data access is limited, privacy-protecting practices are inadequate, and the capacity to generate the evidence needed to support policy decisions is insufficient. The Congress, the president, and the American people are ill-served by this state of affairs. Government must do what it takes to increase the quantity and quality of evidence building.<sup>40</sup>

The Urban Institute describes the fundamental goals of evidence-based policy making this way,

Evidence-based policymaking has two goals: to use what we already know from program evaluation to make policy decisions and to build more knowledge to better inform future decisions. This approach prioritizes rigorous research findings, data, analytics, and evaluation of new innovations above anecdotes, ideology, marketing, and inertia around the status quo.<sup>41</sup>

The Urban Institute definition does not suggest a single source of evidence or method for collection. In accord with other agile principles, Urban's perspective calls for data and experience to be sourced from many locations and vetted with multiple sources before being relied on to develop and implement agile approaches.

The use of evidence in an agile setting is reflected in the Whānau Ora agile government case highlight<sup>42</sup> prepared by Patrick Lucas & Janine O'Flynn. The case frames agile as a way of thinking as well as a set of predetermined principles. While not drawing directly from agile methodology, Whānau Ora—a major contemporary indigenous health initiative in New Zealand driven by Māori cultural values—shares many agile principles, but through a particular Māori and pasifika<sup>43</sup> lens. This case shows that the principles of agile government resonate in many communities and have roots in a wide variety of practices.

The case also reflects a sense that a plan to acquire and assess evidence can be applied both in advance of and after an initiative. It illustrates that the success of any initiative must be measured to determine whether the evidence used to justify the initiative was appropriate.

## Organizational leaders

### ***Leaders eliminate roadblocks, aggregate and assume risks, empower teams to make decisions and hold them accountable, and reward good outcomes.***

The World Bank agile journey, the Y2K Task Force, and the Recovery Act all demonstrate the importance of “support from the top.”

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40. <https://www.cep.gov/>.

41. [https://www.urban.org/sites/default/files/publication/99739/principles\\_of\\_evidence-based\\_policymaking.pdf](https://www.urban.org/sites/default/files/publication/99739/principles_of_evidence-based_policymaking.pdf).

42. <https://www.napawash.org/grandchallenges/blog/new-zealand-whaanau-ora-agile-government-case>.

43. Pasifika is the term used to describe Pacific Island migrants to New Zealand from Samoa, Tonga, the Cook Islands, Niue, Tokelau, Tuvalu, and other smaller Pacific nations (Te Tāhuhu o te Mātauranga (Ministry of Education) nd).

The lessons from the World Bank experience include the intense engagement of World Bank leaders in developing the Agile Bank Program. “Chief Operating Officer Kyle Peters and his senior advisor Qahir Dahani worked to develop a version of agile suited to the Bank’s own operations. They created a group of “Agile Fellows” to launch three pilots and serve as champions within the Bank. A steering committee of Bank directors and vice presidents provided top management assistance.”<sup>44</sup> An additional lesson from the current state of the Agile Bank Program shows that continuous leadership from the top, despite transitions, is necessary for agile practices to endure.

In Y2K, a key challenge was getting the attention of top elected officials. John Koskinen had a solution for getting this attention:

One strategy we used to encourage organizations to pay attention to the problem was, in the case of states for example, to hold a meeting with the National Governors Association and invite every state to send their Y2K coordinator. The theory was that, if there was a coordinator, the governor would now know who it was and would pay more attention to the challenge. Even more importantly, if the state did not have a coordinator, they would quickly appoint one, since no one wanted to be identified as having no approach to the issue.<sup>45</sup>

The American Recovery and Reinvestment Act implementation reflected a classic case of support from the top. President Obama specifically mentioned ARRA in his 2009 State of the Union speech:

That is why I have asked Vice President Biden to lead a tough, unprecedented oversight effort—because nobody messes with Joe. I have told each member of my Cabinet as well as mayors and governors across the country that they will be held accountable by me and the American people for every dollar they spend.

