

U.S. Department of Interior

Volume 1a: Blanket Purchase Agreement

McKinsey & Company, Inc., Washington, DC
1200 19th Street NW, Suite 1100
Washington, DC 20036

Submitted: April 13, 2012, expires July 13, 2012
In response to Request for Quotations (RFQ) No. D12PS19160
Under McKinsey GSA MOBIS Schedule GS-10F-0118S
Expires - January 26, 2016

Technical contact

Jon Wilkins, Director
(202) 662-3332
(202) 662-3316 – facsimile
jon_wilkins@mckinsey.com

Contractual contact

Chuck Self,
Contracts Manager
(202) 662-3183
(202) 662-3316 – facsimile
chuck_self@mckinsey.com

Volume 1a: Blanket Purchase Agreement

Section 1: BPA Technical Capabilities

McKinsey & Company, Inc., Washington, DC
1200 19th Street NW, Suite 1100
Washington, DC 20036

Submitted: April 13, 2012, expires July 13, 2012
In response to Request for Quotations (RFQ) No. D12PS19160
Under McKinsey GSA MOBIS Schedule GS-10F-0118S
Expires - January 26, 2016

Technical contact
Jon Wilkins, Director
(202) 662-3332
(202) 662-3316 – facsimile
jon_wilkins@mckinsey.com

Contractual contact
Chuck Self,
Contracts Manager
(202) 662-3183
(202) 662-3316 – facsimile
chuck_self@mckinsey.com

The information specifically identified on pages 1 through 5 of this proposal/quote constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal/quote, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal/quote, the Government shall have the right to use the information to the extent provided in the contract.

This proposal is contingent on the Parties reaching mutually agreeable terms and conditions and upon acceptance of any limitations described herein.

Contents

Our Understanding of Your Requirements, Goals and Objectives	1
Our Organization Abilities and Unique Capabilities to Assure Comprehensive Performance of the SOO	1
Proposed Approach to Comply with Objectives	4
Organizational and Project Management Methods and Processes	5

McKinsey corporate data

McKinsey & Company, Inc., Washington, DC

1200 19th Street NW, Suite 1100

Washington, DC 20036

Main telephone: (202) 662-3300

Facsimile: (202) 662-3175

E-mail: mckinsey_gsa@mckinsey.com

DUNS: 82-522-9318

TIN: 56-2405213

NAICS: 541611

CCR: McKinsey maintains a current registration in CCR

ORCA: McKinsey has completed the annual representations and certifications in

ORCA under www.orca.bpn.gov

McKinsey & Company, Inc. Washington D.C. (“McKinsey”) is pleased to offer this technical proposal in response to the Department of Interior (“Interior,” “DOI”) solicitation D12PS19160.

1. OUR UNDERSTANDING OF YOUR REQUIREMENTS, GOALS, AND OBJECTIVES

We share your vision and goals

Interior plays a central role in American life. Managing natural resources, preserving cultural heritage, and protecting treasured landscapes are vital missions – and they will remain so. However, in an era of declining federal budgets, DOI’s ability to continue fulfilling these missions will be directly tied to productivity gains in operations and organization. Helping clients achieve such improvements is *our* mission. We therefore share your vision for transforming DOI’s program delivery, business processes, support services, facilities management, and organizational effectiveness – in short, remaking one of the oldest U.S. cabinet agencies into a high-productivity example of how government can tackle the challenges of the 21st century.

We understand the challenges you face

You must overcome many challenges to achieve this vision. The Department’s personnel structures, infrastructure, facilities, and operations are complex and far-flung. Individual bureaus and offices have independent cultures and business practices, reflecting distinct missions. As with many large organizations, Department-wide change efforts have a mixed track record. Some bureaus have recently undergone significant changes and challenges, such as the former MMS into BOEM, BSEE and ONRR. Shared services are already widespread within DOI, but they come with a complex mix of provider-supplier relationships across the bureaus and the National Business Center. Expectations for integrated, efficient, and easy-to-navigate public services are growing. And the “stick” of budget cuts alone is not enough to rally the joint effort that is the hallmark of the most successful efforts to improve efficiency and effectiveness. In short, change will not come easy.

We understand your objectives

While change on the scale you envision will be challenging, the ongoing Service First effort is a significant asset. Our understanding is that the objectives listed on page 54 of the RFQ have been pursued and achieved in many areas under the Service First banner. The challenge and opportunity is to better understand, further develop, and scale up such efforts to demonstrate Department-wide achievement of these objectives.

However, a robust and thoughtful list of opportunities, and a set of well-defined initiatives that target the performance goals on page 54 of the RFQ will not be enough. We find that 70 percent of ambitious change efforts eventually fail (even after achieving early successes), due mainly to human factors – what we refer to as organizational health. You also recognize the importance of organizational health, highlighting many key aspects of it as objectives of Service First on page 56 of the RFQ. Addressing these factors, such as workforce motivation, collaboration, accountability, transparency, flexibility, and proactive behavior will be essential to your success. As detailed below, we have many proprietary tools to support this critical element of the effort, including our Organizational Health Index survey, which allows us to rigorously measure health to inform improvement efforts. This has proven successful in other DOI contexts, such as the ONRR strategic review, where we saw substantial gains in employee engagement and morale during our work.

2. OUR ORGANIZATIONAL ABILITIES AND UNIQUE CAPABILITIES TO ASSURE COMPREHENSIVE PERFORMANCE OF THE SOO

Our team has the capabilities to address all of your objectives, covering not only the specific qualifications you list on page 57 of the RFQ, but also offering additional expertise in areas that are highly relevant to this work, including customer insights, sustainability and resource productivity, regulatory risk management, oil and gas,

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

and travel and tourism. Our Program Manager has proven experience managing projects of a similar size and complexity, and our team has a successful track record of delivering the high-level report writing and executive level oral communications necessary to support this work.

Proven track record of impact in similar efforts. Our leadership and expert team’s direct professional experience includes performance in support of Interior on high-visibility and high-risk transformation efforts in both mission and support areas, as well as in other similar large-scale institutional improvement efforts. Over the last 2 years, our team has developed deep, personal familiarity with DOI’s people and processes, making us particularly well suited for this work. More broadly, we will deliver the collective learning from McKinsey’s record of successful performance improvement efforts for clients around the world.

- ✓ Over 1,000 transformations to make large, complex, organizations more effective, efficient, and high-performing – many in the public sector and for organizations composed of distinct operating units.
- ✓ Major transformations at the IRS, HUD, DoD, and HHS, and government-wide transformations in France, Malaysia, and other countries.
- ✓ Successful projects at DOI with OCIO, the NBC, FBMS, and the reorganization of the former MMS into BOEM, BSEE, and ONRR.

In-depth tools, methodologies, and analytical resources to turn insights to action. We will deliver in-depth proprietary tools and methodologies in all relevant areas that will enable us to help Interior move more quickly to insight and action, such as:

- ✓ A public sector budget analysis tool – pioneered by the McKinsey Center for Government – that enables us to rapidly identify and size opportunities to help agencies ensure effective utilization of resources.
- ✓ A Business Support Function (BSF) Optimization tool that assesses improvement opportunities within accounts payable, accounts receivable, relocation, and other services.
- ✓ 1,500 dedicated knowledge professionals, more than 25,000 proprietary documents, hundreds of proprietary benchmarks and tools, a dedicated advanced analytics team, and an entire research organization – the McKinsey Global Institute – to support our work.

The commitment and capability to make change stick. We will be unflagging in our commitment to make change happen at DOI with our proven change management approach:

- ✓ Proven record at DOI of overcoming obstacles and delivering results.
- ✓ An unbiased, collaborative approach centered on engagement with front-line staff.
- ✓ Day 1 focus on knowledge transfer, skill-building, and applying our world-class tools such as “Capabilities for Performance” training modules.

Unparalleled breadth of capability and expertise. The scope of work envisioned under this BPA is far-reaching – spanning many activities ranging from direct materials acquisition, to facilities consolidation, to complex operational redesign, and many other specialized areas. We are unaware of any other advisory firm that can match the depth and breadth of expertise we will bring to this to BPA, and our “one Firm” strategy and philosophy will give DOI the full benefit of our total global expertise and capabilities.

- ✓ Experts in all of the key functions relevant to Service First – including shared services, facilities management, process re-engineering, and business process re-engineering.
- ✓ Cutting-edge capabilities in advanced business processes (e.g., infrastructure capital productivity, customer experience management, risk-based regulation, and “green” operations), and mission-related sectors (e.g., renewable energy, forestry management, and travel and tourism).
- ✓ Deep understanding of how organizations become high-performing (e.g., by creating accountability and transparency, sparking innovation, and encouraging collaboration) – expertise developed via research and experience measuring and addressing organizational health in over 500 organizations worldwide.
- ✓ “24-hour rule” for experts and Firm leadership when responding to requests for expertise on client engagements – all global McKinsey resources will be at DOI’s fingertips.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Exhibit 1 below lists the capabilities we will apply to ensure your success. It includes all the required qualifications listed in the RFQ (except for the experience of our Program Manager and our capabilities in high-level report writing and oral presentations, which we address in depth in the Key Personnel section). It also includes additional expertise that we believe will be relevant.

Exhibit 1: Our capabilities

	Experience and expertise	Proprietary tools and knowledge	
Organizational structure and systems	Strategic assessment, gap analysis, and strategy development	<ul style="list-style-type: none"> Served 2,000 clients on 10,000 strategy projects Expertise selecting & prioritizing strategic initiatives Expert Advisor: Jon Wilkins 	<ul style="list-style-type: none"> Strategic Management Performance Index (SMPI) Portfolio of Initiatives decision and prioritization tool Strategic Planning Gap Assessment Tool
	Operations and business process reengineering	<ul style="list-style-type: none"> 1,300+ cost transformation cases since 2004 400+ experts with relevant real world experience Expert Advisor: Andy Eichfeld, Nav Singh 	<ul style="list-style-type: none"> Process simplification and global Lean Academies Service operations end-to-end approach Quality excellence toolkit
	Organization design and governance	<ul style="list-style-type: none"> Over 2,000 org. design studies since 2005 Over 40% of US org work in public sector Expert Advisor: Richard Elder 	<ul style="list-style-type: none"> Organization Structure Database an design tests Spans and Layers tool Merger Management toolkit for consolidations
	Performance management and KPI design and implementation	<ul style="list-style-type: none"> Defined USG metrics with Partnership for Public Service, including accountability and transparency Expert Advisor: Ankur Ghia 	<ul style="list-style-type: none"> Performance Management Framework Performance Dialogue Plan "Driving Federal Performance"
	Regulatory risk management	<ul style="list-style-type: none"> 1800+ engagements since 2002 Focus is on creating "win-win solutions" Expert Advisor: Andrew Sellgren 	<ul style="list-style-type: none"> Regulatory & External Affairs Capabilities Diagnostic Analytical toolkit elements focused on behavioral dynamics and game theory simulation
	Implementation planning and execution	<ul style="list-style-type: none"> Program and project management experts span across public, private, and social sectors Expert Advisor: Scott Keller, Matt Welsh 	<ul style="list-style-type: none"> Next Generation Program Management Office Risk identification, assessment, and mitigation toolkit Value capture assurance framework
Mindsets and capabilities	Organizational health	<ul style="list-style-type: none"> 80-years of experience in diagnosing org health 6,200+ projects with org health piece in last 5 yrs Expert Advisor: Richard Elder 	<ul style="list-style-type: none"> Organizational Health Index (600,00 respondents) Interventions Catalog of initiatives to improve health "Performance and Health" book by C Price & S Keller
	Workforce planning	<ul style="list-style-type: none"> 400 talent management studies since 2003 Business Support Function (HR) team Expert Advisor: Nora Gardner 	<ul style="list-style-type: none"> TSAT (Talent System Assessment Tool) Flexible workforce management diagnostic/ dashboard Centered Leadership approach to developing leaders
	Change management	<ul style="list-style-type: none"> 1500 transformation & large-scale change efforts globally since 2006, many at federal departments Expert Advisor: Scott Keller 	<ul style="list-style-type: none"> Database of 7,800 CEO/exec change mgmt surveys Influence Model to change mindsets and behaviors Change Accelerator workshop for client teams
	Training, knowledge transfer, and capability building	<ul style="list-style-type: none"> Serving more than 50% of the global top 100 companies on capability building Expert Advisor: Biniam Gebre 	<ul style="list-style-type: none"> Capabilities 4 Performance (C4P) training programs Proprietary learning environments (model factories) Field & Forum approach for scaling customized training
	Stakeholder outreach and communications planning and delivery	<ul style="list-style-type: none"> Proven advanced, high impact oral and written communication abilities across all sectors Expert Advisor: Rik Kirkland 	<ul style="list-style-type: none"> Stakeholder analysis and stakeholder impact heat map Strategic Communications Planning Guide and Toolkit 1000+ high-impact white papers and speeches
Support functions	Consolidation and shared services design	<ul style="list-style-type: none"> Detailed benchmarks from 1000+ companies and 4 fed. government shared service centers Expert Advisor: Jonathan Silver, Rob Rosiello 	<ul style="list-style-type: none"> Business support function benchmarking database Innovation tour of leading services companies Global Business Services / Network 360
	Infrastructure, facilities management, and co-location	<ul style="list-style-type: none"> 500+ infrastructure engagements since 2008 108 studies, 350+ consultants –FM experience Expert Advisor: Jimmy Hexter, David Chubak 	<ul style="list-style-type: none"> 360° Facilities Management Diagnostic with access to IFMA benchmarks of over 1400 organizations Space utilization diagnostic
	IT systems delivery	<ul style="list-style-type: none"> Over 2,000 business technology studies Serve US Government on IT (e.g., IRS, FDA) Expert Advisor: Jinsook Han 	<ul style="list-style-type: none"> IT Decision Diamond McKinsey Business Technology Knowledge Database Collection of Role Profiles
Mission-delivery systems	Customer service and experience	<ul style="list-style-type: none"> Over 900 new engagements in past 18 months New approaches (Consumer Decision Journey) Expert Advisor: John Devine 	<ul style="list-style-type: none"> Customer Experience (CE) Toolkit Consumer Marketing & Analytics Center (CMAC) 'NM Incite' Social Media analysis
	Sustainability and resource productivity (SRP)	<ul style="list-style-type: none"> 500+ sustainability related projects since 2006 Clean tech, water, and carbon & energy econ Expert Advisor: Stefan Heck 	<ul style="list-style-type: none"> Sustainability Assessment Survey (SAS) Integrated land use model Global GHG abatement cost curve
	Oil gas	<ul style="list-style-type: none"> World's largest Oil & Gas practice – across strategic mgmt consulting & specialized firms Expert Advisor: Tommy Inglesby 	<ul style="list-style-type: none"> Global Gas Model (GGM) and <i>PetroSIMS</i> <i>Production Performance Benchmarking</i> <i>Integrated Biofuels models</i>
	Travel and tourism	<ul style="list-style-type: none"> 140 studies since 2007 across all key geographies Long-term relationships along entire value chain Expert Advisor: Urs Binggeli 	<ul style="list-style-type: none"> Tourism Satellite Account (TSA) global reference tool "Value Coin" framework Periscope data visualization tool

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

3. PROPOSED APPROACH TO COMPLY WITH OBJECTIVES

Our proven “Aspire, Architect, Act” approach addresses both performance and health to deliver successful improvements in the public and private sector.¹ We have refined this approach based on an extensive body of research (including our survey of over 1,000 public sector and 6,800 private sector leaders of change programs, and our review of over 900 journals and books). Our approach has been reviewed, challenged, augmented by four leading academics, and has stood the test of application in hundreds of client situations.

Below, we outline why we see this as the best approach for helping DOI achieve the goals of Service First. We believe this overall framework will apply broadly to the various tasks under the BPA, organizing them into a cohesive program of action that will amplify existing efforts, build front-line momentum, ensure strong governance and performance management, and deliver against the overall goals of Service First.

Exhibit 3: Our approach to supporting the Service First Initiative

Aspire	Architect	Act
<p><i>Where do we want to be relative to where we are today?</i></p> <ul style="list-style-type: none"> • Strategic assessment • Gap analysis • Benchmarking • Risk assessment • Strategic opportunity identification • Decision criteria framework, process, and tools • Initiative selection and prioritization 	<p><i>What initiatives do we need? How do we design them to achieve our aspiration?</i></p> <ul style="list-style-type: none"> • Business process reengineering • Organizational design and governance • Workforce planning • Resource allocation • IT and shared services design • Infrastructure, facilities management and co-location 	<p><i>How should we manage the journey and ensure continuous improvement?</i></p> <ul style="list-style-type: none"> • Implementation planning and assistance • Program management governance structures • Transformation support • Performance measurement framework • Structure for assigning staff and financial resources • Project management and quality management • Performance monitoring
<p style="text-align: center;">Driving change</p> <p><i>How can we address organizational health and build support for the change program?</i></p> <ul style="list-style-type: none"> • Change management planning and support • Customized training, facilitated sessions, knowledge transfer, and capability building • Shifts in mindsets and behaviors • Stakeholder outreach and communications planning and delivery 		

We recognize that change is not easy, and only a tailored and thoughtful approach – not a one-size-fits-all strategy – will make your vision a reality. In short, DOI will set the pace and priorities for how this BPA will assist Service First over time, but we believe that our approach offers a strong platform for organizing the work, enabling change, tapping our expertise and experience, and delivering results.

¹ This approach builds on the “Diagnose, Design, Deliver” framework that we have used in previous work at Interior to reflect the aspirational vision of the Department’s Service First initiative.

4. ORGANIZATIONAL AND PROJECT MANAGEMENT METHODS AND PROCESSES

We manage all of our client engagements with an approach that promotes quality while minimizing risk. Our project management methods and processes are outlined below:

- **Direct leadership involvement and quality assurance.** Our partners are intensely involved in the actual work to be done. Our partner to consultant ratio is 1:6, several times lower than others in the industry. As a result, our partners take full responsibility for the work we do, ensuring on time, on budget, and high-quality completion of all deliverables. We follow a strict quality assurance process whereby McKinsey partners on the leadership team review all work for quality.
- **Close collaboration with our clients in project design and execution.** We work hand-in-hand with our clients. Our consulting model requires substantial interactions between our clients and our personnel, enabling us both to achieve client goals and establish greater ownership and understanding among the client in the process.
- **Rigorous project and schedule management including proactive risk management.** We build quality control into all of our standard project management techniques and events. Immediately upon beginning our engagements, we scope workstreams, draft workplans, and outline key milestones. We then check in regularly to ensure we produce high-impact deliverables that meet or exceed all deadlines and expectations.
- **Regular performance reviews, with flexibility to change course.** We have established processes for reviewing and improving both the quality of our client service and the performance of individual consultants. In each engagement, we expect to hold regular, monthly progress reviews with a DOI Steering Committee, with additional reviews scheduled as necessary. Also, we anticipate that our Project Manager will speak with the client leader at least weekly, and likely more often, to discuss open items.
- **Staffing the best team to deliver.** We staff teams to provide the greatest impact in each client situation. Team members can come from across the globe. Specifically, we staff our teams with people of quality whose expertise matches the tasks, and who together bring complementary skills to effort.
- **Careful selection and management of subcontractors, consultants, and partners.** We rigorously research any teaming partners for their competency and to ensure that their values match our own, and we select partners to fit specific client needs. For example, here we have partnered with Bronner based on their record of success at DOI, their skills in implementation support, and their capabilities in financial processes.

