Strategic Theme 5

Management Excellence

Enabling the mission through sound management

The Department's strategic themes and goals will be accomplished not only through the efforts of the major program offices in the Department but with additional effort from staff offices that support the management of the programs in carrying out the mission. DOE is committed to integrated management and is taking steps to ensure that this is one of the critical initiatives that will assist the Department's leadership in achieving the strategic goals. DOE will endeavor to make sure it has the necessary skills available to carry out the mission and to continue bringing in talented and qualified resources for the future. As DOE strives to meet the needs of the Nation in the area of scientific discovery and innovation and the needs of its employees, cost-effective upgrades, renovations, and replacements will be made to aging and outdated facilities. One of the most important keys to managing the Department is financial stewardship and one of the top priorities for DOE is continually improving its financial performance and accountability over the resources entrusted to it by American taxpayers.

Management Excellence Challenges

DOE is an organization of diverse programs. While this structure has its advantages, it often hampers integrated management of core functions across the Department. In addition, there are economies of scale and improvements in service that could be attained by implementing a common Department-wide approach to core services utilized by all internal stakeholders. This can be difficult to attain in a program-centered approach to the work. However, DOE also faces near-term challenges that are more fundamental. A significant portion of the Department's budget is awarded to contractors each year and achieving excellence in the Department's management of contracts remains a significant challenge. The average age of the workforce is increasing and the number of skilled employees eligible for retirement suggests an impending knowledge and capability gap in the next three-to-seven years. The Department is implementing a new resource management system that ties together data from various functional disciplines into a single enterprise-wide network. The implementation of this system combined with recent audit challenges requires the Department to adopt new financial and business practices. The Department currently faces accrued under-funded contractor pension plan and post-retirement benefits liability in the billions of dollars. Finally, DOE's infrastructure is aging, which creates both safety and security concerns. The following strategic goals address these management excellence challenges.

Management Excellence Strategic Goals

Goal 5.1 – Integrated Management

Institute an integrated business management approach throughout DOE with clear roles and responsibilities and accountability to include effective line management oversight by both Federal and contractor organizations.

Description: The Department has an urgent need to embrace the best management practices to improve processes, performance, and eliminate waste. The Secretary of Energy identified several functional areas within the Department that would benefit from a strengthened management approach including: financial, human capital, information technology, legal, procurement, and public affairs. In order to better coordinate and streamline these functional areas, the Secretary has established an initiative whereby the functional heads will create working groups to implement changes to specific oversight and accountability processes resulting in improvements in the overall functional accountability. DOE has a $23.5 billion budget, about 15,000 Federal employees, and 100,000 contractor employees, as well as a large number of research laboratories, facilities, and operations offices. The Department oversees large-scale special operations, such as the processing and storage of nuclear materials and production of power for large regions of the country. DOE is one of the largest owners of public facilities in the world. Yet, the Department's contracts represent about 85 percent of its work by dollar amount. Management of this operation needs a coherent, well-structured, integrated business management architecture with clear roles,

responsibilities, and customer service standards. The Department should have a robust system of clear, consistent performance objectives and measurements so that it may focus resources more effectively on key objectives and continually improve to meet those objectives.

Strategies to reach this goal

• Design and implement a functional accountability model that supports an integrated management approach.

• Develop and implement clear, consistent, enterprise-wide performance goals and measures to better inform decision-makers and ensure accountability for integrated management.

• Develop and implement customer service standards across programs and Departmental elements focused on meeting the cost, quality, and timeliness standards of the Department's customers.

• Develop and implement a strategy to improve the Department's management of contracts and major capital acquisition projects.

Goal 5.2 – Human Capital

Ensure that DOE's workforce is capable of meeting the challenges of the 21st Century by attracting, motivating, and retaining a highly skilled and diverse workforce to do the best job.

Description: People are DOE's most important resource. The Department's human capital management efforts are focused on an integrated approach that ensures human capital programs and policies are linked to the missions, strategies, and goals, while providing for continuous improvement in efficiency and effectiveness. Within the Department, senior managers of the individual program and staff offices are responsible for successfully accomplishing their organization's mission as well as creating a challenging and productive workplace environment. Senior management must also ensure that they plan for a secure workforce, capable of meeting current and future challenges. The Department must provide senior managers with the flexibilities and tools necessary to ensure that their workforce can successfully meet the challenges of the 21st Century.

Strategies to reach this goal

• Implement programs and processes that will enable the Department to quickly recruit, develop, and retain a qualified, diverse workforce through an integrated workforce planning system.

• Create a Department-wide performance culture focused on individual and organizational accountability toward the achievement of DOE's programmatic goals and priorities.

Goal 5.3 – Infrastructure

Build, modernize, and maintain facilities and infrastructure to achieve mission goals and ensure a safe and secure workplace.

Description: The Department's real property assets are vital to the accomplishment of its mission. Real property assets of the Department are located at over 50 sites across the Nation with approximately 20,000 buildings and other structures covering 127 million square feet on 3.1 million acres of land, an area roughly the size of the state of Connecticut. The replacement plant value of these assets (not including land value) is $77.1 billion. Unlike many other Federal agencies, the vast majority of DOE sites are government-owned and contractor-operated and maintained. The Department's real property portfolio is composed primarily of large complexes of diverse facilities of critical importance to the DOE mission, such as reactors, accelerators, and Cold War-era buildings that should be retired. The Department owes it to the public and DOE employees to be good stewards and to provide safe and quality work places that are aligned with and supportive of our mission requirements.

Strategies to reach this goal

• Invest in the infrastructure to reduce overall facility square footage and improve energy efficiency and sustainability.

• Implement an active asset management plan to align resource needs with key Departmental goals.

• Improve the information technology infrastructure through upgraded networks and technology and strengthened cyber security.

• Integrate safety and security into every element of the Department's mission to safeguard employees and assets.

Goal 5.4 – Resources

Institutionalize a fully integrated resource management strategy that supports mission needs and postures the Department for continuous business process improvement.

Description: To improve our accountability to the American taxpayers, the Department will improve financial performance and integrate budgeting with strategic and performance planning. To accomplish this, the Department's business systems related to financial information need to be consolidated and streamlined, thus resulting in the ability to produce accurate and consistent financial reports, management information, and annual financial statements for senior decision-makers. An accountability model that supports an integrated, enterprise-wide approach to management is required and standard business practices across Departmental elements are needed. Additionally, the Department is implementing a solid financial and performance-based management information system that will include: cost accounting, travel, payroll, budget formulation and execution, procurement, contracts management, facilities management, human resources, and research and development.

Strategies to reach this goal

- Conduct meaningful analysis that supports timely decision-making based on financial, operational, and programmatic information.
- Develop and implement standard, enterprise-wide financial and business practices.

External Factors

The following external factor could affect the Department's ability to achieve the Management Excellence theme:

Competition

Workforce competition with private industry for highly skilled labor and escalating entry-level salaries may affect the Department's ability to attract and retain a qualified workforce.