The vice president worked hard with the “mayors and governors” and with each Cabinet member. He conducted a series of calls with groups of elected officials to solicit their perspective on how things were going and also to encourage them to speed the flow of funds. He held Recovery Cabinet meetings and substantive sessions to resolve problems. To assure absence of fraud, the vice president continually consulted with Earl Devaney, the head of the Recovery and Transparency Board. The Recovery Implementation Office, which I led, had continual access to the vice president and all of his staff and, through the vice president, to all White House staff.

The agile action under the Recovery Act proved instrumental in instigating and continuing the longest period of economic growth in the nation’s history. Attention from the top was essential to this success.



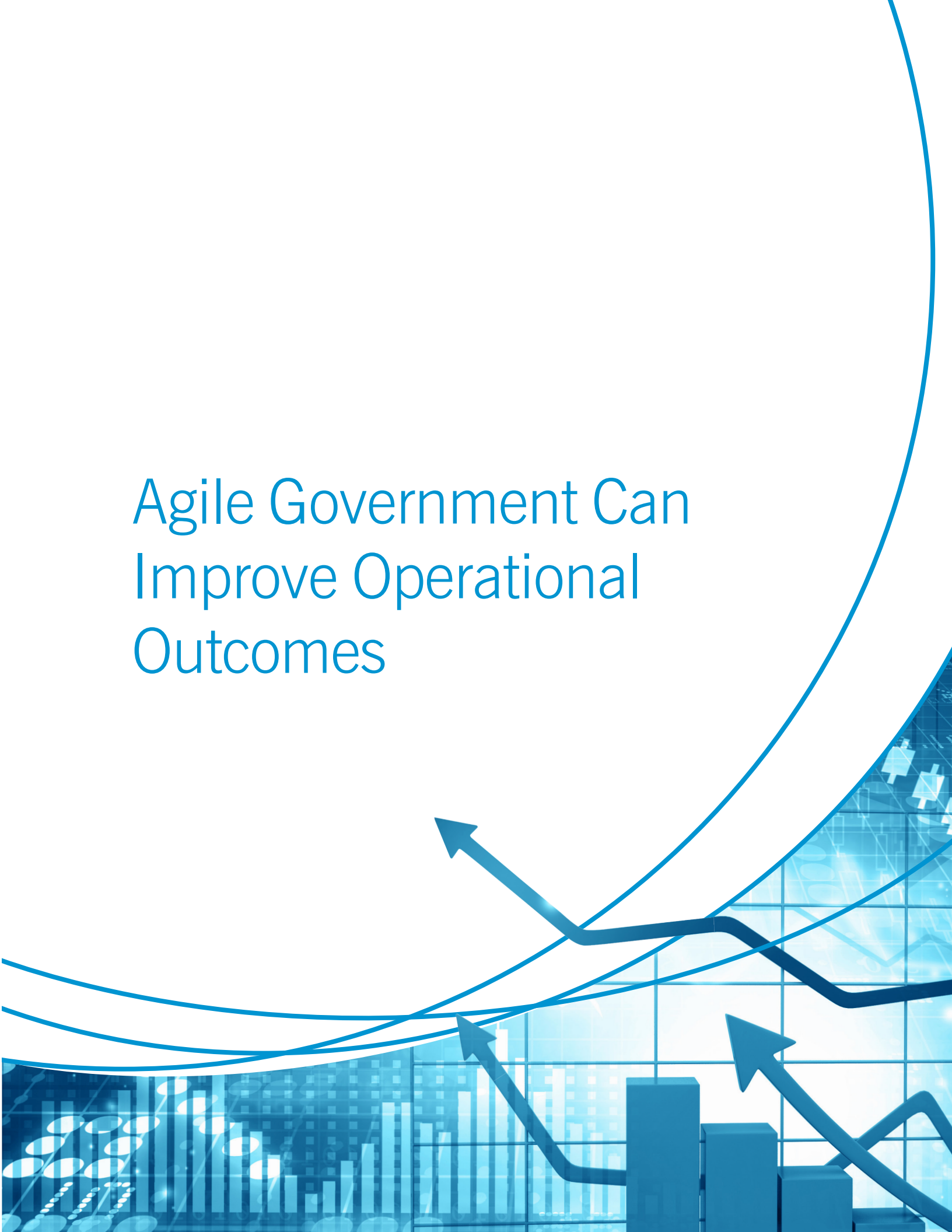
Photo courtesy of the White House.