Volume 1a: Blanket Purchase Agreement

Appendix 1: Technical Assumptions Conditions, or Exceptions

McKinsey & Company, Inc., Washington, DC
1200 19th Street NW, Suite 1100
Washington, DC 20036

Submitted: April 13, 2012, expires July 13, 2012
In response to Request for Quotations (RFQ) No. D12PS19160
Under McKinsey GSA MOBIS Schedule GS-10F-0118S
Expires - January 26, 2016

Technical contact
Jon Wilkins, Director
(202) 662-3332
(202) 662-3316 – facsimile
jon_wilkins@mckinsey.com

Contractual contact
Chuck Self,
Contracts Manager
(202) 662-3183
(202) 662-3316 – facsimile
chuck_self@mckinsey.com

The information specifically identified on page 1 of this proposal/quote constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal/quote, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal/quote, the Government shall have the right to use the information to the extent provided in the contract.

This proposal is contingent on the Parties reaching mutually agreeable terms and conditions and upon acceptance of any limitations described herein.

None

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Volume 1a: Blanket Purchase Agreement

Appendix 2: Labor Category Descriptions and Qualifications

McKinsey & Company, Inc., Washington, DC
1200 19th Street NW, Suite 1100
Washington, DC 20036

Submitted: April 13, 2012, expires July 13, 2012
In response to Request for Quotations (RFQ) No. D12PS19160
Under McKinsey GSA MOBIS Schedule GS-10F-0118S
Expires - January 26, 2016

Technical contact
Jon Wilkins, Director
(202) 662-3332
(202) 662-3316 – facsimile
jon_wilkins@mckinsey.com

Contractual contact
Chuck Self,
Contracts Manager
(202) 662-3183
(202) 662-3316 – facsimile
chuck_self@mckinsey.com

The information specifically identified on pages 1 through 8 of this proposal/quote constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal/quote, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal/quote, the Government shall have the right to use the information to the extent provided in the contract.

This proposal is contingent on the Parties reaching mutually agreeable terms and conditions and upon acceptance of any limitations described herein.

McKinsey's GSA FSS contract is not presented by labor category(s) but by a team-based staffing model. In this Appendix 2 we present for the Department of Interior ("Interior") detailed information on McKinsey's GSA MOBIS teams. As outlined in McKinsey's MOBIS Team Construction (see Exhibit 2) the dedicated consultant teams are supported by a Leadership Team plus an "all-in" program management support team, including research and information (R&I) support, document creation support, and general administrative support, available at whatever volume is needed for the demands of the project. What McKinsey brings to clients is the whole package required to deliver a top-quality output, which goes beyond the individuals directly involved in the consultant teams.

McKINSEY IS DIFFERENT

McKinsey is different from other consulting firms as we have the broadest capabilities and cross-sector reach of all top management consulting firms. For example we have served more than 3,200 distinctive clients in the past five years including 90 of the top 100 corporations worldwide, 80 of the 100 largest U.S.-based companies and have served 25 governments in Organization for Economic Cooperation and Development (OECD) countries and 45 governments in developing countries.

We bring unrivaled knowledge, problem-solving skills, and our proprietary change management approach to ensure client impact. Backing up the Project Team we have more than 1,500 dedicated knowledge professionals supporting consultants, access to internal knowledge databases, including more than 25,000 proprietary documents, hundreds of proprietary benchmarks and tools and the McKinsey Global Institute (MGI) internal research arm on topics relating to business and economics. We have worked with Interior leaders across Bureaus, support areas, and in the Office of the Secretary since 2010 on many difficult issues and have proven our ability to get things done. We bring a deep understanding of the forces that will impact Interior's everyday work and have the commitment and capability to make change stick.

OUR APPROACH AND EXPERTISE

- **We work side-by-side with you.** We work hand-in-hand with our clients, and our "at-the-client" model puts our team around the corner from yours working day-to-day, in your offices. At the outset, we invest considerable time working with our clients on the operational and design details to ensure that projects achieve the client's objectives. Throughout each project, we maintain a high level of collaboration to ensure that we remain focused on our client's actual situation and constraints. As a result, we do not experience the problem of developing a "solution," only to find that it does not match our client's circumstances. For example, we would work closely with staff across all Bureaus and offices throughout the project. To truly share ownership of your situation and the solution, we use the firm-fixed price model. And applying our capability-building approach from Day 1, such as using our tested Capabilities for Performance tools, helps clients get the most value from our work.
- **We offer the strongest mix of partner-level leadership to our clients.** A hallmark of our consulting approach is the intense involvement of our leadership team on our engagement teams.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Our partner to consultant ratio is one of the lowest in the industry at 1:6, several times lower than is common in our industry. As a result, our Leadership Team is actively engaged from Day 1 and is involved in shaping and overseeing every step of the work. From twice-weekly team problem-solving sessions to impromptu check-ins, to bi-weekly meetings with clients, our Leadership Team is intimately engaged and direct the work.

- **We bring you a senior leadership team with proven track records at Interior.** Our Leadership Team’s direct professional experience includes performance in support of Interior on high-visibility and high-risk transformation efforts in both mission and support areas. In service of your objectives, we have aligned a senior leadership team of McKinsey partners with proven track records with Interior, in similar efforts, and in the most important functional areas. These leaders will deliver highly detailed, proven tools adapted to the U.S. federal context. And we will deliver unflinching commitment to the hands-on application of proven approaches that will deliver results.
- **We also deliver the “whole Firm” – not just the professionals you see every day.** In addition to the core leadership team with the greatest hands-on experience at Interior, we also deliver the expertise that Interior requires on any issue no matter who or where that expertise resides across McKinsey’s global footprint, functional practices, or industry sectors. The team that will serve Interior is not just the key personnel but it is all of McKinsey. Given the breadth and depth of potential issues raised by the Service First effort, we are excited by the potential to show Interior new areas of capability that McKinsey can deliver from this worldwide talent and experience base.
 - ✓ **Experts in all of the key functions relevant to Service First** – including shared services; infrastructure, facilities management, and co-location; and operations and business process re-engineering in the public sector (Exhibit 1).
 - ✓ **“24-hour rule”** for experts and Firm leadership when responding to requests for expertise on client engagements – all global McKinsey resources will be at Interior’s fingertips.
 - ✓ **Cutting-edge capabilities** in advanced business processes, such as customer service optimization, regulatory risk management, and “green” operations and mission-related sectors, such as renewable energy, forestry management and sustainable land and water management.

Exhibit 1: Categories and samples of types of expertise

Below are examples of the types of experts that we would involve in a study with Interior.

Organizational-transformation experts	Interior mission-specific experts	Support experts
<ul style="list-style-type: none"> ✓ Organizational health ✓ Organization design and governance ✓ Strategy development ✓ Organization design ✓ Performance management design and implementation ✓ Change management ✓ Training, knowledge transfer, and training ✓ Implementation and planning and execution ✓ Workforce planning ✓ Stakeholder outreach and communications planning and execution ✓ Regulatory risk management 	<ul style="list-style-type: none"> ✓ Operations & business process reengineering ✓ Customer service and experience ✓ Customer insights ✓ Travel & tourism ✓ Oil & gas ✓ Renewable energy ✓ Sustainable land & water management ✓ Forestry management ✓ Sustainable operations ✓ Climate change & science 	<ul style="list-style-type: none"> ✓ Consolidation and shared services design ✓ Acquisition management ✓ Infrastructure, facilities management, and co-location ✓ IT systems delivery ✓ IT infrastructure ✓ IT user experience ✓ Cyber security ✓ Accounts payable management ✓ Accounts receivable management ✓ Relocation management

- **We bring you a team of Organizational Transformation Experts with a proven track record of impact in transformations of large, complex organizations.** Our leadership and organizational expert team’s direct professional experience includes high-visibility and high-risk change management in similar large-scale institutional improvement efforts. More broadly, we will deliver the collective learning from McKinsey’s record of successful large, complex organization change assignments at clients across sectors and around the world, including:
 - ✓ Over 1,000 performance improvement efforts across large, complex, organizations – many in the public sector and for organizations composed of distinct units
 - ✓ Major efforts at the IRS, HUD, DoD, and HHS, and government-wide transformations in France, Malaysia, and other countries
 - ✓ Successful projects at Interior with the OCIO, the NBC, FBMS, and MMS.
- **We bring you the world’s leading professional talent.** Our working teams comprise distinctive professionals with PhDs, MBAs, and other advanced degrees coming from leading schools worldwide and with extensive work experience. Ninety-two percent of our consultants hold advanced degrees, with over 20 percent holding PhD or JD degrees. Our thorough recruiting process identifies the best problem-solvers and client-ready professionals. McKinsey is consistently ranked as one of the most desired employers. McKinsey ranked No. 2 among U.S.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

MBA students in Universum's annual ranking of ideal employers. McKinsey also tops Vault's lists of the most prestigious consulting firms in the U.S.

WE TAKE THE FASTEST PATH TO THE BEST SOLUTIONS

- **We have fast access to the best tools and analysis.** We will deliver an array of tested, in-depth proprietary tools, industry analysis and problem-solving frameworks in all relevant areas that will enable us to shift the Interior more quickly from diagnosing to “solving” to “action.” Examples include:
 - ✓ A public sector budget analysis tool – pioneered by the McKinsey Center for Government – that enables us to rapidly identify and size opportunities
 - ✓ A Business Support Function (BSF) Optimization tool that assesses improvement opportunities within accounts payable, accounts receivable, and relocation services
 - ✓ An NM Incite Social Media scan which uses proprietary technology from more than 160 million social media sites to identify unbiased comments
 - ✓ A Customer Experience Improvement Idea Database to identify additional transformation ideas
 - ✓ In aggregate, we invest \$500 million in knowledge development annually, nearly 5 times as much as Harvard Business School, and significantly more than any other consultancy. Your team can access our robust knowledge database of around 25,000 proprietary documents instantly, including 851 tools and databases (KNOW).
- **More happens in a McKinsey hour.** In addition to the front-line leadership and expertise working with Interior, we have a 24/7 support infrastructure to back us up and ensure we maximize our efficiency and impact. This support includes our global help desk, graphics support, a fully-fledged global research team, and analytics. In addition, we have in-house design and communication experts and a whole host of other resources at our fingertips.
- **We get it right.** Half of McKinsey's contractor evaluation reports were literally perfect: McKinsey received an Exceptional rating (highest possible) in every single category. McKinsey has never gotten any rating worse than Very Good (second highest). In 100% of reports, every rating, across the six dimensions, was either Very Good or Exceptional. One hundred percent of Contract Officers remarked, “Given what I know today about the Contractor's ability to execute what they promised in their proposal, I definitely would award to them today given that I had a choice.” Contract Officers and other assessing officials typically describe our work as being “incredible,” “exceptional,” “always professional,” and “exquisitely sensitive.”

OUR TEAM STRUCTURE

McKinsey is the prime contractor on this RFQ with Bronner as a potential partner for Calls that would benefit from their unique expertise and experience with Interior. McKinsey chose to partner with Bronner for this RFQ given: 1) their 25 years of experience advising the U.S. government, including Interior experience with Bureaus like BIA; and 2) their extensive financial consulting expertise.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

The McKinsey Team

- **Core Leadership Team.** A team of McKinsey partners with extensive relevant experience would review work, ensure high quality outputs, and bring relevant expertise to the project. The Leadership Team will be deeply involved in the content of the work, including participating actively in problem-solving and in all key meetings. Our Leadership Team includes: Jon Wilkins and Andrew Sellgren, who have led all of our work at Interior. Andrew Sellgren is our overall BPA project manager. Core leadership spend as much time as is required to ensure a successful project under our firm-fixed price approach. Leadership typically spend 25 to 50 percent of their time on any given project.
- **Expert panel.** McKinsey experts would provide specific expertise in relevant topics. In our firm-fixed price model, experts are available as much as is required to achieve a successful effort. They typically are involved between 1 to 4 hours per week depending on the need. See Exhibit 1 above for a sample list of expert categories available for the BPA.
- **Project Team.** Our Project Team is carefully designed to meet the unique requirements of each task and each team member would bring expertise and past experience germane to the specific needs of the project. Up to four consultants would be dedicated full time to this project. Working team members typically work more than 60 hours per week. One member of this team would serve as the Project Team Lead and would provide quality control, synthesize and develop end products, and constantly maintain an integrated view across the workstreams to account for interdependencies and connections.
- **Support.** As explained in detail above, the team has on-call support for graphics, administrative, and travel needs.

Team-based staffing model

Our staffing model brings the full depth of experience of our key personnel, including our team leader, Leadership Team, senior manager, and expert advisors/panel. All of our key personnel will be available to provide the necessary leadership, guidance, and expertise to Interior. Our team bundles also include “all-in” program management support, including research and information (R&I) support, document creation support, and general administrative support, available at whatever volume is needed for the demands of the project. In all, these services typically account for three to four additional FTEs/week of support, depending on the needs of the project. Our teams have direct access to the worldwide pool of McKinsey experts who provide on-demand guidance and input for the team. It is the combination of the full expertise of the team and access to McKinsey’s worldwide network of professionals that ensures we deliver the maximum value to the client.

In pricing our engagements, the estimate is based on utilization of full-time team(s), composed of an Engagement Manager and Associate(s) (Exhibits 2 and 3). The Engagement Manager leads the full-time team and serves as on-site point of contact for the client. Our full-time team usually works more than 60 hours per week, but as a fixed-price contractor, our team will spend as much time as required to ensure high impact and quality results for your effort, regardless of the estimate.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Exhibit 2: McKinsey's MOBIS team construction

MOBIS Team	Full-time (often more than 60 hours/week) dedicated Project Team	Part-time Leadership Team and additional resources (included in the team price)
Team A	Engagement Manager (Working Team Lead) and 1 Associate	Director of Client Services (~5-15 hours/week) Engagement Director (~15-30 hours/week) Associate Principal (~20-35 hours/week) Senior McKinsey Experts (~15-25 hours/week) Research support staff (~30-50 hours/week) Document prep and IT support (~5-10 hours/week) General administrative support (~20-35 hours/week)
Team B	Engagement Manager (Working Team Lead) and 2 Associates	
Team C	Engagement Manager (Working Team Lead) and 3 Associates	
Team E	1 Associate	

Exhibit 2 above shows our team options as well as ongoing involvement from leadership, experts, and other support groups. As illustrated in Exhibit 3, the full team we bring to any engagement is much larger than the full-time Project Team. When you hire McKinsey we bring the best of the entire firm to solve your problems.

Exhibit 3: McKinsey MOBIS Teams (for illustrative purposes)

Team A	Weekly hours
Leadership Core leadership team Senior McKinsey Experts (as needed) 	40-100
Team Engagement manager (Working Team Lead) 1 Associate 	110-130
Support Research support staff Document prep and IT support General administrative support 	20-30

Team B	Weekly hours
Leadership Core leadership team Senior McKinsey Experts (as needed) 	40-100
Team Engagement manager (Working Team Lead) 2 Associates 	165-195
Support Research support staff Document prep and IT support General administrative support 	20-30

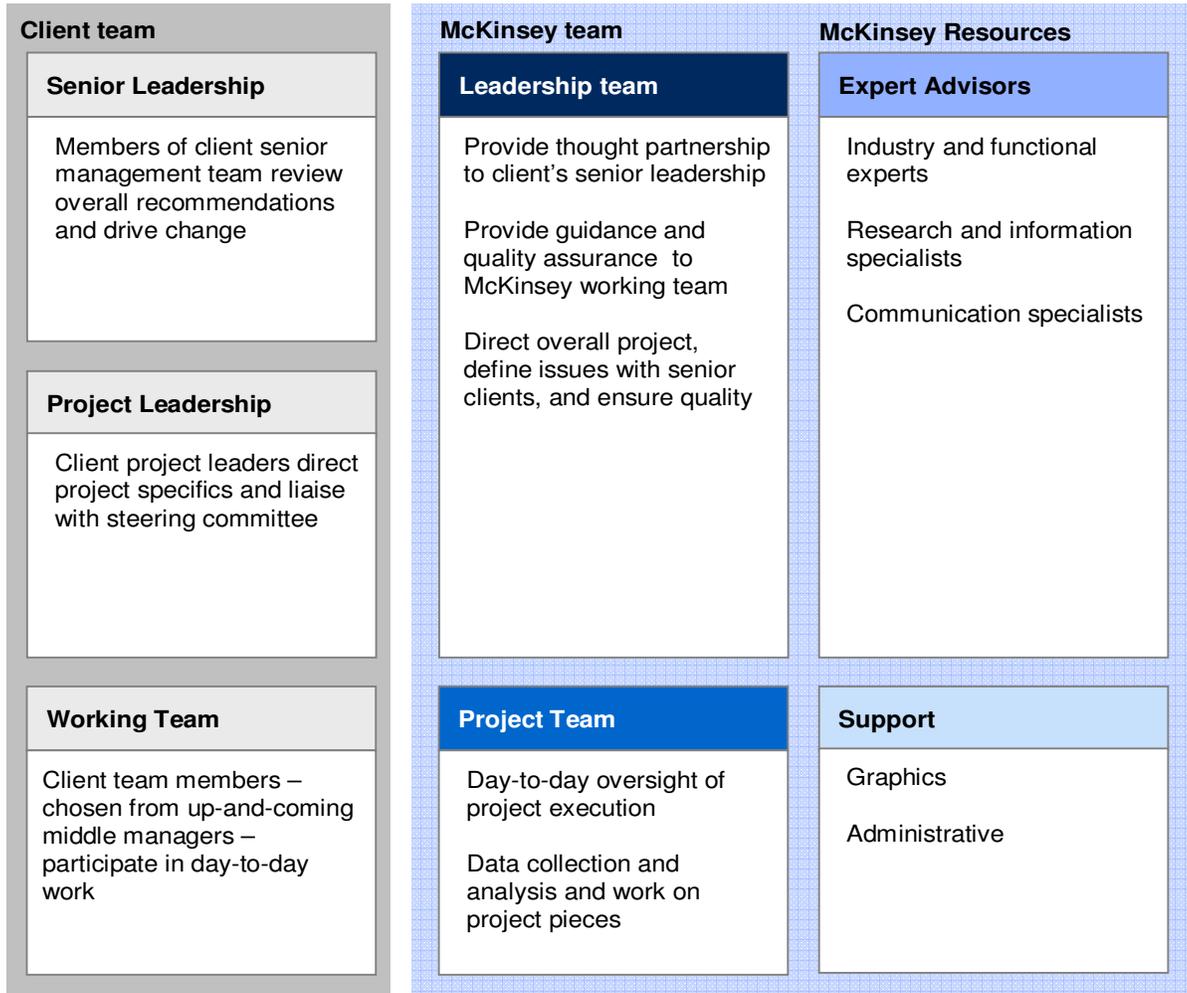
Team C	Weekly hours
Leadership Core leadership team Senior McKinsey Experts (as needed) 	40-100
Team Engagement manager (Working Team Lead) 3 Associates 	220-260
Support Research support staff Document prep and IT support General administrative support 	20-30

Team E	Weekly hours
Leadership Core leadership team Senior McKinsey Experts (as needed) 	40-100
Team 1 Associate 	55-65
Support Research support staff Document prep and IT support General administrative support 	20-30

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

The McKinsey Team bundle works closely with our client team at every step of the study as illustrated in the exhibit below.

Exhibit 4: Collaborative Team Structure



This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

The Bronner Team

Labor categories for the Bronner group are shown in Exhibit 5 below.

Exhibit 5: Labor categories, Bronner Group, LLC

Labor category	Description
Project Director	Develop and maintain client relationships; provide project leadership; participates as part of management team. Master's or equivalent experience.
Senior Strategist	Develops and oversees product and/or project vision, with specific focus to delivering strategic insight. Master's or equivalent experience.
Senior Consultant	Provides overall direction to project performance including overall direction at project level activity. Bachelor's degree/5+ years' experience.
Project Manager	Plans, organizes, directs all project-level activities. Ensures goals and objectives of program are accomplished within contract terms and conditions Bachelor's degree/10+ years' experience.
Database Architect	Administers, maintains, develops, and implements methodology related to database inclusive of database models, design, access, and coding. Resolution on performance, replication, and distribution of data issues. Bachelors degree/4+ years' exp.
Management Consultant	Develop, implement, and support client projects, processes, systems, and related implementation through performance, coordination, and management of technical assignments. Bachelor's degree/7+ years' experience.
Analyst	Administers project plan to ensure milestones are met and all internal reporting requirements are current. Reports to Project Manager. Bachelor's degree.
System Architect	Develop, implement, and maintain integrity of network, systems, and support related to strategic architecture development and implementation. Bachelor's degree/4+ years' experience.
Training Consultant	Manages local implementation of training initiatives/solutions, concepts, and design. Conducts operational aspects of learning event. Bachelors degree/5+ years' exp.
Trainer	Conducts training programs; determines training objectives; writes curricula; performance evaluation process. Bachelor's degree/2-4 years' experience.
Training Assistant	Participates in training opportunities under the supervision of trainer or training manager. Bachelor's degree.
Senior Facilitator	Facilitate local implementation of solution--design and operational aspects. Bachelor's degree/5+ years' experience.
Facilitator	Assist with the mechanics of solution implementation – hands on activity. Bachelor's degree/2-4 years' experience.
Facilitator Associate	Administration of solution implementation. Bachelor's degree/2 years' experience.
Senior Researcher	Conducts research activities making detailed observations, analysis of data, and interpretation of results. Requires Bachelor's degree and 5 years' experience.
Researcher	Conducts research tasks assigned by senior staff. Searches literature, conducts surveys and experimental tasks, and summarizes data. Bachelors degree/2 yrs' exp.
Administrative support	Provides support services for members of the project team through production, scheduling, composition, or other clerical administrative roles. Bachelors' desired.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Volume 1a: Blanket Purchase Agreement

Appendix 3: Past Performance

McKinsey & Company, Inc., Washington, DC
1200 19th Street NW, Suite 1100
Washington, DC 20036

Submitted: April 13, 2012, expires July 13, 2012
In response to Request for Quotations (RFQ) No. D12PS19160
Under McKinsey GSA MOBIS Schedule GS-10F-0118S
Expires - January 26, 2016

Technical contact
Jon Wilkins, Director
(202) 662-3332
(202) 662-3316 – facsimile
jon_wilkins@mckinsey.com

Contractual contact
Chuck Self,
Contracts Manager
(202) 662-3183
(202) 662-3316 – facsimile
chuck_self@mckinsey.com

The information specifically identified on pages 1 through 70 of this proposal/quote constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal/quote, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal/quote, the Government shall have the right to use the information to the extent provided in the contract.

This proposal is contingent on the Parties reaching mutually agreeable terms and conditions and upon acceptance of any limitations described herein.

Contents

INTRODUCTION	1
OUR PUBLIC SECTOR PAST PERFORMANCE RECORD	1
OVERVIEW OF SELECTED PAST PERFORMANCE EXAMPLES	2
PRIMARY EXAMPLES	5
■ CAPABILITY SUMMARY TABLE	
1. U.S. Department of Interior (DOI)	5
Reorganization and Transformation of the Minerals Management Service (MMS)	
□ Organization redesign	
□ Shared services design	
□ Implementation planning and change management	
□ Strategic assessment and change management	
□ Business process re-engineering / performance management and governance	
□ Performance management and renewable energy	
2. Internal Revenue Service (IRS)	14
Integrated Strategic Planning and Organizational Change	
□ Strategy development and change management	
□ Workforce planning	
□ Performance management for real estate/facilities and HR	
□ IT systems delivery and acquisition management	
□ Financial process optimization and performance management	
□ Optimizing accounts receivable	
3. Department of Housing and Urban Development (HUD)	22
Collaborative Organizational Improvements Across Program Areas and Functions	
□ Risk assessment	
□ Knowledge transfer and training	
□ Organization design / governance and program management	
□ Implementation assistance and knowledge transfer and training	
□ Implementation planning and program management	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

ADDITIONAL EXAMPLES	30
4. DOI National Business Center (NBC) Shared Services Strategic Assessment	30
5. OFIT and FMS Accelerating Adoption of a Centralized Receivables Service (CRS)	33
6. Medco Aggressive Shared Services Transformation	36
7. Center for Medicare and Medicaid Services (CMS) Creating Shared Services for Siloed Business Units	39
8. U.S. Food and Drug Administration (FDA) Designing a Crisis Management System	42
9. Tennessee Valley Authority (TVA) Strategic Acquisition to Drive Cost Efficiency	45
10. U.S. Department of Treasury, Financial Management Service (FMS)/ Federal Reserve TRSO Improving Efficiency in Accounts Payable	47
11. DOI Financial Business and Management System (FBMS) Capturing Value from Integrated Financial Management System	50
12. MillerCoors Merger Integration	53
13. Deutsche Post (DHL) Global Shared Services Transformation	55
14. Commonwealth of Kentucky Implementation of Shared Services for State Government	57
15. French State RGPP Capturing Identified Cost-Saving and Efficiency Opportunities	59
16. Global Financial Institution Next Generation Cyber Security Strategy	61
17. USAID and US State Department Improving IT User Experience	62
18. U.S. Department of the Interior Transforming IT Infrastructure	63
19. Fortune 50 Financial Institution Global Resource Optimization and Location Strategy	65
20. Forest and Timber Industry in Southeast Asia Low Carbon Growth Strategy	66
21. Taiwan's East Coast Comprehensive Tourism Strategy	67
BRONNER GROUP EXAMPLES	
1. U.S. Department of the Interior – Bureau of Indian Affairs Operations and Business Process Reengineering	68
2. U.S. Small Business Administration (SBA) Stakeholder outreach and communications planning and execution	69

INTRODUCTION

In the last 4 years alone, McKinsey has performed over 2,600 projects for government clients around the world, many of which focused on transformational strategy and capturing organizational efficiencies through comprehensive change management programs.

In the United States, we have planned and implemented priority initiatives for some of the largest and most complex government departments and agencies, including more than half of the U.S. Cabinet departments. This includes BPA awards at the Internal Revenue Service (IRS), U.S. Department of Housing and Urban Development (HUD), and the U.S. Federal Food and Drug Administration (FDA).

In addition, we have successfully completed several collaborative projects at the Department of Interior, including reorganizing the Minerals Management Service and improving shared services at the National Business Center.

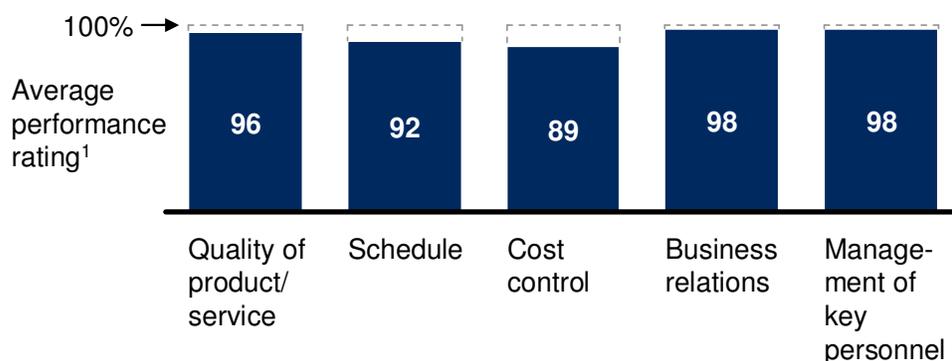
As a result of this experience, we understand the unique challenges facing governmental organizations, the constraints within which they must work, and how they can fundamentally improve their performance across multiple levels and regions.

OUR PUBLIC SECTOR PAST PERFORMANCE RECORD

McKinsey has received overwhelmingly positive reviews from our previous government clients (see exhibit A). Of all the Contractor Performance Assessment Reports (CPARs) McKinsey received as of January 2012, 100 percent of Contract Officers wrote that they would definitely work with McKinsey again.

Across the 6 dimensions rated from exceptional to unsatisfactory, 50 percent of engagements were ranked “perfect” across every dimension, and McKinsey has never gotten any score less than “very good” on any rating for any piece of work. In their free-form responses, Contract Officers and other assessing officials typically describe our work as being “incredible,” “exceptional,” “always professional,” and “exquisitely sensitive.”

Exhibit A: Average McKinsey performance rating on past government contracts



¹ Ten total engagements included in evaluation; 7-10 ratings per average score; not all projects evaluated across all dimensions

Note: 100% = exceptional; 80% = very good; 60% = satisfactory; 40% = marginal; 20% = unsatisfactory
SOURCE: CPAR Reports provided by the US Government

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OVERVIEW OF SELECTED PAST PERFORMANCE EXAMPLES

We recognize that the Department of Interior manages with unique functions that only it has the scope and capability to deliver – from managing oil and gas leases to providing services to tribal communities. However, we believe that there are similarities between the challenges that DOI faces and the challenges that other federal organizations have faced in complex transformations.

The methodologies, lessons and success factors of these transformation efforts provide relevant insights that we could quickly translate into action against Interior’s objectives. We have included two sets of past performance examples across multiple functional areas, as outlined in summary table below.

A. Three primary examples that demonstrate our integrated experience across the BPA’s objectives. Our experiences at DOI (MMS reorganization), IRS, and HUD are highly analogous and relevant to the objectives of the overall Blanket Purchase Agreement. Each of these examples demonstrates our ability to assist public sector organizations in complex environments tackle their most pressing organization challenges.

B. Additional examples that are relevant to particular topics and demonstrate our broader capabilities.¹ These cases further highlight our work within DOI (e.g., at NBC and OCIO), across the U.S. public sector (e.g., at CMS), across the international public sector (e.g., low carbon strategy for the Forestry and Timber Industry of Southeast Asia), and with the private sector (e.g., building shared services at Medco). These additional examples further demonstrate our ability to bring insights across the qualifications you outline in this Service First BPA,. We would bring the full wealth of these experiences to help DOI become a 21st century department.

Table 1 below outlines the how these primary and additional case examples address the specific qualifications listed in the RFQ (except for the experience of our Program Manager and our capabilities in high-level report writing and oral presentations, which we address in depth in the Key Personnel sections). It also includes additional expertise with corresponding cases that we believe will be relevant to Interior.

Rest of page intentionally left blank

¹ For all of these examples, additional contract and contact information is available upon request.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

TABLE 1: SUMMARY OF CASE EXAMPLES

	CRITERIA	PRIMARY CASES	ADDITIONAL CASES
OVERALL	DOI expertise	DOI – MMS	NBC FBMS DOI – IT Bronner – DOI/BIA
	Large, complex organizational change	DOI – MMS IRS HUD	French State RGPP Medco FDA
ORGANIZATIONAL STRUCTURE AND SYSTEMS	Strategy development	DOI – MMS IRS	FMS FBMS French State RGPP Global Financial Institution
	Organization design and governance	DOI – MMS HUD	NBC Medco FDA CMS Deutsche Post DOI – IT
	Performance management design and implementation	DOI – MMS IRS HUD	FDA MillerCoors French State RGPP DOI – IT
	Implementation planning and execution	HUD MMS	Deutsche Post Commonwealth of Kentucky
	Regulatory risk management	HUD DOI-MMS	FDA
	MINDSET AND CAPABILITIES	Organizational health	DOI – MMS
Change management		DOI – MMS IRS HUD	CMS Bronner – SBA
Training, knowledge transfer, capability building		HUD, MMS	TVA
Workforce planning		IRS, MMS	Fortune 50 financial institution
Stakeholder outreach and communications planning and execution		IRS, MMS	French State RGPP DOI – IT
SUPPORT FUNCTIONS	Consolidation and shared services design	DOI – MMS	NBC Medco CMS MillerCoors Deutsche Post Commonwealth of Kentucky

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

PRIMARY CASE EXAMPLES

	Acquisition management	IRS	TVA
	Infrastructure, facilities management, and co-location	IRS	Fortune 50 financial institution
	IT systems delivery	IRS	
	IT infrastructure	IRS	DOI – IT
	IT user experience	IRS	USAID/State Department
	Cyber security		Global Financial Institution
	Accounts payable management		FMS
	Accounts receivable management	IRS	OFIT– CRS
MISSION-DELIVERY SYSTEMS	Operations and business process reengineering	DOI – MMS HUD	French State RGPP
	Customer service and experience	IRS	Deutsche Post
	Customer insights	HUD	Taiwan’s East Coast
	Travel and tourism		Taiwan’s East Coast
	Oil and gas	DOI – MMS	
	Renewable energy	DOI – MMS	
	Sustainable land and water management		Forest and Timber Industry in Southeast Asia
	Forestry management		Forest and Timber Industry in Southeast Asia
	Climate change science		Forest and Timber Industry in Southeast Asia

Rest of page intentionally left blank

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

A. PRIMARY CASE EXAMPLES

Case 1: U.S. Department of Interior (DOI): Reorganization and transformation of the Minerals Management Service (MMS)

Client and project information	
Client identification	U.S. Department of the Interior – Bureau of Ocean Energy Management, Regulation and Enforcement
Project title	BOEMRE/MMS Reorganization and Transformation
Contract number	GS-10F-0118S/M10PD00472
Period of performance	August 16, 2010 – Ongoing
Contract value	\$7,922,678.05
Contracting and technical reviewing official Name Address Telephone number E-mail address	Contracting POC Caroline Laikin BOEMRE 381 Elden Street Herndon, VA 20170-4817 (703) 787-1828 caroline.laikin@bsee.gov Technical POC Tommy Beaudreau Director, BOEM 1849 C Street NW Washington, DC (202) 208-3500 tommy.beaudreau@boemre.gov
Project description	
<p>SUMMARY</p> <p>The Department of Interior’s Minerals Management Service (MMS), which regulates production of offshore oil and gas, was under intense scrutiny to explain its role in the Deepwater Horizon oil spill in summer 2010. This crisis followed on the heels of intense scrutiny over problems in the Denver-based revenue arm of the agency, leaving employee morale very low at a time when a significant reorganization and performance improvement was required. McKinsey supported the DOI’s effort to transform MMS into three independent and more focused agencies through a comprehensive reorganization and change management program. Within these new structures, McKinsey led identification and implementation of improvement opportunities for both mission and support services, including environmental decision making, permit and plans processing, HR hiring, IT governance, revenue collection, and renewable energy resource leasing. In the redesign of MMS, we carefully identified and protected the critical linkages that needed to remain between the newly created bureaus and identified opportunities for shared services as well as which support services needed to be split into all bureaus.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

RELEVANCE TO DOI

Our work to reorganize MMS into BOEM, BSEE, and ONRR highlights several of McKinsey’s distinct capabilities. Our teams are able to build alignment quickly across top leadership and a variety of stakeholders in a politicized environment, with specific knowledge of the complexity within the DOI context. We have extensive experience building organizational support for transformational change across bureaus at DOI, while clarifying decision rights and accountability. Our work showcases McKinsey’s ability to evaluate detailed mission and support services and performance metrics, and to capture the unique needs of DOI when prioritizing opportunities for improvement. We have demonstrated our capability to design and implement a lasting change management program across a variety of missions and functionalities in strong collaboration with DOI stakeholders. Finally, we complete projects on-time and on-budget, which is critical to success for government agencies.

PERSONNEL

- Personnel in our proposal who were engaged in this case include Jon Wilkins, Andrew Sellgren, Matt Welsh, Steve Kelly, Tommy Inglesby, Kay Frances Dolan, and Ellen Badger.

OUR WORK

ORGANIZATION REDESIGN	SEPARATING MMS INTO THREE BUREAUS WITH DISTINCT MISSIONS
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ MMS was one bureau with three distinct missions: develop offshore resources, enforce safety and environmental compliance, and collect revenues. To create three independent regulators – the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE) and the Office of Natural Resources Revenue (ONRR) – the agency had to separate current operations while maintaining functional linkages, creating clear mission alignment, growing significantly, and making significant improvements to address functional deficiencies. The leasing and safety missions in particular were tightly interwoven, with 5 integrated functions across 5 regional offices and 13 district offices, and there were multiple perspectives on safety and environmental health that needed to be integrated into the design. Additionally, limited budget resources needed to be thoughtfully analyzed and distributed across missions. Finally, the design changes were to be executed under a high level of scrutiny from Congressional and senior Department leadership. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Analyzed over 100 core organizational processes across five regulatory functions. We mapped all critical interdependencies across program functions and the strength of each interdependency as an input into reorganization implementation decisions. ▪ Performed extensive interviews with over 500 stakeholders in a two week time frame to identify key linkages across programs and inventory ideas for improvement. To ensure balanced input across regions and functions, 300 one-on-one interviews and focus groups including 200 people were conducted across 5 dispersed regional operations and 13 offices. ▪ Benchmarked organizational design and regulatory processes of 10 international and U.S. regulatory agencies in order to utilize “best practices” to quickly identify opportunities.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<ul style="list-style-type: none"> ▪ Developed set of critical criteria to develop bureau design function by function. ▪ Conducted an Organizational Health Survey for entire MMS staff and reached 70% response rate to identify challenges with current organization practices and mindsets. ▪ Fostered support for change and enthusiasm for new strategic direction at ONRR, via a hands-on process of empowering employee-based teams to develop new strategic priorities and operational requirements as recommendations to ONRR and PMB management. ▪ Built a risk model for inspection of current and future workforce resource levels based on the new organization of bureaus. ▪ Facilitated a series of workshops with top 10 executives of MMS to discuss organizational design options and improvement initiatives and align on the best configuration for the three new bureaus. ▪ Build capabilities and transferred skills to management and staff, such as building change management and PMO operations skills in BOEMRE staff during the transition to BOEM and BSEE in 2011. <p>IMPACT</p> <ul style="list-style-type: none"> ▪ The former MMS is now split into three bureaus with distinct missions. Successfully designed new organization models with clearer mission alignment, and built consensus with senior leadership and external stakeholders. ▪ Successfully communicated with stakeholders. Our team supported the Secretary of the Interior in a successful televised news conference to announce the new designs, which were well received. ▪ The transformation of ONRR, in particular, was described by the Inspector General as the “biggest turnaround in a federal agency I have ever seen.”
SHARED SERVICES DESIGN	<p style="background-color: #000080; color: white; padding: 2px;">REORGANIZING SUPPORT SERVICE DELIVERY WITH SELECTIVE CENTRALIZATION</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ The separation of MMS into BOEM, BSEE, and ONRR was complicated by a common support services infrastructure for budget, finance, facilities, property, IT, HR, procurement and general administration that needed to be managed across all three new entities. Furthermore, some of these services were already centralized while others were distributed within MMS. In order to best serve the missions of each new bureau, the selection of support services for centralization or management within the bureaus needed to be evaluated on a function by function basis. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Mapped all support staff by function, location, and population served. We conducted over 50 interviews with bureau leaders, administrative staff, Office of Administration and Budget personnel in multiple locations, and with internal customers to understand unique context for support services within each organization, and how best to manage support service operations. Interviews highlighted the benefits of centralization versus decentralization on a function by function basis to determine the best method for providing