*President Obama challenges his cabinet to deliver rapid recovery results for the American people. Ed DeSeve is second from the left. (April 2009).*

44. <https://www.napawash.org/grandchallenges/blog/the-agile-journey-at-the-world-bank>.

45. <http://www.businessofgovernment.org/blog/responding-year-2000-challenge-lessons-today>.

# Agile Government Can Improve Operational Outcomes



This report has proposed agile government practices as key to restoring public trust, and described ten agile government principles. In addition to the road outcome of increased public trust, a dedicated application of agile government can improve outcomes in three specific operational areas: doing more with less, increasing satisfaction with government, and simplifying processes and operations to achieve better results

## Responding to pressure to do more with less

Agile government clearly focuses on improving efficiency. The constant pressure to hold taxes and other revenue sources steady while balancing budgets makes paramount the need for leaders who “do the right things well” paramount.

The dramatic global effect of the COVID-19 pandemic on government budgets is illustrated by the two notes below from the OECD and the International Monetary Fund:

In sum, external private finance inflows to developing economies could drop by \$700 billion in 2020 compared to 2019 levels, exceeding the immediate impact of the 2008 Global Financial Crisis by 60 percent. This exacerbates the risk of major development setbacks that would, in turn, increase our vulnerability to future pandemics, climate change, and other global public bads. While official development finance is an important countercyclical force in the short-term and tax revenues remain the only long-term viable source of financing for many public services, no single source of development finance can take up this challenge alone. Actors in development finance and beyond need to collaborate closely to “build back better” for a more equitable, sustainable, and thus resilient world.<sup>46</sup>

The IMF is providing financial assistance and debt service relief to member countries facing the economic impact of the COVID-19 pandemic. This page provides an overview of assistance approved by the IMF’s Executive Board since late March 2020 under its various lending facilities and debt service relief financed by the Catastrophe Containment and Relief Trust (CCRT). Overall, the IMF is currently making about \$250 billion, a quarter of its \$1 trillion lending capacity, available to member countries.<sup>47</sup>

The practice of agile government is designed to develop and implement policies quickly and efficiently. A recent report from Deloitte highlights some agile responses to the global coronavirus pandemic:

Agility *also* requires the ability to quickly repurpose and reallocate resources, whether funding, technology, physical infrastructure, or personnel. This “as-needed” resourcing could be seen in action as governments responded to COVID-19. Faced with an overwhelmed health care system and a shortage of beds, France redeployed two of its high-speed trains to transport COVID-19 patients from areas hardest hit by the virus to those where hospitals had more capacity. Similarly, India refurbished railway coaches to serve as isolation wards with beds and medical supplies while the country was in lockdown. These trains then could be sent to any location facing a spike in cases.<sup>48</sup>

At the local level in the United States, the National Association of Counties projects revenues to fall by over \$100 billion while expenditures increase by more than \$40 billion.<sup>49</sup> The reliance on property tax will actually help counties because of their stability, but sales taxes and many fees

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46. <http://www.oecd.org/coronavirus/policy-responses/the-impact-of-the-coronavirus-covid-19-crisis-on-development-finance-9de00b3b/>.

47. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>.

48. <https://www2.deloitte.com/us/en/insights/economy/covid-19/governments-navigating-disruption.html>.

49. [https://www.naco.org/sites/default/files/documents/NACo\\_COVID-19\\_Fiscal\\_Impact\\_Analysis-Executive\\_Summary\\_0.pdf](https://www.naco.org/sites/default/files/documents/NACo_COVID-19_Fiscal_Impact_Analysis-Executive_Summary_0.pdf).



will fall substantially. Such pressure has led state and local governments to seek additional relief from the federal government. While this may suffice in the short term, a more agile approach to federalism is required in the long term.<sup>50</sup>

“Agile federalism” calls for the following actions that drive efficiency in government operations<sup>51</sup>—all attributes of agile government:

- Mutual respect among the parties
- Clarity of mission
- Managed networks
- Innovative technology
- Engaged leaders

## Improving customer satisfaction with government

The American Customer Service Institute provides measures of customer satisfaction across industries. Overall, the sector “Public Administration/Government” ranks lowest among industry sectors in customer satisfaction.<sup>52</sup> This ranking has been consistent for more than 10 years with only marginal improvement.<sup>53</sup>

McKinsey presents a rosy scenario for the use of agile in customer care management:

Agile has tremendous potential to revolutionize customer care and unlock the value of frontline employees, who represent a huge untapped resource. By empowering agents through an agile approach, organizations can infuse customer ownership and creative problem solving in customer care. Early adopters have already achieved impressive results in their contact centers, increasing first-call resolution and efficiency while lowering operational costs. A combination of agile best practices and a sustained investment in culture change can position organizations to capture similar benefits in their customer care functions.

In the coming years, customer expectations will continue to evolve—likely at an accelerating pace, making the quest to please customers ongoing and continuously changing. Agile can not only improve customer care outcomes in the near term but also lay the organizational foundation to respond quickly to shifting customer preferences. The prize is simply too big to ignore—not just more satisfied customers but also higher-performing customer care organizations and happier employees.<sup>54</sup>

As discussed above, actual experience by the Treasury Department in implementing the DATA Act confirms the importance of customer inclusion in improving overall customer buy-in and satisfaction. Treasury developed a broad coalition of external stakeholders—state and local government officials, academia, transparency and data advocates, and citizens—to review and participate in the agile development process. Treasury created a DATA Act Collaboration Space on Github—one of the first of its kind in government—so that stakeholders could comment on all aspects of the project. Valuable feedback was collected on the development of the initial data standards and on the display and functionality of the website. Treasury’s agile sprint process remains accessible to the public.<sup>55</sup>

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50. <https://www.napawash.org/grandchallenges/blog/agile-federalism-in-times-of-crisis>.

51. <https://www.napawash.org/grandchallenges/blog/agile-federalism-in-times-of-crisis>.

52. <https://www.theacsi.org/acsi-benchmarks/benchmarks-by-sector>.

53. [https://www.theacsi.org/images/stories/images/nationalquarterlyscores/20jun\\_acsi\\_sector\\_scores.pdf](https://www.theacsi.org/images/stories/images/nationalquarterlyscores/20jun_acsi_sector_scores.pdf).

54. <https://www.mckinsey.com/business-functions/operations/our-insights/bringing-agile-to-customer-care>.

55. <https://www.napawash.org/grandchallenges/blog/data-act-implementation-the-first-government-wide-agile-project>.

Customer satisfaction can be difficult to measure in government. Agile leaders seek to involve customers in creating and calibrating policies and programs, and public feedback will allow for course correction.

## Simplifying processes and operations to achieve better results

Along with its core tenet of putting customers at the center of programs to build satisfaction and trust, agile reflects simplifying processes. In the DATA Act Case, Treasury reports:



Historically, Treasury has used a ‘waterfall’ approach to develop governmentwide systems and a recent project in similar scope to the DATA Act implementation, took more than four years to develop and launch. In contrast, the DATA Act core data collection instrument took six months to develop and deploy. That is a remarkable reduction in the time needed to develop a complex system with more than 100 validation rules and 400 data elements to collect data on \$4 trillion in federal spend. This project demonstrates the power of the agile approach. In addition, Treasury’s project engaged hundreds of staff from about 100 federal agencies and significantly expanded the adoption of agile practices across the federal government today.<sup>56</sup>



The integration of process improvement with cross-functional team development and customer intimacy also emerges from in the Australian Postal case:



Two responses are highlighted here as to how Australia Post began shifting to agile principles in problem solving. The first looks at how the structure of Australia Post’s teams changed, with the second example looking at agile ways that process changed. Both of these examples are underpinned by a culture of curiosity and innovation with a focus on customer experience.<sup>57</sup>



The World Bank worked to codify its results in process improvement. An internal evaluation unit identified several positive outcomes from the initial phases of the program, including:

- 15 percent decrease in “moderately unsuccessful” ratings as a result of more projects being dropped or redesigned at an earlier stage
- 15 percent increase in time redeployed to higher value-added activities such as client dialogue
- 10 percent average reduction in project preparation time
- Estimated \$8 million in cost savings per year<sup>58</sup>

56. <https://www.napawash.org/grandchallenges/blog/data-act-implementation-the-first-government-wide-agile-project>.