	<p>support services.</p> <ul style="list-style-type: none"> ▪ Designed criteria and conducted analysis on centralization. McKinsey’s Business Support Function experts helped identify dozens of best practices in the centralization of support services to develop key criteria for when to centralize or distribute services (e.g., budget connects strongly to mission activities so best to decentralize into bureaus) ▪ Conducted process and workload analysis to define workforce allocations across bureaus. For each function across the three bureaus, the level of required FTE activity was determined which helped identify potential gains from centralization. ▪ Extensive consultation with various DOI stakeholders, including the MMS Office of Administration and Budget, MMS leadership at multiple levels, and the Office of Policy Management and Budget, to define the best options for selective centralization of support services and align on the final organizational design. <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Support services are consistent and efficient across regions. Established support organizations that maintained efficiency in light of department priorities, increased consistency across regions, and maintained tight service linkages. ▪ Service levels were maintained with minimal increase in FTEs by keeping shared services highly centralized.
<p>IMPLEMENTATION PLANNING AND CHANGE MANAGEMENT</p>	<p style="text-align: center;">IMPROVING EMPLOYEE MORALE AND BUILDING SUPPORT FOR REORGANIZATION</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ Across all operations, the managers and staff were largely demoralized from external criticism. Additionally, employees had limited understanding of strategy behind reorganization at the outset of the project and were resistant to change. New leadership was in place, leading to further employee skepticism. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Used results of Organizational Health Index survey to diagnose <i>how</i> MMS operated as an organization. Compared results on 37 practices to peer organizations in the public and private sectors to identify areas of strength and weakness, and provide a fact-base on which to design organizational health initiatives. Captured direct employee feedback to provide further insight into survey results. ▪ Utilized interviews and focus groups with 500 people to identify cultural mindsets that could be barriers to change and behaviors that needed to shift to achieve successful implementation of reorganization and performance improvement efforts. ▪ Held town hall meetings in a majority of regional offices and visited most district offices to discuss new strategy, field concerns from all levels of personnel across multiple regions, and identify implementation risks and barriers. A joint team of MMS leaders and McKinsey team members made these visits. ▪ Developed a communications strategy including a consistent, personal “change story” delivered by leaders during in-person events and office walk-throughs, bi-weekly newsletters, and a “drop box” for email comments. The effort provided opportunities for

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>two-way communications to all parts of the organization prior to implementation.</p> <ul style="list-style-type: none"> ▪ Used stakeholder feedback to inform end-state design and implementation strategy. For example, we captured key areas of stakeholder concern and used it to define the core structural and culture improvements that needed to be accomplished through the reorganization. In addition, we used the organizational health survey to identify differences in perceptions across operating units and functions. This enabled us to focus in on the parts of the organization that would need the most engagement to create buy-in for the change program. We then deployed strategies developed using our “influence model” to drive change throughout the organization (e.g., using clear direction and frequent and transparent communication from leadership to build understanding of the rationale for change.) <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Completed a highly successful reorganization without glitches on October 1, 2011, and implementation of initiatives had minimal barriers due to collaborative design process and in-depth risk analysis. ▪ Built strong organizational support for change, with no net attrition. We were able to shift the employee mindset from strong opposition at the start to standing ovations in town halls at the end of the project. ▪ Employees felt empowered and energized by the reorganization. Employees went from feeling like scapegoats for leadership to understanding the benefits of a way of operating. One employee said, “I didn’t understand this restructuring at first, but I now realize how stretched I was and now I can really focus.”
<p>STRATEGIC ASSESSMENT AND CHANGE MANAGEMENT</p>	<p style="background-color: #003366; color: white; padding: 2px;">EMPLOYEE-DRIVEN STRATEGIC ASSESSMENT AT ONRR</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ The years leading up to the launch of the new Office of Natural Resources Revenue (ONRR) were full of scandal and external scrutiny. While the agency had worked to eliminate ethics violations, the negative reputation remained. In addition, years of implementing recommendations from overseers (e.g., GAO, IG) had left the senior team with over 60 externally-driven “priority” initiatives to manage. This left employees (the vast majority of whom had nothing to do with the scandals) feeling discouraged, demoralized and disempowered. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Used the results of our proprietary Organizational Health Index survey to identify specific practices for the management team to change in order to improve employee engagement, morale, and performance. ▪ Launched a strategic-review to set clear priorities to improve organizational health and program outcomes. ▪ Engaged a wide range of staff in a diagnostic and idea generation. This included 5 town hall meetings, extensive leadership interviews, and dozens of focus groups with over 200 employees.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

- **Brought senior leaders and junior staff together to collaborate**, including a number of working sessions with the Assistant Secretary of Policy, Management, and Budget, the Director and Deputy Director of ONRR, and staff of all levels.
- **Led three client teams in an intensive, 4-week period of solution design in priority areas.** The teams included a cross-functional mix of staff from throughout the organization, and combined McKinsey analysis and expertise with staff experience and collaborative problem solving to develop improvement initiatives.
- **Led the senior team in developing a six-part strategy, including a single prioritized list of new and existing initiatives to pursue.** The new list included 25 priorities (versus 60 before), reflecting focus and strategic choices among the senior team about what to do and what *not* to do.
- **Developed an implementation plan and project management organization, and built capabilities to manage new initiatives.** Worked extensively with ONRR leadership and “change agents” to set initiatives in motion, assigning owners to all initiatives, and creating the management routines to track progress.

IMPACT

- **Aligned leadership team around a core set of priorities**, shifting the organization from a reactive posture that led it to take on more initiatives than it could manage, to a proactive approach that is allowing it to focus on the things that will most affect outcomes for taxpayers, stakeholders, and employees.
- **Established an Implementation Support Team to ensure success of priority initiatives.** ONRR deployed a small team to monitor performance and provide support to implementation efforts, playing a critical problem-solving role to keep initiatives on track.
- **Produced significant increases in employee morale and measures of organizational health**, particularly on critical dimensions such as employee engagement, communication, and strategic clarity. For example, in a follow up survey one year after the reorganization of ONRR, an additional 44% of staff agreed that ONRR’s vision and strategic direction were communicated throughout the organization.

IMPROVED EFFICIENCY OF PERMITTING, PLANS, HR HIRING, AND IT SERVICES

THE CHALLENGE

- In line with the reorganization of mission-oriented and support services, a number of processes, namely the exploration and development plan review process, permitting process, HR hiring process, and IT requests process, needed to be revamped to improve their efficiency and effectiveness. In collaboration with MMS personnel and leadership, we identified a similar challenge across these four processes; each process was lengthy and required multiple reviews of the same item before reaching completion.

OUR APPROACH

- **Streamlined exploration and development plan review process.** Conducted holistic diagnostic of current plans process to highlight areas of improvement for use of operator time and overall cycle time. Identified top drivers of review process bottlenecks (e.g., incomplete information provided in plan causing multiple returns to operator). Developed and applied best practice principles to process, skill, and mindset, and system support changes, leading to recommendation of initiatives to directly address identified issues.
- **Created transparency in drilling permitting process.** Assessed the processes for reviewing and approving permit and plan applications from industrial operators, and designed improvements to make those reviews more efficient and effective, including a checklist of permit application requirements for operators and a clear online tracking system for permit status.
- **Modernized the HR hiring process to attract high caliber applicants.** Benchmarked the value proposition of working for MMS against industry averages to identify opportunities to improve recruiting. Used “best practice” examples from online job sites and other bureaus’ customer communications (e.g., ORD) to recommend strategy for improving the overall hiring process and candidate communication strategy.
- **Designed a new governance system for IT management.** Conducted numerous interviews with IT coordinators in each functional office, program leadership and representatives, and IT managers to identify issues in current IT governance model. Identified over 20 specific potential improvements to IT platforms, analyzed the cost/benefit of each, and prioritized the initiatives based on positive cost benefit.

IMPACT

- **Reduced common errors and multiple returns in plan review process.** The plan review process now has a guidance document for operators, helping them avoid common errors. In addition, reviewers are required to provide more detailed information on why a plan is being returned, making changes from operators more straightforward, and cutting multiple returns significantly.
- **Established a faster permit approval process with increased oversight through process re-engineering.** BSEE balanced pressure to speed approval process while ensuring new oversight requirements were met. Permit approvals increased from 1 approval in the 4 months following the moratorium to 10 approvals in just over a month following the first approval through our process reengineering.

	<ul style="list-style-type: none"> ▪ Streamlined the HR hiring process and created new candidate communication strategy to attract a higher caliber of applicants and ensure a strong workforce with required capabilities to support the new bureaus. ▪ New governance system for IT management has been developed as well as a prioritized list of initiatives that will realize a positive cost-benefit with the redesign of the IT governance structure.
<p>PERFORMANCE MANAGEMENT AND RENEWABLE ENERGY</p>	<p style="text-align: center;">BUILDING AN EFFECTIVE AND EFFICIENT RENEWABLE ENERGY OFFICE</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ The rapid, safe development of offshore renewable energy projects is one of the key priorities for the Secretary of the Interior. However, despite the high visibility of the program, the process was expected to take a minimum of 3 to 4 years to sell leases, and another 3 to 8 years to approve construction plans. Program staff was unclear about the goals and priorities for the program, and collaboration between the program office, the rest of BOEM, and the broader Department was strained. In addition, roles around policy and operations, and ownership for decision making were also unclear. The Department sought an assessment to identify process redesign and organizational solutions to make the renewable energy approval process faster and more efficient, while maintaining quality. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Forecast demand for renewable energy and workforce needs to ensure that the program would have adequate technical staffing to meet demand over the next 5 to 10 years. ▪ Analyzed the regulatory process for leasing, and the management processes supporting it to identify opportunities for improvement. We compared processes: 1) across offshore projects; 2) to Department of Energy offshore NEPA processes; 3) to onshore renewables; and 4) to offshore processes in other countries. In addition, we completed over 60 initial interviews with staff from renewables and other parts of DOI, as well as experts, and followed up with extensive working sessions with key renewables staff. We developed process maps for the regulatory process, and maps of management activities (e.g., surnaming) to inform decision making. ▪ Redesigned the operating model and management processes to enhance speed, efficiency, and quality of the leasing process. For example, our analysis showed that policy decisions were not always aligned with Department objectives, and were being rethought during the surnaming process, leading to extensive rework and long delays. We designed a process to ensure there is aligned decision making early on. The process included: 1) renewables program staff proactively highlighting key decisions for each project; and 2) bureau leadership participating in “strategy sessions” to make these decisions. ▪ Designed two performance management processes to increase accountability for meeting timelines and milestones. Within the bureau, we created a progress tracking tool and established a weekly meeting with bureau leadership to review progress against

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

PRIMARY CASE EXAMPLES

Case 1: U.S. Department of Interior (DOI): Reorganization and Transformation of the Minerals Management Service (MMS)

milestones and problem solve to resolve roadblocks. Beyond the bureau, we suggested reconfiguring weekly renewables program meetings to deploy departmental resources to resolve roadblocks and to ensure follow up on actions.

- **Built support, trained staff, and coached management on how to execute** against the new operating model. In addition to extensive one-on-one support and coaching for program management and key staff, we held two all-staff workshops including the bureau director and deputy director and program staff to advance implementation of our recommendations. The sessions focused on the diagnostic and goals for the program, as well as hands-on project planning to inform future strategy sessions. In addition, we held a small group workshop with the renewables program and the solicitor's office to model new ways of collaborating. Together, these activities helped address the factors that contributed to the long, inefficient process (e.g., lack of alignment, lack of communication, lack of empowerment, extensive risk aversion), setting the stage for improved results long term.

IMPACT

- **Expect to reduce time to lease** by 18 to 24 months, including extensive reductions in time allocated to internal processes such as surnaming.
- **Created a new, pro-active decision-making process** to ensure programmatic decisions are aligned with the Department's goals for quality, speed, and efficiency.

Case 2: Internal Revenue Service (IRS): Integrated strategic planning and organizational change

Client and project information	
Client identification	Internal Revenue Service
Project title	Strategic Planning BPA
Contract number	TIRNO-08-Z-00017
Period of performance	January 18, 2008 – June 10, 2010
Contract value	\$0 – BPA Award, Fixed Price
Amount invoiced to date	\$40,370,529.73
Contracting and technical reviewing official Name Telephone number E-mail address	Contracting Aloysius Hart Government Contracting Officer 6009 Oxon Hill Road, Oxon Hill, MD 20745 (202) 283-1385 aloysius.r.hart@irs.gov Technical Beth Tucker Operating Deputy Commissioner for Support Internal Revenue Service 1111 Constitution Avenue NW Washington DC 20224 (202) 622-4255 elizabeth.tucker@irs.gov
Project description	
<p>SUMMARY</p> <p>At IRS, we began a transformational journey grounded in a thoughtful strategic planning process and ultimately shaping all aspects of the Service. With a new Commissioner in 2008, the IRS sought to dramatically improve its effectiveness and efficiency. We worked closely with the IRS’s senior executive team to design and roll out a new strategic plan as well as number of initiatives, including creating a “Workforce of Tomorrow,” modernizing IT systems to better reach customers, improving operations of critical services and financial processes, improving the customer experience, and creating employee buy-in for these changes. Since 2008, we have continued to assist and train the IRS on the implementation of several initiatives, including preparing for enactment of the landmark Affordable Care Act, increasing call center productivity, and improving collections strategy.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

RELEVANCE TO DOI

McKinsey has worked collaboratively with the IRS over multiple years, helping this large, 100,000 employee agency become a more effective and efficient organization. Our work at IRS showcases our deep technical expertise across multiple dimensions, including initiative design and selection (e.g., implementation evaluation criteria and frameworks), customer experience (e.g., service operations, customer service workforce training), IT (e.g., IT applications, web services), HR (e.g., hiring, training, leadership development) and facilities management (e.g., occupancy costs, timely service delivery, property project management), and procurement (e.g., contracting processes, procurement organization designs). Additionally, this work demonstrates McKinsey’s ability to evaluate detailed support service-specific performance metrics and identify opportunities for improvement while involving organization staff in the transformational effort and building capabilities for sustained improvement.

PERSONNEL

- Personnel in our proposal who were engaged in this case include Andrew Sellgren, Matt Welsh, Ankur Ghia, Steve Kelly, Nora Gardner, Roger Roberts.

OUR WORK

COLLABORATIVE DEVELOPMENT OF A STRATEGIC PLAN

STRATEGY DEVELOPMENT AND CHANGE MANAGEMENT

THE CHALLENGE

- In 2008, the IRS was facing significant changes and challenges. Demands on the organization were rising much faster than resources, due to the increasing expectations of taxpayers, rising complexity of the tax code, and special initiatives (e.g., one-time tax incentives) related to the financial crisis. In addition, 50 percent of the IRS’s workforce was within 5 years of retirement, leading to significant risk of turnover. Further, the IRS needed to modernize its IT systems and operations.
- A new IRS commissioner brought a desire to use the required 5-year strategic planning process for broader transformation purposes. The plan needed to be supported at all levels of the organization throughout enforcement, service and internal support functions, and its rollout needed to shape the mindsets and behaviors of the entire workforce.

OUR APPROACH

- **Collaborated with IRS leadership and working teams to develop a strategic plan and prioritize initiatives.** Our team worked jointly with the IRS senior executive team, including the Commissioner and Deputy Commissioner, and four IRS working teams to conceptualize, develop, and syndicate a new strategic plan and strategic initiatives. We analyzed internal and external forces shaping the future and creating opportunities for the IRS, conducted extensive stakeholder interviews, and diagnosed strengths and gaps within current operations. Using the “as – is” criteria and evaluation framework, we facilitated leadership decisions on the strategy, priority initiatives and overall change approach.
- **Developed an innovative change management approach and a holistic**

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>communications program to engage stakeholders, including all 100,000 employees. We helped execute a cascading roll-out plan including significant communications between the Commissioner and front-line employees. It combined traditional management methods with cutting-edge techniques drawn from political campaigns and Web 2.0/new media strategies.</p> <p>IMPACT</p> <ul style="list-style-type: none">▪ IRS has a prioritized set of organizational improvement initiatives. Development of the strategic plan led to a series of organizational improvement initiatives that could then be evaluated against the evaluation framework and criteria. Investments were prioritized in areas to accelerate productivity and service to taxpayers (e.g., research, data management, online services). The IRS received a budget increase of ~\$700 million in FY 09-10 to fund its portfolio of tax compliance initiatives.▪ Created a Communications Office to implement integrated communication effort with personal reach. In the process of our team supporting communication efforts between the Commissioner and the frontline, every employee developed personal commitments to help meet the goals of the strategic plan. Success stories were shared throughout the IRS on closed-circuit television, via the intranet, and in senior management communications to reinforce the themes and build momentum.▪ Percent of managers with “a lot of confidence” in the organization tripled. Surveys before and after the communications effort found that 80 percent of managers responded that they understood the plan and what it meant for them personally, and that the percent of managers with “a lot of confidence” in the organization tripled after the roll out of the new strategy.
<p>WORKFORCE PLANNING AND MANAGEMENT</p>	<p>CREATING A “WORKFORCE OF TOMORROW” THROUGH IMPROVED WORKFORCE PLANNING</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none">▪ The IRS management workforce was experiencing pressures on multiple fronts. A growing management gap was appearing as its aging workforce retired. Fifteen percent of senior managers expected to retire within a year at time of engagement. Almost 50 percent of the total workforce was over 50 years old and rapidly reaching eligible retirement status. At the same time, IRS faced challenges in promoting to fill these management spots. The average tenure upon receiving first promotion to manager was 20 years. Minimal differentiation in performance assessment measures made identifying future managers difficult. The process was further exacerbated by the slow hiring process, which led to high (40+ percent) candidate dropout rate. McKinsey helped develop an integrated workforce planning and development model to attract, hire, and retain high-caliber employees. <p>OUR APPROACH</p> <ul style="list-style-type: none">▪ Worked side-by-side with six “task forces” of fully dedicated client team

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

members, representing business owners from across the organization, as well as ~60 rising leaders from throughout the agency. Clients presented findings and recommendations to senior leadership throughout the study.

- **Conducted an extensive three month diagnostic of agency workforce practices and outcomes**, creating a baseline for action. The diagnostic focused on 10-year workload and workforce planning projections and assessed people implications and risks across a variety of workload scenarios, including differing productivity assumptions, geographic shift scenarios, and budget implications. The diagnostic also used McKinsey's business process reengineering toolkit.
- **Analyzed existing operations for opportunities**. Performed custom analyses of human resource management (e.g., hiring, training) with a focus on identifying process inefficiency, duplication, and cost in order to characterize opportunities.
- **Identified workforce gaps and designed a plan to resolve these gaps**. To capture opportunities for efficiency, we created a workforce forecasting process by projecting workforce supply and developing tools to estimate current and future demand from new projects. We then built a robust workforce model to match newly freed capacity (i.e., supply) with the new workforce needs across the organization (i.e., demand) by skill and grade level. We also modeled a set of planning scenarios to test their impact on the workforce gap, and crafted a strategy to close the projected gaps over a three year timeframe.
- **Developed a long-term, forward-thinking workforce strategy**. The comprehensive strategy identified HR management opportunities, included a new working model to attract, hire, and retain high-caliber employees, and provided specific initiatives to improve workforce outcomes for current employees. For example, we created a plan to optimize the 1,600+ member workforce in the Enterprise Operations (EOPs) division of IRS' Modernization & Information Technology Services (US IRS).