57. <https://www.napawash.org/grandchallenges/blog/agc-australia-post-case-study>.

58. <https://www.napawash.org/grandchallenges/blog/adapting-agile-principles-toward-a-more-nimble-world-bank-2016-2020>.

# Recommendations



Agile government can operate at the project, program, and whole of organization (either agency or entire government) levels. Reflecting on the experience of the AGC, four recommendations can be adapted for action at any level:

- Analyze your organization to determine its strengths and weaknesses, and use this analysis to guide how to apply agile principles
- Create or leverage a burning platform to drive change
- Consider agile at all levels of government, including projects, programs, agencies, and the whole of government
- Analyze results in line with established metrics and use evidence to inform decisions

## Analyze your organization to determine its strengths and weaknesses

The road to agile government starts with understanding an organization's capabilities and how they can be best utilized to achieve mission outcomes. Many tools contribute to organizational analysis. I have used the Five Star Framework<sup>59</sup> to help government managers at all levels diagnose the strengths and weaknesses of their organization and prescribe changes to improve its health.

Regardless of the tool or method used, essential variables include top management engagement, communication, team building, employee viewpoint, and other essential organizational characteristics. Managers who fully understand their organizations can skip this step, but should consistently refresh their perspective of the current state of the organization.

## Create or leverage a “burning platform”

Agile requires a major change in the mindset and culture of organizations. With agile, gone are comfortable hierarchies with their default command and control response. Instead, a new and successful organizational normal involves customers and the public in decision making and program design, the use of networks for problem solving, and the inclusion of evidence-based metrics throughout.

To institute change, author John Kotter recommends creating a sense of urgency, which he calls a “burning platform . . . . This a powerful tool for anyone wanting to win in a turbulent world that will only continue to move faster.”<sup>60</sup> A recent article from Deloitte summarizes what must be done to institute change: “Transformation involves changing systems, processes, and organizational structures, but ultimately true transformation is always about changing human behavior.”<sup>61</sup>

To implement agile principles, managers need to change the behavior of their entire organizational unit. Every manager seeking to implement the principles must understand how to lead their teams through this kind of change.

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59. This was developed by the author and is available on request.

60. <https://www.kotterinc.com/book/a-sense-of-urgency/>.

61. [https://www2.deloitte.com/us/en/insights/economy/covid-19/behavioral-science-in-government-transformation.html?id=us%3A2sm%3A3fb%3A4di5252%3A5awa%3A6di%3AMMDDYY%3A%3Aauthor&pkid=1006509&fbclid=IwAR0xrcA5uRkyKeboSvAZww7M\\_jqJ7bfSTFErM0yr9dUy8v6tRJBfEw92lq4](https://www2.deloitte.com/us/en/insights/economy/covid-19/behavioral-science-in-government-transformation.html?id=us%3A2sm%3A3fb%3A4di5252%3A5awa%3A6di%3AMMDDYY%3A%3Aauthor&pkid=1006509&fbclid=IwAR0xrcA5uRkyKeboSvAZww7M_jqJ7bfSTFErM0yr9dUy8v6tRJBfEw92lq4).

## Apply agile principles at any level of government

Agile principles can be applied at multiple levels of government. The cases below are examples that illustrate this.

### Project level

Implementation of the DATA Act at the project level had all of the elements of a sense of urgency and required major changes in how the U.S. Treasury collected its data:

The scale of the effort is overwhelming even with the most modern technology—but the federal data that the DATA Act required Treasury to collect was scattered across hundreds of disconnected systems across the federal enterprise. The new law only gave Treasury three years to collect this data from more than 100 federal agencies and display all this information for the public. Treasury needed a new approach to accomplish so much work in such a short timeframe. In 2014, agile development, user-centered design and open source code were relatively new concepts that were just getting traction in government. Treasury was an early adopter of these principles to guide the DATA Act implementation.<sup>62</sup>

As noted above, the use of agile principles at the systems and the organizational levels that impact a project enabled Treasury to meet its legislative obligations.

### Program level

The Whānau Ora agile government case from New Zealand highlights how agile principles were applied to major organizational change:

Thus, this radical shift towards whānau self-determination required different approaches to developing and implementing Whānau Ora. While not drawing directly from agile methodology, Whānau Ora shares many of the principles of it, but through a particular Māori and pasifika<sup>63</sup> lens. This case shows us that application of the principles of agile government can be seen in delivering services in a manner that resonates in many communities and has roots in a wide variety of practices.<sup>64</sup>

### Enterprise level

The World Bank embarked on its “agile journey” as a result of an organizational analysis finding that although the staff at the World Bank had a strong attachment to mission, they criticized how long it took to develop and implement projects. To address these concerns, the Bank created an agile initiative: “To help support this effort and to try to take good ideas to scale, they created an initiative they called the Agile Bank Program—agile referring to approaches software developers used in their work.”

Five years in, the effort demonstrates good results but need for change continues. There is debate within the World Bank about the future direction of the agile initiative but, as one of the implementors says, “The continuing debate was a good thing . . . Tension meant the initiative was still alive and the positive initial results held promise.”<sup>65</sup> Time will tell if the World Bank continues its agile journey.

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62. <https://www.napawash.org/grandchallenges/blog/data-act-implementation-the-first-government-wide-agile-project>.

63. Pasifika is the term used to describe Pacific Island migrants to New Zealand from Samoa, Tonga, the Cook Islands, Niue, Tokelau, Tuvalu, and other smaller Pacific nations (Te Tāhuhu o te Mātauranga (Ministry of Education) nd)

64. <https://www.napawash.org/grandchallenges/blog/new-zealand-whaanau-ora-agile-government-case>.

65. [https://www.napawash.org/uploads/WB\\_Case\\_Study\\_for\\_website\\_PDF.pdf](https://www.napawash.org/uploads/WB_Case_Study_for_website_PDF.pdf).

## Analyze Metrics-Based Results

The metrics required by agile government principles provide a template for analyzing results. Continued public presentation of information regarding results can build external support and cultivate trust. In the Recovery Act, the independent Recovery and Transparency Board developed quarterly reports on activity and accomplishments. This data came from reports submitted by all recipients of funding under the Act. The Board decided to create a geographically based data display that allowed the public to view activity and jobs created by zip code, which produced metrics that provided an unprecedented level of transparency—which contributed to public confidence in the program.

Reporting under the Recovery Act also required the Council of Economic Advisers, the Government Accountability Office, and the Congressional Budget Office to track metrics—particularly job creation and economic growth—on a continual basis. This additional reporting helped to shine a light on results and promoted support of the program.

## Conclusion

This report serves as both an agenda-setting document and a practical guide for policymakers. It is intended to provide input to the administration in 2021—whether reelected or newly elected—as it develops the President’s Management Agenda.

Government leaders and stakeholders are at the beginning of the Agile journey in many organizations. Adopting the Agile Principles will improve outcomes for programs, create better policies and regulations, and strengthen trust in government. Agile is not a new “flavor of the month” in government management. Rather, the times and our people demand it. These common-sense Agile Principles will evolve with use and experience.

The current COVID-19 pandemic has spawned rapid, agile responses to the crisis. The Agile Government Center will continue to document these responses and other government actions around agility. The Center will also document instances where digital transformation organizations in several countries led to changes not only in systems development, but also in organizational effectiveness and improved implementation of programs.