IMPACT

- **Developed a comprehensive plan to ensure a world class workforce**. We supported a 60-person client team that revamped recruiting, streamlined hiring, redesigned training, designed a new leadership model and development program, and energized the employee rewards and recognition program across the 100,000-person organization in order to retain and attract a high caliber workforce.
- **The IRS will be able to reduce hiring time by 90 percent**. This initiative allowed the IRS to successfully hire over 7,000 new professionals in 6 months by improving the on-boarding practices to sharpen and speed the intake of a higher volume of recruits. Once fully implemented, this initiative will reduce hiring time by 90%.
- **Refocused the organization's efforts on highest-impact recruiting activities** (e.g., prioritized <100 schools out of 400+) through a strong central recruiting organization. The IRS was then able to set long-term hiring targets by skill and geography. They were able to refocus recruiting, identify opportunities to reduce

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>time-to-hire by more than 50 percent, complete several large enforcement hires, and better identify future leaders within their organization.</p> <ul style="list-style-type: none"> ▪ In 2010, the IRS jumped nearly 50 spots in the Partnership for Public Service’s annual survey on “The Best Places to Work in Government.” The quality of workforce capabilities and employee satisfaction has increased significantly, as measured by competency exams, and the agency was recognized as one of the best places to work in government.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">PERFORMANCE MANAGEMENT FOR REAL ESTATE / FACILITIES AND HR</p>	<p>MEASURING PERFORMANCE FOR HR AND REAL ESTATE/FACILITIES MANAGEMENT</p>
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ In preparation for implementation of the new IRS strategy, it became clear that there was a lack of appropriate metrics to track improvement against the program objectives. McKinsey helped develop and launch performance metrics, tools, and dialogues for two functional divisions – human resources and real estate and facilities – as part of the overall program to enhance performance measurement for all support functions. For human resources, we developed a performance system on recruiting, workforce management and leadership development for 90,000 unionized and management employees. The real estate effort focused on working with the IRS team to develop a performance system for more than \$1 billion in spending across 735 locations. Both functions followed a similar approach. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Cataloged resources and collected relevant historical metric data to create a performance baseline, and developed a framework of performance categories and key questions for each unit. ▪ Benchmarked performance against functional best practices to establish key metrics. ▪ Prioritized, sequenced, and defined metrics as well as required data sources to ensure robust performance measurement. ▪ Designed a new series of performance dialogues and reporting scorecards to integrate the metrics into management and planning processes. ▪ Launched a mini-pilot in one section of HR to test the metrics, including assigning individuals to report creation, data collection, and overall system maintenance, and rolled out a communication plan to employees. ▪ Provided training on the new system to relevant stakeholders, supporting and coaching stakeholders in their new roles, initiating cascading performance dialogues, and integrating them into management and reporting routines. <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Developed a fully functional system of metrics tied to effectiveness and efficiency, including visual performance tools, and a short set of priority metrics to simplify the focus for management and operational leads. The IRS now has the

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>capability to derive useful insights from performance data.</p> <ul style="list-style-type: none"> ▪ Enabled divisions to have meaningful conversations on outcomes and corresponding activities at all levels of the organization. Deployed a new fact-based performance dialogue model with the senior leadership team and the broader workforce for both workforce planning and real estate and facilities management. ▪ Resolved serious gaps in data necessary to assess performance (e.g., time reporting for 900+ real estate professionals) by establishing efficiency tracking for the first time in target groups. ▪ Built alignment and capabilities to replicate improvements to performance management in other parts of the agency. Our collaborative approach allowed IRS managers to analyze how their work linked to overall agency goals and ensure alignment on how performance was measured. It also built client capabilities to replicate the process of designing a performance measurement system in other functional departments after the project had ended.
<p>IT SYSTEMS DELIVERY AND ACQUISITION MANAGEMENT</p>	<p style="text-align: center;">COST SAVINGS THROUGH AUGMENTED IT ACQUISITION PLANNING</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ The IRS’s IT systems were hindering implementation of its strategic plan. Success of the strategic plan rested on modernized IT systems, which in turn relied on the ability of the IT department to build new functionality and systems using service-oriented and Web architecture. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Conducted a gap analysis of the IT acquisition practices across the IRS, identifying opportunities for improvement and use of best practices for IT sourcing. ▪ Worked alongside the IT acquisition organization to develop a comprehensive spend plan, covering all external contracts across the agency. ▪ Surveyed and interviewed key stakeholders from acquisition as well as IT personnel to identify and quantify potential savings opportunities for acquisitions. <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Created a comprehensive plan to augment the IT acquisition organization with a centralized and highly strategic vendor management function. ▪ Identified 10 to 15 percent savings (\$80 million to \$120 million) through a comprehensive acquisition spending plan, of which 30 to 40 percent could be captured in the first year. ▪ Created a new IT vendor management organization to provide in-depth subject-matter expertise (e.g., in software licensing), manage a master calendar, offer best practice support (e.g., examples and standard templates) to project managers and contracting officers, and identify ongoing savings opportunities.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

FINANCIAL PROCESS OPTIMIZATION AND PERFORMANCE MANAGEMENT	OPTIMIZING RESOURCE UTILIZATION AND PRODUCTIVITY IN FINANCIAL SERVICES
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ As part of its strategic plan, the IRS sought to transform its revenue management system. An initial goal was to improve the taxpayer experience by making use of interactive voice recognition technology and developing a methodology for optimally allocating limited customer service resources. McKinsey helped the IRS identify ways to improve effectiveness and efficiency of these operations.
	<p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Accessed productivity of financial support services. We assessed service levels and productivity across functions, including call centers, training, and paper processing. ▪ Developed service operations transformation program to improve customer service. We developed a new strategy for handling 80 million inquiries per year, including redesign of processes (e.g., leaning workflow), workforce responsibilities, and performance management. ▪ Developed service and performance metrics, set service goals, and realigned workforce. We determined the appropriate service levels and measures for performance, and the appropriate staffing mix to accomplish goals. For example, for paper inventory programs, we determined the optimal staffing mix of work between phone and paper operations to achieve desired service levels. ▪ Knowledge transfer and training to enable management to implement initiatives. We prepared client-led workshops to build alignment on the next generation initiatives, supported business case development, and coached client team leaders in implementation planning so they could continually build on their successes in implementing the strategy.
	<p>IMPACT</p> <ul style="list-style-type: none"> ▪ Achieved “quick wins” on initiatives within 3 months. Within 3 months, productivity had increased 10 percent and quality had improved. ▪ Launched a five-member Program Management Office to coordinate the effort, and help manage the three full-time IRS staff teams of 12 members each who helped design the overall transformation effort. ▪ Developed a comprehensive change management plan for taxpayer service operations, including clear metrics and milestones for each component of the strategy. This would become an integrated customer service effort that was conducted over 3 years.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

REORGANIZING AND SIMPLIFYING THE ACCOUNTS RECEIVABLE SYSTEM

ACCOUNTS RECEIVABLE

THE CHALLENGE

- The IRS found that it was underperforming on collections when compared to international benchmarks, with only ~50 percent of owed revenues collected compared with a global benchmark of 80 percent. At the same time it faced external pressure from taxpayer groups advocating against income tax. McKinsey helped the IRS develop a collections roadmap. The effort was divided into five component teams with a full-time team of 25 IRS employees from across the organization.

OUR APPROACH

- **Assembled more than 80 private and international public sector best practices** to identify opportunities for improvement.
- **Benchmarked specific public sector agencies through primary research**, and McKinsey’s international tax benchmarking, and translated the implications for the IRS.
- **Baselined the existing collection environment through data and process analysis** and developed algorithms to quantify the potential impact of improvement opportunities versus current state operations.
- **Gathered, evaluated, and sequenced selected initiatives.** We developed a broad set of improvement ideas with IRS teams, determined an evaluation framework and criteria to select the priority ideas, and outlined a sequencing plan for implementing selected ideas.

IMPACT

- **Launched a collection reorganization effort that will increase net collections by over 50 percent.** The effort was supported by 20 initiatives outlined over three time horizons, and organized around nine key themes.
- **Implementation is in process across key initiatives.** This includes a reorganization to improve pre-delinquency actions, reprioritize cases to work, improve workforce deployment to highest value activities, simplify operations processes, offer more varied treatment options, and improve write-off case handling.
- **Transferred knowledge and helped train collection staff** on initiative implementation. This included aligning distinct parts of the organization around the comprehensive set of collection initiatives and helping to shift mindsets in support of the reorganization process.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 3: Department of Housing and Urban Development (HUD): Collaborative organizational improvements across program areas and functions

Client and project information	
Client identification	U.S. Department of Housing and Urban Development
Project title	Strategic Planning BPA
Contract number	C-PHI-01087
Period of performance	June 14, 2010 – Ongoing
Contract value	\$0 – BPA Award
Final amount invoiced or amount invoiced to date	\$21,693,225.69
Contracting and technical reviewing official Name Address Telephone number E-mail address	Contracting official Shelli Waltz Philadelphia Contracting Operations 100 Penn Square East Philadelphia, PA 19107 (215) 430-6721 shelli.j.waltz@hud.gov Technical official Laurel Blatchford Chief of Staff U.S. Department of Housing and Urban Development 451 7 th Street SW Washington, DC 20410 (202) 402-5560 laurel.a.blatchford@HUD.gov
Project description	
<p>SUMMARY</p> <p>McKinsey has been working with HUD since 2010 to help it develop a more highly functioning organization that is better able to meet mission objectives and performance expectations. We have supported the organization in more than 10 engagements under our BPA spanning risk, organization, operations, transformational change, training, and business technology functions. Our work includes creating the Office of Risk Management for the Federal Housing Authority and improving program delivery across the entire Department to better meet customer and employee needs. The effort has been highly collaborative, working directly with frontline staff, as well as senior leadership.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

PRIMARY CASE EXAMPLES

Case 3: HUD: Collaborative organizational improvements across program areas and functions

RELEVANCE TO DOI

Our work at HUD demonstrates McKinsey’s ability to provide both the functional expertise and the organizational expertise necessary to help a large, complex organization become more effective, efficient, and high performing across a variety of specialized mission areas. For example, in creating the Office of Risk Management, we used our in-depth knowledge of risk assessment to perform an analysis of HUD’s risk, and used our knowledge of organizational and process design to create the organizational structure, business processes, and governance model to manage that risk.

Our work at HUD also shows our experience in transforming operations (e.g., in multi-family housing) through business process reengineering, training and workforce development, and the use of performance metrics and performance management practices that increase transparency and accountability. In addition, it demonstrates our ability to work across operating units (e.g. with the “Delivering Together” initiative) to identify opportunities for collaboration in mission and support areas to increase efficiency and effectiveness and improve customer service (similar to the goals of Service First).

In addition, our collaborative approach to our work at HUD, demonstrates our ability to work directly with frontline staff, managers, and senior leaders throughout the improvement process, from idea generation and selection to implementation planning, execution, and support. For example, we have worked extensively at HUD to transfer knowledge and develop and provide training to staff, building the capabilities of management and frontline staff to utilize the tools (e.g., risk assessment model) and systems (e.g., production management KPIs) that we helped HUD design.

Finally, this work reinforces our proven track record of delivering on U.S. government firm-fixed price contracts on time, on budget, and with a high degree of client satisfaction.

PERSONNEL

- Personnel in our proposal who were engaged in this case include Andrew Sellgren, Matt Welsh, and Biniam Gebre.

OUR WORK

TRAINING, KNOWLEDGE TRANSFER AND CAPABILITY BUILDING	CREATION OF THE OFFICE OF RISK MANAGEMENT: IDENTIFYING AND CREATING A SYSTEM TO MANAGE RISKS
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ The demand for HUD’s services, particularly in underwriting mortgage insurance, expanded substantially after the 2008 credit crisis. Operating in a highly visible and rapidly evolving industry, HUD sought to better understand and manage its risks. Risk management cuts across HUD’s main program areas of single-family housing, multi-family housing, and health care as well as multiple operational programs, creating a highly complex system for analyzing and managing risk. McKinsey was tasked with creating a system to understand and manage HUD’s risks across program areas and functions.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR APPROACH

- **Established the fact base with significant stakeholder input.** We interviewed dozens of FHA executives and staff, reviewed off-the-shelf documents, and analyzed and summarized FHA data to capture the facts on HUD’s risk activities, processes, and infrastructure. Throughout this process, we synthesized our findings and collaborated with FHA subject-matter experts to ensure our analysis was accurate and thorough.
- **Benchmarked FHA financial risk management against private institutions.** We conducted detailed benchmarking of risk management against leading financial institutions based on McKinsey’s extensive experience in risk management for other private sector clients. Through this process, we identified over 100 different risk-related decisions that FHA would need to make, tailored to FHA’s mission and environment. We created a decision matrix for the 100+ decisions to ease the facilitation of the decision-making process and lay out all the options in a clear, manageable framework.
- **Prioritized large and diverse set of initiatives across bureaus and functionalities.** In order to align on where to prioritize initiatives, we sized the various types of risk faced by FHA. Using existing FHA data, augmented by structured interviews of FHA personnel, we created a “heat map” of risks across the three program areas and five types of risk.
- **Provided knowledge transfer and training to build FHA capabilities for risk assessment.** For example, we used our off-site statistics experts to build a new analytical model that used FHA’s existing data to assess the risks in its \$1 trillion portfolio. We used this model throughout the engagement, and then ensured that FHA benefited from the model after our team was gone, by transferring knowledge of the model to FHA personnel and training them extensively in how to utilize the model effectively.

IMPACT

- **FHA has a clear understanding of risks across program areas and functions.** Established fact base and analytical toolkit for FHA to better understand the credit risk of FHA portfolio, operational risk inherent in HUD program areas and FHA more broadly, and reputational risk.
- **Knowledge of conducting risk analysis transferred to FHA personnel.** Suitable risk-management databases and systems, models and analytical tools were established and personnel were trained in use of these models to understand and manage risks.

ORGANIZATION DESIGN AND GOVERNANCE AND PROGRAM MANAGEMENT	ORGANIZATION DESIGN OF THE OFFICE OF RISK MANAGEMENT
	<p>THE CHALLENGE</p> <ul style="list-style-type: none">▪ HUD retained McKinsey to design and launch the Office for Risk Management and Regulatory Oversight (ORM), which was established by Congress in 2010 to strengthen risk-management practices in the Federal Housing Administration (FHA) and to improve the safety and soundness of the FHA mortgage insurance programs. ORM would be an inherently new function and a working model on how the various program areas would interact with ORM needed to be developed. Additionally, risk management, while common in the private sector, was unfamiliar to much of the leadership of FHA, so there was a need to align program area leadership, risk management function leaders, and broader FHA leadership on a sustainable and effective organization and process design. <p>OUR APPROACH</p> <ul style="list-style-type: none">▪ Created a comprehensive set of recommendations. Using the risk benchmarking and prioritization approaches outlined in the section above, we created a set of over 50 recommendations for how to improve risk-management at FHA.▪ Facilitated a series of discussions with the FHA Commissioner, leaders across HUD’s program areas, and risk management function leaders to test and refine these recommendations until leadership agreed on the main objectives and functions of the Office of Risk management.▪ Designed organizational and governance structure for new risk management office. For each decision outlined from our benchmarking and prioritization process, we laid out a governance structure and workforce plan for how each role would be managed including written position descriptions, drawing from external experience and collaborative discussions with FHA program area leaders and their working teams. We conducted frequent one-on-one interviews and Steering Committee sessions with senior FHA staff to gain alignment on key issues, and test preferred options for organizational design, governance, and process ownership based on criteria relevant to FHA’s business context.▪ Explicitly designed ORM as a collaborative partnership with other program areas. Rather than functioning as a risk auditor, we designed the roles and responsibilities of the organization to interact with other program areas and functions in a collaborative fashion to ensure continued participation of all programs in managing risk.▪ Developed an innovative process management toolkit. We constructed a checklist of milestones for individual initiative owners that cascaded up through the leadership chain to the FHA Commissioner. This tool allowed leaders ultimately responsible for the success of an initiative to take ownership of tracking its progress

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>and ask the right questions of personnel on the ground, replacing the need for a full PMO.</p> <ul style="list-style-type: none"> ▪ Catalyzed/began implementation of initiatives in short timeframe. Before our team even completed our engagement, FHA began kicking off initiatives. Our prioritization and collaborative development of recommendations allowed for implementation to begin quickly. <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Risk Management Office designed from the ground up. FHA has an organizational design for the new risk organization, including detailed roles and responsibilities for a comprehensive set of prioritized initiatives. ▪ Leadership across program areas, functions, and levels aligned on high-level guiding principles for risk management. We developed a “risk constitution” that laid out guiding principles of the ORM, including principles for risk appetite and how ORM would interact as a partner on assessing risk with programs down to specific responsibilities for ORM personnel. HUD still uses this constitution as a guide post for its risk management activities. ▪ Governance framework clearly defined. FHA has a comprehensive risk governance framework, including risk governance committees and a detailed and tactical governance “matrix” illustrating roles of internal and external stakeholders in relevant risk processes and who is responsible for each type of decision. This framework has proven to be flexible and adaptable through changes to the risk operating environment and turnover of leadership.
<p>IMPLEMENTATION PLANNING AND ASSISTANCE AND KNOWLEDGE TRANSFER AND TRAINING</p>	<p style="text-align: center;">COLLABORATIVE OPTIMIZATION OF PERFORMANCE IN MULTI-FAMILY HOUSING</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ McKinsey was asked to lead a major initiative to transform one of HUD’s largest and most important operating units, the Office of Multi-family Housing Programs (MF), which has 48 production offices across the country. As a result of the housing market collapse, MF faced unprecedented demand for its mortgage insurance products. Application volumes increased 3x, putting significant pressure on MF’s production operations, leading to increased cycle times (up to 12 months in some cases), growing backlogs and exasperated employees. Clearing up these issues was a high priority as HUD’s backlogs were delaying the financing of development projects that would create more affordable housing to the community and jobs in construction. McKinsey was tasked with identifying and testing a set of program and process management changes to improve operational performance in order to: reduce cycle times, increase productivity, reinforce and build strong risk management practices, and improve employee morale. Once the improvements were proven in a pilot, McKinsey would then train MF leadership and an internal team of change agents and support them in successfully rolling out the program to

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

field offices nationwide.

OUR APPROACH

- **Conducted comprehensive lean service operations diagnostic** (e.g., value stream mapping, hand-off, touch time and cycle time analysis, performance management system review, staff mindsets and behaviors assessment), using data analysis, employee and customer interviews, and field visits to identify opportunities to eliminate waste from MF processes and improve performance.
- **Partnered with front-line employees and supervisors** in two production offices to design, test, and refine solutions over an 8-week pilot period targeted at increasing efficiency and effectiveness. Solutions included an Early Warning System to detect flawed applications as early as possible, daily team huddles to coordinate team efforts and resolve issues, and a simplified National Loan Committee Template to streamline the approval process.
- **Facilitated discussions between front-line employees and management** to engage the frontline staff in the business process reengineering.
- **Designed and implemented a production performance management system**, including a dashboard measuring consistent KPIs across multiple levels of the organization and structured performance dialogues.
- **Created and delivered a training program** to develop the change leadership and management skills of HUD leaders and change agents, including boot camps for the team of HUD staff who would lead the roll out of the program in offices nationwide, change leader training for the top 100 leaders, leadership and technical training for the top 25 leaders, and leadership coaching for senior management.
- **Developed skills and capabilities of front-line employees and supervisors in the field through formal training** sessions around process improvement, performance management, and problem solving, as well as day-to-day coaching during rollout.
- **Developed and executed a change management and communication plan to inform and excite staff**, including creating and cascading the leaders' change story and producing a video and other communications to share progress and success stories.
- **Designed and supported implementation in the national roll out of the change program to MF field offices**, including sequencing and timing of offices, defining resource requirements, and developing the implementation 'playbook' and other implementation and training materials to assist HUD change agents and local field office leadership in implementing the change program.

IMPACT

- **Pilot sites showed significant improvement against metrics** such as increased number of decisions per production FTE.
- **Offices have seen more than 50 percent improvements in productivity and backlogs have come down by two-thirds** since the beginning of the national roll

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>out to 48 offices that started in October.</p> <ul style="list-style-type: none"> ▪ Enthusiasm and engagement of HUD field office staff was lifted significantly. Frontline employees and supervisors in each office were heavily involved in customizing the solutions for their environment with the help of the change team. By engaging the frontline staff in the design and creating the team huddles and problem solving forums to talk about their work and ways to improve the process, staff now feels that they have a voice in how work is done at HUD. One-hundred percent of surveyed staff feels that they are encouraged to come up with new and better ways of doing things. ▪ Created a healthier organization. “The biggest impact is that this place just feels so different. It feels less stressful. As managers, we are engaging the staff very differently.” – Director, pilot office
<p>IMPLEMENTATION PLANNING FOR PROGRAM MANAGEMENT</p>	<p style="text-align: center;">OPPORTUNITIES FOR COLLABORATION ON PROGRAM DELIVERY ACROSS BUREAUS</p> <p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ In December 2010, HUD embarked on a transformation effort called “Delivering Together” to make targeted refinements to its operating model to enhance the clarity of roles, standardize delivery processes tailored to the needs of different businesses and communities, and generate timely results for communities. One objective included improving cross-program collaboration while clarifying the roles of Field Policy and Management (FPM) and programs. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Jointly pursued the effort with HUD personnel. Our team worked daily with 20-person full-time client team (including two full-time project leads). ▪ Created an inventory of support and mission opportunities. Assessed “current state” of Public and Indian housing data collection and systems to identify four key sources of burden on frontline staff and three key issues with current oversight approach within the organization. Also assessed local community needs to identify three areas of greatest value in improving cross-program collaboration to improve the customer experience. ▪ Gathered significant customer and employee input. Our team interviewed ~50 additional customers and staff to assess magnitude of the identified issues and potential solutions. ▪ Identified best practices in cross-program collaboration. In addition to customer and employee input, our team cataloged “best practices” of cross-program collaboration in various field offices to further inform where the biggest impact could be achieved. ▪ Clearly communicated design options to quickly move to decisions. Developed design options for Steering Committee consideration, and held six Steering Committee discussions to make key design decisions quickly.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

PRIMARY CASE EXAMPLES

Case 3: HUD: Collaborative organizational improvements across program areas and functions

- **Implemented pilots to ensure success of approach.** Our team tested cross-program collaboration design in two field office pilot programs (Philadelphia and Jacksonville).

IMPACT

- **HUD has a clear sense of key opportunities for collaboration.** Our joint working team identified three improvement areas: addressing major community needs that link to HUD's strategic priorities, making program decisions with input from relevant internal and external stakeholders, and responding to customer inquiries more efficiently and quickly.
- **A comprehensive implementation plan is in place.** The holistic approach encompasses 5 cross-program coordination initiatives and 20 initiatives to improve Public and Indian housing services, 14 that reduced the burden on employees and 6 that improved program management).
- **The Steering Committee is aligned.** Our team was able to align the Steering Committee on the approach to improving cross-program collaboration, the role of FPM and programs, and the need for broader institutional support from HQ.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

B. ADDITIONAL CASE EXAMPLES

Case 4: DOI National Business Center (NBC): Shared services strategic assessment

Client and project information	
Client identification	Department of the Interior, National Business Center
Project title	DOI National Business Center Strategic Assessment
Period of performance	July 11, 2011 – November 11, 2011
Contracting and technical reviewing official Name Telephone number E-mail address	Contracting Anita Tolliver (703) 964-3687 anita.tolliver@aqd.nbc.gov Technical Joe Ward Director, National Business Center joe_ward@nbc.gov
Project description	
<p>SUMMARY</p> <p>Over a decade after being established in 2000, DOI’s National Business Center (NBC) had grown into a complex shared services organization serving hundreds of customers across eight lines of business. Following a report on customer service revealing significant dissatisfaction, particularly among DOI customers, the NBC asked McKinsey to evaluate the services it offered (e.g., in Acquisitions, Human Resources, Information Technology, Financial Management, Administrative Operations, Customer Support, Aviation Management, Federal Consulting), benchmark performance against comparable private and public sector shared service centers, and develop a set of recommendations to improve efficiency and effectiveness.</p>	
<p>RELEVANCE TO DOI</p> <p>This work highlights how we understand shared services in the context of government operations, and how we can use our proprietary tools (e.g., benchmarks) to quickly identify opportunities for improvement. At the NBC, we conducted a deep analysis of offerings and compared performance to best-in-class public and private shared service centers. We also identified opportunities in many of the functional areas being considered more broadly by the Department for centralization, including HR and Finance.</p> <p>The work also highlights our ability to identify improvement initiatives, assess them using an evaluation framework and criteria, and prioritize them to create a sequenced implementation plan. We accomplished these objectives while working collaboratively</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

with teams of employees to help build momentum for change.	
PERSONNEL	
<ul style="list-style-type: none"> Personnel in our proposal who were engaged in this case include Jon Wilkins, Andrew Sellgren, Steve Kelly, Jonathan Silver, and Ellen Badger. 	
OUR WORK	
IMPROVING EFFICIENCY AND EFFECTIVENESS OF NBC ACROSS DIRECTORATES	
MISSION-ORIENTED ORGANIZATION DESIGN AND SHARED SERVICES	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> To improve customer satisfaction and the effectiveness and efficiency of its shared services, the NBC asked McKinsey to undertake an extensive data-driven strategic assessment to identify opportunities for improvement. Providing an employee-driven model for implementation was integral to the process, and needed to be accomplished under a short timeline.
	<p>OUR APPROACH</p> <ul style="list-style-type: none"> Benchmarked performance. We efficiently assessed the NBC’s performance and practices against 22 comparable public and private sector shared service centers, providing a robust fact-base on which to develop an overall strategy. For example, in finance we looked at core measures of productivity, including payments processed/FTE and receivables processed/FTE. Engaged the staff to further analyze the current situation. We performed extensive customer and employee interviews (speaking with over 150 people, including 20 customers and more than 100 staff), applied our tested <i>Business Support Function Benchmarks</i> and <i>Voice of the Customer</i> tools, and drew insights from McKinsey’s distinctive support services experts. Developed a method to evaluate services. We developed an evaluation framework and criteria for assessing each service line within the NBC for fit with shared services and fit with NBC, and identifying which services to continue, which customers to serve, and what organizational model to pursue. Identified opportunities. The McKinsey team catalogued and prioritized a set of improvement opportunities based on our interviews, analysis into the drivers of performance relative to benchmarks and best practice, and our expert assessment of NBC’s operations. We then developed a strategy with specific sequenced initiatives to address these opportunities. Designed detailed solutions in selected core areas. We identified two areas, acquisitions and corporate capabilities, for “deep dives” due to their potential to create momentum for change throughout the organization, and their potential for impact on effectiveness and efficiency. In each area, we worked side-by-side with a

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

full-time team of NBC employees to develop more detailed plans improvement. We used this collaborative approach to model best-practice in solution design and implementation planning, and to help establish momentum for change. The ultimate goal was for NBC personnel to continue the implementation of remaining initiatives after the end of the project using new capabilities built during our work.

- **Prepared the organization for full implementation.** We designed a project management office and performance management routines to govern implementation and ensure delivery on goals. We also developed implementation and communication plans to support the strategy, including a diversity of tools such as videos and town halls.

IMPACT

- **The NBC has a clear plan to improve the efficiency and effectiveness of its services.** This project identified 10 to 30 percent improvement opportunities in efficiency and effectiveness across major directorates – and provided a plan to pursue these opportunities.
- **NBC leadership is aligned towards a common set of goals.** Leadership from each directorate is now aligned across a single strategy and a set of specific initiatives to improve performance, rather than the individual approaches they had previously. This project defined specific aspirations for each directorate, based on benchmarks from both private and public sector shared service centers.
- **A team of acquisitions professionals developed a new organizational design and processes for their directorate,** which they piloted and planning to implement. In addition, the directorate is implementing new mechanisms for coaching and development, customer management, and customer support, which were piloted last year as part of this work.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 5: OFIT and FMS: Accelerating adoption of a centralized receivables service (CRS)

Client and project information	
Client identification	U.S. Department of Treasury, Office of Financial Innovation and Transformation (OFIT)
Project title	Centralized Receivables Service
Period of performance	August 23, 2011 – December 5, 2011
Contracting and technical reviewing official	<p>Contracting official Alan Dotson, (304) 480-7206 william.dotson@bpd.treas.gov</p>
Name	<p>Technical official John Hill john.hill@treasury.gov</p>
Address	
Telephone number	
E-mail address	
Project description	
<p>SUMMARY McKinsey served the Department of Treasury’s OFIT and the Financial Management Service (FMS) in defining the business concept, outlining the operating model, developing funding options, and developing an implementation plan that accelerated adoption for a Centralized Receivables Service (CRS). CRS improves collections across government by providing a best-in-class collection platform and complementary toolkit, standardizing collections efforts, and reducing the collections burden on agencies. The effort provided Treasury with an actionable model for CRS with a lowest cost, highest value operating model that also facilitated quickest time to market. The operating model included a clear map of interactions with other government stakeholders, and clarity on costs and funding model.</p>	
<p>RELEVANCE TO DOI Our work with OFIT and FMS to centralize receivables shows our unique understanding of the federal payments operations value chain and our ability to uncover effective strategies for process redesign that take advantage of organizational capabilities and strengths. Additionally, it demonstrates our ability tap into a world-class commercial network of technology and service providers to design state-of-the-art solutions for a multitude of financial processes. The work also shows our ability to construct a holistic, high-level implementation plan that avoids the interruption of services, identifies the barriers to overcome, and builds momentum for sustainable change in the area of accounts receivable.</p>	
<p>PERSONNEL</p> <ul style="list-style-type: none"> ▪ Personnel in our proposal who were engaged in this case include Aamer Baig and Matt Welsh. 	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

THE CHALLENGE

- The Treasury’s Office of Financial Innovation and Transformation identified the creation of a Centralized Receivables Service (CRS) as one of 12 key initiatives to reduce cost, increase transparency, and improve mission delivery through better financial management. Centralizing receivables was seen as a high-impact opportunity, given the fragmented, high cost, and moderate performance of existing services. For example, receivables were managed by at least 26 separate systems across the 23 CFO agencies, creating duplicative and subscale operations. In FY2010, CFO agencies reported ~\$400 million in expenses for managing ~\$70 billion in new, non-tax receivables, with over 65 percent (~\$50 billion) of these receivables remaining outstanding at year end. An additional \$50 – 100 billion of receivables were processed among the independent and non-CFO agencies throughout the federal government each year, leading to additional processing costs and fragmentation across receivables operations.

OUR APPROACH

- **Conducted over 50 interviews and three workshops** with government leaders and managers, software and service providers, and external experts on receivables management and IT enablement to identify best practices.
- **Modeled the current state of receivables**, assessing existing government capabilities to identify gaps in equipment and workforce capabilities (e.g., workflow automation system, receivables data repository), and developed three alternative approaches to centralizing receivables with each scenario comprising a unique combination of technology, business processes, and personnel.
- **Calculated costs and time-to-market for alternative approaches** to establish CRS and estimated the impact of CRS on costs and collections in order to determine how best to design and implement CRS from this portfolio of scenarios.
- **Identified potential pilot bureaus** based on expressions of interest and potential for cost savings and increased collections.
- **Developed a holistic, high-level implementation plan** that included understanding the capability requirements to execute CRS, identifying particular activities for each phase of implementation, and preparing to pilot the operation within the 5 identified bureaus. The roadmap also defined a tactical plan for scaling up the program, defining a sequence for ‘on-boarding’ bureaus that maximized impact while building momentum for government-wide adoption.
- **Evaluated funding alternatives to make CRS self-sustaining** and assessed related policy changes that would enable even greater impact. Identified key risks to manage through the implementation of CRS (e.g., adoption, cost, funding, schedule, vendor) and mitigation measures to overcome these potential barriers.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>IMPACT</p> <ul style="list-style-type: none">▪ Identified opportunity to reduce government-wide average costs of processing each receivable from ~\$15 – 20 to \$8 – 12, and cut delinquency to median 2%.▪ Designed a platform to increase visibility into receivables portfolio health across government, and improve the quality of citizens’ interactions with government receivables managers and collectors.▪ Tightly integrated CRS with FMS’s Debt Management Service (DMS) centralized delinquent debt service – as well as FMS’s receipts processing capabilities – enabling agencies to offload end-to-end receivables management and increase focus on core missions.
--	--

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 6: Medco: Aggressive Shared Services Transformation

Client and project information	
Client identification	Medco
Project title	Shared services organization design
Period of performance	June 2010 – July 2011
Contracting and technical reviewing official Name	Technical official Karin Princivalle SVP Human Resources Contact information available upon request.
Project description	
<p>SUMMARY</p> <p>Medco is a leading pharmacy benefit manager with over \$66 billion in revenue, and more than 24,000 employees worldwide, including more than 3,000 pharmacists and 650 nurses. The organization features a number of large business units, each of which was a significant acquisition for the company.</p> <p>In 2010, Medco was facing increasing pressure to continue growth and to better manage support functions across business units, including cost reduction. The company engaged McKinsey to manage a significant transformation program, including the creation of 19 shared services for support functions spanning finance, HR, IT, customer care, and analytics. We designed the end-state shared operations and partnered with the shared services leaders to stand up and implement the shared services function.</p>	
<p>RELEVANCE TO DOI</p> <p>In this work, we created a new shared services function within a large complex organization, working collaboratively with clients from initial design through stand up and implementation. We optimized resource use by establishing a flexible operating strategy, by while implementing innovative, cost-effective approaches to customer service. our understanding of the sensitive and often complex nature of designing fair and accurate service level agreements (SLAs) and pricing models that promote high levels of customer satisfaction while reinforcing cost-saving behaviors by shared services providers and by clients.</p> <p>Our project management with Medco demonstrates our ability to plan and support implementation. We focused on identifying and adjusting to the real-time challenges in implementation that can derail shared services projects if not properly addressed. These included meeting regularly with shared services leaders one-on-one to discuss issues and concerns, establishing a regular cadence of meetings for the shared services leaders to share experiences and get advice, and providing guidance to senior management to help address issues.</p>	
<p>PERSONNEL</p> <ul style="list-style-type: none"> ▪ Personnel in our proposal who were engaged in this case include Jonathan Silver. 	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

THE CHALLENGE

- Medco had made three significant acquisitions but had never integrated back office functions, which lead to separate support services provided by each of Medco’s four divisions. In an effort to improve cost-efficiency, Medco sought to identify opportunities for consolidation and process improvement.

OUR APPROACH

- Established the fact base and identified opportunities.** We used McKinsey’s proprietary Business Support Function (BSF) database to analyze Medco’s support functions across four division and four locations against benchmarks. We also assessed the existing support functions operations to baseline current service delivery standards. Using this information from over 850 organizations, we identified and sized opportunities to optimize resource utilization and capture value from consolidation or process reengineering.
- Incorporated extensive analytics** beyond typical support service functions (e.g., HR, finance) to ensure Medco could track important mission-oriented metrics, such as insurance plans, efficacy of drugs, and customer service from call centers. These analytics were then used to make the case for change with leadership across divisions and locations.
- Continually incorporated stakeholder feedback from Medco’s frequent employee survey**, which allowed our team to have a strong pulse on the mindsets and attitudes of employees toward support services to inform the design of the shared services function.
- Developed the shared services operating and governance model.** Based on the opportunities identified, we developed a shared services center design. In particular, we designed organization structures, cost and pricing models, service contracts/SLAs, and created a performance management system for shared services, including performance and quality indicators (e.g., time to process, cost per transaction, customer satisfaction), scorecards, and training of shared services leaders.
- Designed and managed full implementation.** At the end of 8 months, we launched the shared services center and supported the center during its “go-live” period. Services were rolled out in waves across the organization.
- Our joint team monitored performance through quantitative analysis of efficiency and key performance indicators**, including surveys of customer satisfaction and one-on-one interviews with shared services and service source leaders. Using this feedback, we collaboratively refined the operating model during the “go live” period and ensured sufficient training and communications were available to all stakeholders.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

IMPACT

- **Designed a new shared services structure from the ground up** for general and administrative customer-facing support functions, including traditional shared services (e.g., finance, HR, IT, customer care), and more advanced capabilities (e.g., a team created to improve the capabilities of Medco’s data and analytics groups).
- **Implemented the shared services transformation in less than a year, standing up 11 shared services operations including 29 major sub-activities.** The effort realized ~\$20 million in run rate cost savings and fundamentally shifted the service orientation and quality of delivery for all shared operations.
- **Reduced customer care and IT outsourcing contract costs by 20 to 30 percent, realizing \$36 million in annual savings through contract renegotiations.** Renegotiated contracts for one of the largest call center outsource relationships (3,000 people utilized in call centers for customer care). Despite long-standing relationships with vendors with similar costs over many years, our work in identifying process improvement opportunities enabled us to renegotiate the contract for significant cost savings.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 7: Center for Medicare and Medicaid Services (CMS): Creating Shared Services for Siloed Business Units

Client and project information	
Client identification	Centers for Medicare and Medicaid Services
Project title	Enterprise Shared Services
Period of performance	September 30, 2011 – Ongoing
Contracting and technical reviewing official	<p>Contracting official Charles Littleton 7500 Security Boulevard Baltimore, MD 21244-1850 (410) 786-3291</p> <p>Technical official Sarah Fogler 7500 Security Boulevard Baltimore, MD 21244-1850 (410) 786-6746</p>
Name	
Address	
Telephone number	
E-mail address	
Project description	
<p>SUMMARY CMS needed to build a strategy for identifying and delivering specific capabilities to system components through common IT applications and infrastructure (shared services) in order to provide an agile and flexible environment to accelerate implementation of Affordable Care Act (ACA) provisions. In 2011, an interagency group tasked by the US Department of Health and Human Services (HHS) Chief Technology Officer identified three shared services -Master Data Management (MDM), Identify Data Management (IDM) and portals as critical to many ACA provisions, and were therefore the first to be implemented. In this effort, McKinsey first assessed the initial shared services to ensure they were on track to deliver the impact in the expected timeline. We made recommendations to improve the service delivery of these services. McKinsey then led the creation of a strategic roadmap for the development of shared services within CMS. This effort included identifying, categorizing, and prioritizing potential services to be shared. We then determined the required organizational changes required to successfully implement the shared services initiative including funding, governance, communication, and training. Through this process we interviewed leadership at several levels of the organization to prioritize and build consensus for the portfolio of shared services that would support the goals of CMS.</p>	
<p>RELEVANCE TO DOI Through this shared services work, we demonstrated our ability to elicit open, constructive conversations and cooperation between independently functioning business units. This enabled us to collaboratively align on the prioritization of initiatives and a strategy for consolidating their support services. In large transformational change, the ability to shift mindsets and organizational culture to support the new strategy is crucial to creating sustainable change.</p>	
<p>PERSONNEL</p> <ul style="list-style-type: none"> ▪ Personnel in our proposal who were engaged in this case include Pedja Arandjelovic. 	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

THE CHALLENGE

- CMS had grown over time into siloed business components including Medicare, Medicaid, Office of Clinical Quality and Standards, and the Center Program Integrity. To compound this structural issue, the funding for new initiatives is provided through legislation, such as Affordable Care Act (ACA), to individual business units based on the work required. Therefore, there is little incentive to work with the other business units. However, given the changes that implementing ACA would require, CMS needs to become more agile, integrated, and flexible, able to provide easy access to consolidated information. They also needed to be able to quickly implement Information Technology (IT) changes to meet the sweeping changes and tight deadlines of ACA. Enhancing program delivery to meet ACA requirements, given budget allocations, required a significant improvement in operational efficiency, which would likely require an enterprise shared service portfolio. Sharing services among units that rarely interacted would require cooperation and agreement on changes to the organization including governance and funding.