# APPENDICES

## Agile Viewpoints

The road to agile has had many trailblazers with much progress documented in prior IBM Center reports referred to here. Past Center studies on this topic include *Agile Problem Solving in Government: A Case Study of The Opportunity Project*, by Joel Gurin and Katarina Rebello, which explores how agile problem-solving can enable public private collaboration that helps address some of the most significant mission-focused issues facing government agencies today; *A Guide to Critical Success Factors in Agile Delivery*, by Philippe Krutchen and Paul Gorans, an early assessment of the promise of agile for the public sector;<sup>66</sup> and *Digital Service Teams: Challenges and Recommendations for Government*<sup>67</sup> by Ines Mergel, which provides insights into digital services activities that leverage agile techniques for governments in the U.S. and around the world. More recently, Andrew Whitford's report, *Transforming How Government Operates: Four Methods of Change*,<sup>68</sup> places agile alongside related disciplines of design thinking and lean in describing practical tools that can help leaders bring about change.

A similar approach is reflected in *Applying Design Thinking To Public Service Delivery*,<sup>69</sup> by Jeanne Liedtka and Randy Salzman, which focuses on the expanding use of design thinking in government to transform how agencies engage citizens, enhance operations, and innovate across a broad spectrum of public management challenges. "We hope that the insights offered in this report," the authors wrote, "will help government executives more effectively address their most significant management challenges while also transforming how their government agencies operate—becoming agile and effective enterprises that better serve stakeholders."

In addition, a recent *Public Administration Review* article, by Ines Mergel, Sukumar Ganapati, and Andrew B. Whitford stated: "The evolving concept of 'agile' has fundamentally changed core aspects of software design, project management, and business operations. The agile approach could also reshape government, public management, and governance in general." In this Viewpoint essay, the authors introduce the modern agile movement, reflect on how it can benefit public administrators, and describe several challenges that managers will face when they are expected to make their organizations more flexible and responsive.<sup>70</sup>

Finally, the Samuel Freeman Charitable Trust and the Project Management Institute—as we discussed in this report—sponsored a National Academy of Public Administration study with the goal of setting an agenda for how the federal government could become more agile in the coming years. Focusing on the critical issues in the agile journey, the report will (1) identify key challenges, (2) develop innovative solutions and recommendations, and (3) lay the groundwork for any needed legislative and administrative changes.

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66. <http://www.businessofgovernment.org/report/agile-problem-solving-government-case-study-opportunity-project>.

67. <http://www.businessofgovernment.org/sites/default/files/Digital%20Service%20Teams%20-%20Challenges%20and%20Recommendations%20for%20Government.pdf>.

68. <http://www.businessofgovernment.org/report/transforming-how-government-operates-four-methods-change>.

69. <http://www.businessofgovernment.org/report/applying-design-thinking-public-service-delivery>.

70. <https://onlinelibrary.wiley.com/doi/full/10.1111/puar.13202>.

# ABOUT THE AUTHOR

**G. Edward DeSeve** is the Coordinator of the Agile Government Center at the National Academy of Public Administration and a Fellow of the Academy and a Visiting Fellow at the IBM Center for The Business of Government.

DeSeve has served at all three levels of government and in the private sector. At the federal level, he was a Special Advisor to President Barack Obama charged with implementing the \$800 billion American Recovery and Reinvestment Act. In the Clinton Administration, he was also Deputy Director for Management and Controller at the Office of Management and Budget and Chief Financial Officer of the Department of Housing and Urban Development.

At the state and local levels he was a Special Assistant to the Governor of the Commonwealth of Pennsylvania and Director of Finance for the City of Philadelphia. In the private sector, he was a managing director at Merrill Lynch Capital Markets and the founder and president of Public Financial Management—the nation’s largest independent financial advisor to government.

He holds a Bachelor of Science in Industrial and Labor Relations from Cornell University a Master of Public Finance from the Wharton School of the University of Pennsylvania.



G. EDWARD DESEVE



# KEY CONTACT INFORMATION

## To contact the author:

**G. Edward DeSeve**

Coordinator Agile Government Center  
National Academy of Public Administration  
United States

[gedeseve@gmail.com](mailto:gedeseve@gmail.com)

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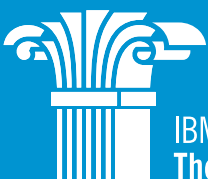
600 14th Street NW  
Second Floor  
Washington, DC 20005  
202-551-9342

website: [www.businessofgovernment.org](http://www.businessofgovernment.org)  
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