OUR APPROACH

- **Built and categorized a list of over 60 potential services by interviewing over 80 business leaders**, reviewing past organizational efforts, and leveraging external best practices.
- **Consolidated the list into eight themes** by narrowing the list of services based on impact, business component need, and criticality to meeting ACA requirements. We worked with 16 business units to ensure that these themes resonated.
- **Estimated the high-level costs, resource requirements and potential impact** to the organization in order to inform prioritization of initiatives.
- **Conducted over 20 individual interviews of career leadership** understand high priority services to provide a platform for expressing their opinions for incorporation into the plan. We then refined their priority list based on ease of implementation and business interest.
- **Once we had built individual alignment, we built consensus among these business unit leaders** through a facilitated workshop to align on the portfolio of high-impact shared services opportunities to pursue.
- **Identified the required organizational changes** to funding, governance, communication and training to support the implementation of cross-unit shared services, and made recommendations on the implementation strategy.
- **Created a roadmap for the implementation** of the first waves of shared services.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

IMPACT

- **McKinsey opened up a forum for discussion between CMS business unit leadership**, bringing the independent units together to build consensus around opportunities to support services and collaboration for the first time.
- **Developed shared service strategy** that enabled disparate parts of the organization to meet new legislative mission requirements. For this, we developed an implementation plan to help promote the cultural changes necessary to make the shared services initiative a success, including recommendation on governance structure, communication with employees, and funding models.
- **Improved service levels both internally and to key external stakeholders**
- **Enhanced CMS's agility and speed to respond to legislative mandates** through greater integration

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 8: U.S. Food and Drug Administration (FDA): Designing a crisis management system

Client and project information	
Client identification	U.S. Food and Drug Administration
Project title	Designing a crisis management system
Period of performance	September 24, 2008 – September 23, 2009
Contracting and technical reviewing official Name Telephone number E-mail address	Contracting official Latonia Parham COTR (304) 870-8010 latonia.parham@fda.hhs.gov
Project description	
<p>SUMMARY</p> <p>The FDA regulates over \$1 trillion worth of products annually, playing a critical role in the safety of the nation’s food and drugs supply. With a sense of urgency to develop a more effective crisis management protocol arising from frequent crises and new federal mandates, the FDA asked McKinsey to help it develop a new comprehensive system for crisis management, including an organizational structure to address the crises with a definition of roles and responsibilities, standard operating procedures and processes to more rapidly respond to crises, and a plan to ensure sufficient training in crisis procedures.</p>	
<p>RELEVANCE TO DOI</p> <p>McKinsey has deep knowledge of organizational design considerations in public sector agencies, and across agencies. Our work at FDA illustrates our expertise in supporting a public sector organization in a substantial transformational effort, including organizational redesign and implementation across structure, roles, and processes where there are multiple agencies involved. DOI is the steward for many important natural and cultural resources. As we saw with the Deepwater Horizon crisis, the Department and its bureaus need to be able to effectively manage crises and create organizational structures that effectively manage risk. In addition, this work highlights our ability to collaborate with employees at all levels to develop consensus and build genuine support for implementation of recommendations that involve significant change.</p>	
<p>PERSONNEL</p> <ul style="list-style-type: none"> ▪ Personnel in our proposal who were engaged in this case include Nav Singh and Nora Gardner. 	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

THE CHALLENGE

- In the fall of 2008, the FDA had recently faced a series of major crises that put pressure on crisis management processes. Several opportunities for improvement were identified, including clarifying roles and accountabilities (e.g., field staff, product centers, office of crisis), codifying escalation processes during a crisis, and improving coordination across components of the agency and with partner agencies.

OUR APPROACH

This was a highly collaborative approach focusing heavily on joint McKinsey-client problem solving and co-development of new operating model, while drawing on best practice and firm knowledge. During this project, we:

- **Analyzed the current situation.** The McKinsey team interviewed dozens of senior agency officials, leaders of other agencies, and external experts to gain a clear understanding of current roles and activities, and opportunities for improvement based on external best practice.
- **Developed a crisis management model.** We studied best practice in crisis management across sectors and profiled other organizations with similar missions to understand how agencies put effective crisis management systems in place. Through this analysis, the McKinsey team identified the Incident Command System (initially developed in the context of firefighting) as the best analogue on which to base the FDA’s crisis management model. We adapted this system to the FDA’s context, designing new structures, role, processes, and training.
- **Engaged the staff throughout the process.** Recognizing that the best way to build support for change is to involve people early in the design process, our team focused heavily on engaging staff and building consensus. For example, we convened a weekly cross-agency workgroup for 5 months to develop the new system, with an emphasis on collaborative problem solving.
- **Leveraged toolkits.** We developed a diagnostic framework for evaluating crisis management opportunities and recommended a crisis management structure adapted from best practice Incident Command System (ICS).

IMPACT

- **The FDA implemented a new crisis management system, including:**
 - a) **Structure.** We clearly defined the new crisis command/ coordination structure
 - b) **Roles.** We defined roles for individuals to play during a crisis, and provided descriptions of responsibilities and skill sets needed to fill each role
 - c) **Processes.** We defined mechanisms for the ramp-up and ramp-down of the crisis

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

response system and for day-to-day management during a crisis.

- **The FDA has the ability to have significant public health impact.** The FDA now has the ability for rapid and effective management of the most urgent and challenging food and medical product crises. This has had significant positive effect on the general public in times of crisis and emergency, ensuring that the supply of food and medical products is safe and reliable.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 9: Tennessee Valley Authority (TVA): Strategic Acquisition to Drive Cost Efficiency

Client and project information	
Client identification	Tennessee Valley Authority (TVA)
Project title	Achieving Strategic Sourcing Excellence and Delivering Breakthrough Value
Period of performance	February 2010 – June 2010
Contracting and technical reviewing official	<p>Contracting official Katherine Foster 400 W. Summit Hill Drive Knoxville, TN 37902 (865) 632-3272</p> <p>Technical official Melinda Holden Director, Category Management 1101 Market street Chattanooga, TN 37402 (423) 751-8926 maholden@tva.gov</p>
Name	
Address	
Telephone number	
E-mail address	
Project description	
<p>SUMMARY The TVA leadership team wanted to improve performance of its Supply Chain organization, particularly in the area of category management. To ensure improvement was sustainable, the organization was focused on internal capability-building.</p> <p>McKinsey was asked to launch strategic sourcing efforts across three categories: MRO, IT/telecom, and temporary labor. The objective of the sourcing effort was twofold: first, to drive substantial savings within the categories by implementing a robust total cost of ownership approach; and second, to build organizational skills and capabilities required to sustain impact and roll out an approach to other parts of the Supply Chain organization.</p>	
<p>SIGNIFICANCE Our work at TVA demonstrates our expertise in procurement, and in establishing procurement professionals as strategic partners. This work also highlights the depth of expertise we offer across organizational assessments and capability-building in the context of acquisition transformations and illustrates the impact we can have on costs and performance by assessing capabilities and providing change management activities, including customized training.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

ACQUISITION	OUR WORK
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ TVA leadership sought to reduce costs from inefficiencies in its supply chain while creating a sustainable solution to improving sourcing across MRO, IT/telecom, and temporary labor categories. Leadership recognized that they would have to build the capabilities of the workforce to roll out the implementation of any supply chain reorganization strategy as well. <p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Assessed the organization, including capabilities of individuals in three key roles in the acquisition group (category managers, contract managers, and purchasing agents), and developed customized learning and development plans for each of the roles ▪ Designed an acquisition transformation strategy to capture savings in all three spend categories identified, MRO, IT/telecom, and temporary labor, using the organizational assessment to identify key opportunities for improvement, including embedding a “total cost of ownership” approach that looks beyond just the purchase price to maximize value creation for TVA. ▪ Designed and delivered a comprehensive capability-building program that included a series of three 1- to 2-day workshops (“boot camps”) and on-the-job coaching to train acquisition personnel on core skills. Examples of analyses covered in workshops include: total cost of ownership; supplier economics; supply market analyses; supplier negotiations; contracting; and performance management. ▪ Designed the 18- to 24-month transformation road map going forward for the Supply Chain organization to implement their sourcing strategy, including a strategic sourcing playbook for the organization that codified this new and improved approach and would serve as a training document and reference manual going forward. ▪ Worked closely in partnership with key internal stakeholders and business units (including operations, IT, and HR) to develop strategies and implement initiatives <p>IMPACT</p> <ul style="list-style-type: none"> ▪ Achieved savings across three categories – MRO, IT/telecom, and temporary labor – as part of the strategic acquisition effort. ▪ Helped TVA build strong partnerships with operations and other business stakeholders who have come to view Supply Chain as a strategic partner and not just a tactical buyer. ▪ Provided in-depth assessments of individual capabilities within the acquisition function and developed customized learning and development plans for category managers and contractor managers. Technical skills of individuals within the acquisition group were strengthened through focused workshops and on-the-job coaching.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 10: U.S. Department of Treasury, Financial Management Service/Federal Reserve Bank (TRSO): Improving Efficiency in Accounts Payable

Client and project information	
Client identification	U.S. Department of Treasury, Financial Management Service (FMS)/ Federal Reserve Bank TRSO
Project title	Payments Business Review and Strategy
Period of performance	November 2010 – October 2011
Contracting and technical reviewing official	<p>Contracting official Kathleen Paese Senior Vice President, Treasury Division Federal Reserve Bank of St. Louis P.O. Box 442 St. Louis, MO 63266-0442 (314) 444-8453 kathy.o.paese@stls.frb.org</p> <p>Technical official Sheryl Morrow Assistant Commissioner, Payments Management 401 14th Street, SW Washington, DC 20227 (202) 874-6790 sheryl.morrow@fms.treas.gov</p>
Name Address Telephone number E-mail address	
Project description	
<p>SUMMARY In 2010, the Federal Reserve Bank of St. Louis and U.S. Treasury’s Financial Management Service (FMS) sought to assess the implications of changes in the payments industry, Treasury’s “All Electronic” initiative, and the current budgetary environment on the Treasury’s payments operations. McKinsey comprehensively assessed current organization, operations, and technology. Then, we developed a new operating model, organizational design and a strategic plan for the Payments Management business that would realize significant cost-savings, and prepared FMS for continued changes in the payments industry.</p>	
<p>RELEVANCE TO DOI Our work at FMS demonstrates McKinsey’s ability to create a strategic plan that closes critical performance gaps, dramatically enhances organizational efficiency in financial management, and creates economic impact. This work also demonstrates our comprehensive insights into the backbone of financial processes (both in the private sector and in government payments processing), which is critical to pragmatic implementation planning. Our FMS work also shows how we leverage our world-class private sector knowledge to define IT solutions in the payment space (e.g., electronic payment platform) in a very short timeline while remaining on-budget.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

PERSONNEL

- Personnel in our proposal who were engaged in this case include Amer Baig and Rob Hayden.

OUR WORK

STRATEGY FOR MODERNIZING ACCOUNTS PAYABLE PLATFORM

ACCOUNTS PAYABLE STRATEGY DEVELOPMENT

THE CHALLENGE

- U.S. government payments space was in a broad transition characterized by declining check volumes and increased adoption of electronic payment channels as the agency had set itself the target to shift all paper check processing to electronic within a 2-year timeframe. As a result, check printing centers had growing excess capacity and there was strong pressure to redesign policies, processes, organizational capabilities, and IT architecture to make the most of efficiency opportunities. The authorizing environment for such changes includes operational decision-makers, senior government leaders, and representatives of the workers and staff that need to be aligned on the strategy and implementation plan.

OUR APPROACH

- **Developed a coherent strategic plan for Payments Management** including specific strategic initiatives, business case, and a multi-year implementation roadmap.
- **Assessed the government’s current strategic plans, payments operations, organizational, and budgetary information** through extensive interviews, site visits, and analysis of internal and external documents.
- **Utilized McKinsey proprietary and industry data to develop an independent perspective on the payment trends** and checks/electronic payment volumes that Treasury should plan for. The analysis considered multiple, uncertain internal and external estimates and established baseline, conservative, and aggressive scenarios that the Treasury can utilize for its strategic plan.
- **Facilitated top team workshops to discuss alternative organizational models**, configuration of operations (ConOps), IT architectures, and established a consensus approach for execution.
- **Identified opportunity to improve government-wide efficiency and effectiveness**, including new skills, operations capabilities, and IT platforms to address current gaps meet FMS’ future needs.
- **Defined the requirements and conducted market research on technology providers for payments processing** that could enable retirement and upgrade of FMS’ aging payments processing system.
- **Defined the change management approach** and provided the materials used for syndicating the recommendations with senior leaders in government.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>IMPACT</p> <ul style="list-style-type: none">▪ Identified savings estimate of ~\$100M to budget annually through operational and technology redesign (e.g., opportunities to consolidate “back-end” payment systems into a single commercial “off-the-shelf” (COTS) product).▪ Created concrete scenarios for payments evolution for FMS consideration and achieved buy-in on the scenarios from a diverse stakeholder groups.▪ Developed a strategic plan that generates government-wide savings to respond to budgetary pressures, adopts new technology, rationalizes the operating footprint, and upgrades the skills and capabilities of the organization.▪ Supported two key elements of Treasury’s government-wide effort to transform financial management: scaling up shared services (via transition of NTDO operations to FMS) and adoption of Commercial Off-the-Shelf platforms (versus custom developed platforms) for financial management.▪ Developed an implementation plan and change management approach that provided specific milestones to guide management through a multi-year effort.
--	---

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 11: DOI Financial Business and Management System (FBMS):
Capturing Value from Integrated Financial Management System

Client and project information	
Client identification	U.S. Department of Interior – Financial Business and Management Service
Project title	ERP Assessment and Implementation
Period of performance	March 22, 2011 – August 5, 2011
Contracting and technical reviewing official	Contracting official Anita Tolliver (703) 964-3687 anita.tolliver@aqd.nbc.gov
Name	Technical official Pam Haze 1849 C Street NW Washington, DC 20240 (202) 208-4775 pam_haze@ios.doi.gov
Address	
Telephone number	
E-mail address	
Project description	
<p>SUMMARY</p> <p>McKinsey performed a third-party assessment of the FBMS system to modernize finance, acquisition, and other support functions. Through this effort, our team built a detailed understanding of support services throughout the Department and designed approaches to use FBMS capabilities to capture significant value for the bureaus, including creating a significantly more efficient and lean blueprinting process, defining rigorous, objective process to coordinate customization requests from bureaus, and revising end-user training. Our team identified a direct potential of ~\$100 million to 200 million in business value by better utilizing FBMS system through our analyses and recommendations of initiatives. In addition, we identified opportunities to reduce complexity, risk, and cost in remaining deployments of the FBMS system.</p>	
<p>RELEVANCE TO DOI</p> <p>We have a unique and detailed understanding of the history behind DOI’s financial management system and how to realize process improvements, which would be particularly relevant to quickly identifying improvement opportunities across bureaus for account management. We would be able to build off the first-hand knowledge gained from our FBMS work to expand efficiencies in financial process management and build on our previous relationships with stakeholders to ensure their continued input.</p>	
<p>OUR WORK</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

MEASURING VALUE OF CROSS-BUREAU FINANCIAL IT SYSTEM

THE CHALLENGE

- DOI was in the midst of a 10-year effort to implement an ERP system (Financial and Business Management System, or FBMS) using SAP and CompuSearch modules in all bureaus. In a 2010 status review, the Office of Management and Budget expressed concerns regarding the project. McKinsey helped by articulating the potential sources of value from FBMS, estimating the value achieved to date, and recommending value-capture initiatives to maximize value. We also assessed the scope and schedule for remaining FBMS deployments, offering recommendations to reduce risk, complexity, and cost, and assessed effectiveness of the FBMS project governance structure.

OUR APPROACH

- **Conducted more than 70 interviews** with stakeholders across all bureaus
- **Visited FBMS operations to work with front-line staff** in order to understand first-hand the concerns, challenges, and risks of our implementation approach to expanding the usage of FBMS.
- **Reviewed and analyzed the details of the FBMS system and deployment plan to identify areas for improvement**, including project scope, schedule, architecture, business plan, cost-benefit, implementation roll out plan, training strategy, change management plan and bureaus’ readiness. Conducted an in-depth assessment of all these program aspects using McKinsey’s Sales Operating Framework for diagnosing the health and management of large IT projects.
- **Identified and categorized potential sources of value from FBMS system**, creating framework to articulate value of system, assessing value captured to date in each area, and identifying opportunities to capture further value
- **Created and syndicated recommendations in collaboration with FMBS PMO and bureau leadership**, incorporating into detailed execution plans, which were used to ensure recommendations were actionable.

IMPACT

- **Identified direct potential of ~\$100-200M in business value by better utilizing FBMS system.** Identified and prioritized ~20 initiatives to accelerate realization of potential value sources, including centralizing dispersed functions, standardizing budget reporting within and across bureaus, and optimizing purchasing (e.g., reducing vendor fragmentation, increasing asset utilization).
- **Provided suite of recommendations to reduce complexity, risk, and cost of remaining FBMS deployments:**
 - **Creating a significantly more efficient and lean blueprinting process** by focusing efforts on processes not fully defined in previous rollouts
 - **Defining rigorous, objective process to coordinate customization requests**

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	<p>from bureaus, focused on cost-benefit analysis supported by bureaus</p> <ul style="list-style-type: none">– Revising end-user training by creating experiential learning program, developing rigorous train-the-trainer approach, and using internet tools (e.g., wikis) to share knowledge.▪ Enhanced FBMS governance by investing additional resources in value capture, improving engagement of steering committee, and creating more robust dashboard to track FBMS performance.
--	---

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 12: MillerCoors: Merger Integration

Client and project information	
Client identification	SABMiller (parent of MillerCoors)
Project title	MillerCoors Merger Integration
Period of performance	January 2008 – August 2008
Technical reviewing official	Kevin Self Vice President, Integration & Synergies MillerCoors Currently Vice President at Johnson Controls
Name	(414) 524-4216
Telephone number	
Project Description	
<p>SUMMARY In 2008, SABMiller and MolsonCoors embarked on a joint venture to merge their U.S. subsidiaries, Miller Brewing Company and Coors Brewing Company. This combination of over \$8 billion in revenue and over 8,000 employees enabled the brewers to combine all aspects of operations including production facilities, distribution networks, purchasing, packaging technologies, and sales organizations to achieve scale advantage in the competitive U.S. beer market.</p>	
<p>SIGNIFICANCE TO DOI McKinsey is able to design an effective integrated organizational model between two large, complex and geographically distinct organizations. Our work at MillerCoors demonstrates an ability to understand corporate cultures and design potential solutions, drawing from strengths of each to design a new and stronger model. We also managed integration across both core operations (e.g., sales, marketing, procurement, production) and support (e.g., finance, legal) functions. We can utilize this private sector experience and others to bring creative to DOI’s Service First opportunities. The ability to achieve performance improvements across geographically disperse, culturally distinct organizations will be significant when working across bureaus.</p>	
<p>PERSONNEL</p> <ul style="list-style-type: none"> ▪ Personnel in our proposal who were engaged in this case include Matt Welsh. 	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

SUCCESSFULLY INTEGRATING SERVICES OF TWO DISTINCT PRIVATE SECTOR ENTITIES

CONSOLIDATION AND PERFORMANCE MANAGEMENT DESIGN AND IMPLEMENTATION

THE CHALLENGE

- Miller Brewing and Coors Brewing had developed very distinct structures, processes and cultures across the U.S. Integrating the two brewers involved two substantial challenges: 1) creating an integrated entity while maintaining operations; and 2) achieving the cost and revenue improvements. McKinsey’s main role was to help guide the integration to completion on time, while realizing the full value of the improvement targets.

OUR APPROACH

- **Created a detailed organizational database.** We gathered the facts necessary to inform client decision-making, creating a detailed cost and FTE baseline of over 300 categories across management, administrative and operations organizations. The database aligned to specific sub-functions and cost areas.
- **Developed fact-based targets.** We estimated improvement targets and disseminated to working teams. McKinsey also supported regular planning and review sessions with staff on plans to achieve targets.
- **Designed program management processes.** The McKinsey team developed comprehensive program management “Day 1” checklists in preparation for full integration on the day the merger came into effect. We also provided detailed timing of events leading up to “Day 1.”
- **Planned for transformation implementation.** We created workforce transition costing models and templates to assist managers in designing new on-target organization structures and reporting relationships. We led cross-brewer planning meetings and integration sessions with senior leaders to develop an effective top team to govern the organization. We developed communication materials using the McKinsey Merger Management toolkit.

IMPACT

- **The two companies successfully integrated their organizations and operations.** Miller and Coors successfully integrated into a merged entity in 2008, with a combined leadership team and no lapse in continued operations.
- **The integrated organization met performance targets, with further improvement expected.** To date, MillerCoors has surpassed initial improvement targets and has saved over \$500 million in combined costs.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 13: Deutsche Post (DHL): Global Shared Services Transformation

Client and project information	
Client identification	Deutsche Post
Project title	Increasing productivity of shared services, multiple projects
Period of performance	October 2008 – June 2010
Technical reviewing official	Technical official Stephen McGuckin, global head of HR Guenter Bulk, global head of Finance Operations Additional contact and contract information available upon request
Project description	
<p>SUMMARY Deutsche Post was privatized in 1995. In the late 2000s, Deutsche Post was under pressure to improve productivity and reduce the cost of its shared services. The company engaged McKinsey to help improve its shared services including HR, IT, marketing, procurement, and real estate functions. The work entailed several projects over more than three years, including efforts to assess performance against benchmarks, reduce costs, improve productivity, and improve and optimize service levels. The work led to the implementation of a large-scale lean transformation across the shared services offerings.</p>	
<p>SIGNIFICANCE Our work with DHL highlights the value of McKinsey’s proprietary tools and benchmark database to quickly enable opportunity identification and sizing, similar to requests in DOI’s BPA. We transformed shared services, including IT, HR, procurement, finance, marketing, and real estate, across a very large organization facing significant pressure to reduce costs and improve productivity and service levels. We work collaboratively with clients to apply best practices (e.g., lean approach) across a variety of service offerings. Our firm is global and we apply a worldwide knowledge base to client situations Emphasizes McKinsey’s ability to partner with business leaders to drive long-term service improvements that are regarded as exceptional achievements for the organization.</p>	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR WORK

SHARED SERVICES STRATEGY / ORGANIZATION DESIGN AND GOVERNANCE

GLOBAL SHARED SERVICES STRATEGY DEVELOPMENT

THE CHALLENGE

- Increased competition in mail and logistics, including downward pressure on price and increased pressure on speed, required DHL to operate more efficiently and effectively to remain competitive.

OUR APPROACH

- **Diagnosed the current situation.** We inventoried and analyzed shared services activities against benchmarks, using McKinsey’s proprietary Business Support Function (BSF) databases and assessed performance worldwide to gather a cross-cutting view on service delivery standards and opportunities for improvement.
- **Identified opportunities and priorities.** We reviewed existing plans for improvement, and identified processes to continue and not continue, and new shared services offerings to introduce. We acted as coaches for the change team and all management levels on a daily basis.
- **Developed strategy, designed new organizational structure, alignment and processes, and supported implementation.** We designed lean transformations to reduce costs and improve productivity, service levels, and quality in the shared services center. We also worked full time with a client team to implement this plan. Together, we developed and rolled out improvement programs worldwide, and created a performance management system, including performance and quality indicators, scorecards and tracking systems to monitor performance.

IMPACT

- **Identified an opportunity to reduce the risk of IT improvement efforts** by eliminating an outsourcing agreement in favor of an internal IT transformation that could deliver similar benefits without the risks inherent to outsourcing.
- **Implemented a transformation of shared services worldwide** designed to improve service levels while reducing costs by 230 million Euros (1.7 billion baseline).
- **Service and productivity improvements were so significant that the shared services organization tripled in size from 5,000 employees to 15,000 employees** as additional services were centralized. For example, insurance, fleet management, internal consulting, and risk management were all added as shared services based on the success of our work with IT, human resources, procurement and other functions.
- **Scaled up the number of change agents** up from 5 to 30+ with McKinsey support.
- **The transformation of shared services was seen as one of the company’s most significant achievements** and a key to long-term competitiveness, contributing to the rise of the former head of shared services, Frank Appel, to the role of CEO.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 14: Commonwealth of Kentucky: Implementation of Shared Services

Client and project information	
Client identification	Commonwealth of Kentucky
Project title	Implementation of shared services for a state government
Period of performance	October 2008 – June 2010
Technical reviewing official	Technical official Stephen McGuckin, global head of HR Guenter Bulk, global head of Finance Operations Additional contact and contract information available upon request
Project description	
SUMMARY The team assisted the Commonwealth with establishing the EMPOWER Kentucky Program Office, selecting initiatives and creating a related business case, and assisting in the implementation of select initiatives.	
SIGNIFICANCE Our work for the Commonwealth of Kentucky demonstrates our team’s experience in serving state governments and in designing and implementing shared services over a multi-year period. In addition, it highlights our ability to delve into the details of a shared services operating model, including developing and implementing comprehensive staffing plans, process redesign and process mapping.	
OUR WORK	
SHARED SERVICES IMPLEMENTATION	GLOBAL SHARED SERVICES STRATEGY DEVELOPMENT
	THE CHALLENGE <ul style="list-style-type: none"> ▪ McKinsey worked with the Commonwealth of Kentucky on EMPOWER, Governor Paul Patton’s signature effort for reforming and improving the way Kentucky operated. The program was structured with 13 separate initiatives, encompassing jobs, transportation, administrative, human services, procurement, and other areas.
	OUR APPROACH Select initiatives included: <ul style="list-style-type: none"> ▪ Design and implementation of the CIO office, which consolidated IT services and control previously distributed across multiple departments ▪ Process mapping and redesign of statewide key administrative processes, including payables and disbursing, purchasing ▪ Developing and implementing a workforce transition plan, which included job offers and training for employees displaced by the EMPOWER initiatives.
IMPACT	

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

- **Goals were fully met on the planned schedule** for EMPOWER Kentucky’s revenue, administrative reform, cost savings, and improved constituent service.
- **Net benefits of the shared services initiatives were estimated at \$76 million** over a 5-year period.
- **Initiatives led to a reduction in workforce of 400 employees without any layoffs** or union complaints.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 15: French State RGPP: Capturing Identified Cost-Saving and Efficiency Opportunities

Client and project information	
Client identification	French government
Project title	5-year government transformation
Period of performance	December 2007 – December 2012
Project description	
<p>SUMMARY</p> <p>The French State reform, la Révision Générale des Politiques Publiques (RGPP), started in 2007 with the aim to achieve structural reductions in public expenditures, while improving quality of services for citizens and ensuring that the work of civil servants gets greater recognition. The program's initial ambition was to capture €7 billion impact by 2012. In June 2011, a new set of reforms was announced to deepen and enlarge the transformation, with a new target of €15 billion by 2013.</p> <p>Since December 2007, McKinsey has played an instrumental role in shaping, driving, and implementing the “RGPP program” – a transformation program comprising around 400 initiatives to capture identified cost-saving and efficiency opportunities on central and local levels. The effort was holistic, demanding expertise from a number of McKinsey’s functional capabilities such as lean-operations techniques, information technology, and performance management and covering a broad range of ministries and key institutions, including tax authority. As part of this reform, a new Public Finance Department was formed from the merger of the former tax and accounts departments respectively, which had been separate for more than 700 years.</p>	
<p>SIGNIFICANCE</p> <p>Our work for the French State reform shows McKinsey’s ability to adapt our approach and framework to a variety of government contexts. Furthermore, this work, with a transformational program including over 400 initiatives, demonstrates our ability to identify a breadth of opportunities across multiple regions (e.g., national, regional, local) and functional capabilities (e.g., performance management). Additionally, in merging organizations that had been separate for 700 years, we show our distinctive ability to build consensus around change management with stakeholders.</p>	
<p>OUR WORK</p>	
LARGE, COMPLEX GOVERNMENT	<p>MERGER OF FRENCH TAX AUTHORITIES</p>
	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> As part of this reform, a new Public Finance Department was formed from the merger of the former tax and accounts departments respectively, which had been separate for more than 700 years. The objectives of the merger were to improve service for the user through “one-stop shops”, to realize cost synergies, to better meet the needs of local government, and to broaden the career horizons of the 130,000 staff affected.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

OUR APPROACH

Our approach was structured into four main stages:

- **Created an indicator dashboard**, an innovative and customized tool for tracking the work allocated by the operational manager, on the basis of an estimated schedule. We prepared a monthly update of the dashboard for discussion by the management committee.
- **Systematically reviewed the qualitative synergies** and identified actions to improve service to the user, and the quality of life of the staff, by capitalizing on the merger of the former tax and accounts departments.
- **Identified key strategic orientation for the new entity**, drawing on insights from structured interviews with senior management and using our proprietary set of benchmarks. We then developed an initial strategic outline for the new Public Finance Department.
- **Established a communication approach** segmenting staff by type and category and developing the top management action and communication plan.

IMPACT

- **Developed vital tools for individual tax services**, which were rolled out ahead of schedule and are in active use by the organization today. We identified more than 70 potential synergies and several initiatives were launched as a result, most notably the creation of a cross-departmental task-force on electronic filing, and the launch of a study on the harmonization of collection processes.
- **On the basis of our strategic outline, the department launched a participatory process** to draft of a strategic orientation document, which was published in December 2009.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 16: Global Financial Institution: Next Generation Cyber Security Strategy

Client and project information	
Client identification	Global financial institution
Project title	Next Generation Cyber Security Strategy
Personnel involved	Steve Kelly
Project description: Next Generation Cyber Security Strategy	
CYBER SECURITY AND IT STRATEGY DEVELOPMENT	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> A large, global financial services institution suffered a significant cyber attack in 2008, which identified glaring weaknesses in their cyber security technologies, workforce, processes, and governance. From 2008-2011, they made significant progress in formalizing and growing their Cyber Security group and investing in the appropriate technology responses. However, the institution still needed to address several strategic cyber security issues, including: 1) a lack of a coherent cyber security strategy; 2) overreliance on perimeter defense; 3) inconsistent processes to drive trade-off decisions between security and business value with leaders; 4) lack of awareness of threat and poor security mindset throughout the organization; 5) cumbersome cyber security systems that caused users to circumvent protections, and 6) a lack of accountability and sanctions for not following security policies.
	<p>OUR APPROACH</p> <p>We developed a business-back cyber security strategy in three steps:</p> <ul style="list-style-type: none"> Identification of ~30 critical information assets, the compromise of which would have significant operational impact on client, and identified assets most at risk from potential cyber security adversaries Clear articulation of the advanced persistent threat (APT) actors facing clients (state sponsored entities, criminal syndicates, and politically motivated activists) Benchmarking assessment of client capabilities against “basic” and “advanced” cyber security practices.
	<p>IMPACT</p> <ul style="list-style-type: none"> Moved from just protecting the perimeter to protecting the ~30 critical information assets within the perimeter. Repositioned strategy from a risk avoidance to risk management approach to drive tradeoff decisions between IT and business. Develop a proactive defense against APTs that consists of a robust intelligence capability and counter APT campaign teams. Shifted culture and behaviors to develop a shared security mindset through a robust change management program. Cyber security a collaborative business enabler rather than a “policeman” by improving usability of key systems and providing alternatives for unsafe, but

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

	expedient processes.
--	----------------------

Case 17: USAID and US State Department: Improving IT User Experience

Client and project information

Client identification	USAID and the State Department
Project title	IT Consolidation
Period of performance	June 2010 – January 2011
Personnel involved	Biniam Gebre, Ankur Ghia

IT USER EXPERIENCE	<ul style="list-style-type: none"> ▪ USAID and the State Department both maintained overlapping IT footprints that resulted in multiple pain points and additional costs across the 70 locations around the world (mostly in embassies) and at headquarters in Washington, DC. As part of the Quadrennial Development and Diplomacy Review (QDDR), the two organizations evaluated options for IT consolidation. McKinsey was tasked with: 1) gathering the detailed IT business requirements for both organizations; 2) developing the IT baseline and comparing to public sector infrastructure benchmarks; 3) drafting multiple consolidation options; 4) creating the business case for IT consolidation; and 5) designing the roadmap to reach the end-state. ▪ Our approach had four phases. First, our team launched data requests to compile the IT baseline data and gathered business requirements through a series of 300+ field and HQ interviews with stakeholders in numerous roles. Second, we finalized the IT baseline and compared it with infrastructure benchmarks to estimate size of opportunity through consolidation. Third, we developed multiple consolidation options and create a business case around each option. Finally, we designed the high-level implementation plan and worked with the client working team to build out the Project Management Office (PMO) to help implement the effort. ▪ Ultimately, we identified potential \$70 million to \$90 million cost savings for IT consolidation across the State Department and USAID that would also significantly improve IT user experience. Our vision for an IT transformation program included technology investments that would enhance the end-user experience of the consolidated networks, pooling IT staff at each co-located location, and establishing a 24/7 helpdesk to provide improved IT end-user support. While the agencies had been working on a plan for consolidation for 5 years, we drove to a consensus with both agencies to move forward on this ambitious plan for end-user focused IT consolidation in a short 8-month timeframe.
---------------------------	--

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 18: U.S. Department of the Interior: Transforming IT infrastructure

Client and Project Information	
Client identification	U.S. Department of the Interior
Project title	IT Transformation and Creation of Shared Services
Period of performance	August 2011 – February 2012
Personnel involved	Steve Kelly
Project description	
CROSS-BUREAU CONSOLIDATION OF IT / ORGANIZATION AND PERFORMANCE MANAGEMENT	<p>THE CHALLENGE</p> <ul style="list-style-type: none"> ▪ In 2010, Interior embarked on a multi-year IT Transformation to achieve \$500 million in savings through centralization of all IT infrastructure and related services. In 2011, Interior engaged McKinsey to support the creation of the IT shared services across 16 bureaus and offices, each of which was operating its own independent IT function. This was an extensive shared services design effort, including assessing the opportunity, developing a long-term strategy and vision, building the technical and capability roadmap, developing a comprehensive service catalog, designing a governance and management structure, and developing a PMO and implementation plan.
	<p>OUR APPROACH</p> <ul style="list-style-type: none"> ▪ Engaged staff to analyze the current situation, and empower, enlist and identify future leaders. We conducted 50+ interviews with stakeholders including Bureau Assistant Directors of Information Resources (ADIRs), Office of the CIO (OCIO) staff, Bureau IT and HR staff, and Department budgeting staff to better understand the perspectives, barriers, and opportunities associated with centralization of IT services. We also participated regularly in off-sites, senior leadership meetings, and transformation team working sessions to incorporate the latest progress into all recommendations. ▪ Designed comprehensive, customer-friendly service catalog in collaboration with stakeholders. We worked extensively with bureau and OCIO staff and drew from both private and public sector best practices to create the full IT service catalog. In addition, we developed a methodology to enable the shared services center to add new services over time, to ensure this became a “living” catalog. We also developed a user-friendly survey that enabled all customers of the shared services center to easily identify the bundle of IT services (and relevant cost) that were applicable to their needs by developing a classification system of major user types. ▪ Provided extensive change management and capability-building support and tools to senior management. We developed and executed an extensive communication strategy for senior leaders, including preparing communication materials for multiple audiences (including bureau management, front-line staff, and external stakeholders) and preparing senior leaders to drive and deliver the message, thus ensuring a seamless handoff of ownership to the client team.
	<p>IMPACT</p> <ul style="list-style-type: none"> ▪ Gained alignment across bureaus to develop and deliver a detailed IT transformation

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

implementation plan

- **Identified and quantified a set of transformation initiatives** that will enable the Department to save \$100 million annually by 2016.
- **Designed and enhanced enterprise IT management structure** and provided recommendations for enhancing capabilities of IT shared services. Once fully implemented, the initial 12 bureaus and offices that currently have their own IT infrastructures will have one standardized infrastructure across all 12 bureaus and offices.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 19: Fortune 50 Financial Institution: Global Resource Optimization and Location Strategy

Client and project information	
Client identification	Fortune 50 Financial Institution
Project title	Global resource and location strategy
Personnel involved	David Chubak
FACILITIES MANAGEMENT	<p>McKinsey led an effort to define the global resource and location strategy of a large global financial institution, with a strong focus on efficient resource utilization, process reengineering, location and site selection, and real-estate cost optimization. The effort consolidated dispersed processes across the globe into “global service centers” in select locations in the U.S., Canada, India, Latin America, China and Eastern Europe. The effort targeted efficiency of greater than 15 percent on labor from wage arbitrage, consolidation and process improvement, and achieved ~22 percent efficiency (incorporating wage inflation in select countries). Additionally, the effort also captured 20 percent net improvement in non-compensation expenses, primarily by reducing real estate and shifting technology costs in the legacy organization.</p>

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 20: Forest and Timber Industry in Southeast Asia: Low Carbon Growth Strategy

Client and project information	
Client identification	Government of heavily forested province in Southeast Asia
Project title	Low Carbon Growth Strategy for the Forest and Timber Industry
Personnel involved	Mathias Baer, Jens Riese
SUSTAINABLE FORESTRY AND LAND USE MANAGEMENT / CLIMATE CHANGE SCIENCE	<ul style="list-style-type: none"> ▪ The forestry sector in this Southeast Asian province was one of the largest users of land, yet had a low contribution to GDP while emitting substantial CO₂ as a result of land use and land-use change practices. Emissions were expected to increase in a business-as-usual scenario from non-sustainable harvesting practices, expansion of plantations into primary and secondary forests, drainage of peatlands, and the continuation of fires. The governor of this province retained McKinsey to inventory carbon abatement opportunities and develop a strategy for low carbon growth of the forest and timber industries. ▪ Our team completed a diagnostic of the current and future CO₂ emissions from the forestry sector, informed by industry experts, heavy data analysis, and interviews of government officials to understand the regulatory context and government priorities/strategies. In the diagnostic analysis, we calculated the geographic distribution of the current carbon stock using geospatial analysis and predicted the scenario for 2030 based on the impact of the current economic and regulatory spatial development plan. We then defined scenarios to optimize this spatial plan to reduce the carbon emission impact from forestry and timber activities. Using the spatial analysis to inform our low-carbon growth strategy, we estimated a huge potential to reduce CO₂ emissions, prioritized abatement opportunities and new growth opportunities, and developed action plans to realize these opportunities. Examples of opportunities included swapping development leases from high carbon to low carbon land and identifying the amount and location of degraded land on which to expand forestry and timber operations. ▪ After gaining alignment with key stakeholders on the largest potential opportunities, incorporating additional criteria such as financial returns and community support, our team helped jump-start pilot projects to test these initiatives. Through these pilots, we were able to identify critical enablers and tailor the action plan to address critical enablers for the larger rollout. In the last phase of the project, we developed a high-level governance model and implementation plan, including the evaluation of total costs and potential sources of funding.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

Case 21: Taiwan’s East Coast: Comprehensive Tourism Strategy for

Client and project information	
Client identification	Tourism Bureau of Taiwan
Project title	Comprehensive Tourism Strategy for Taiwan’s East Coast
Personnel involved	Urs Binggeli
TOURISM STRATEGY / CUSTOMER INSIGHTS AND SATISFACTION	<ul style="list-style-type: none"> ▪ On August 8, 2009, Typhoon Morakot struck Taiwan, creating one of the most severe floods in recent history, and severely damaging the economies of Eastern and Southern Taiwan, particularly in Eastern Taiwan’s critical tourism sector. In response to the widespread devastation, and at the invitation of the Minister of Transportation and Communications, McKinsey embarked on an effort to develop a strategy for revitalizing tourism in the Huadong region. Through this strategy, Huadong also sought to increase the number of international visitors to the region, as only ~6 percent of total visitors to Huadong were international but these tourists accounted for 23 percent of Huadong’s tourism revenue. ▪ McKinsey considered four criteria in developing Huadong’s tourism strategy that are highly relevant to DOI’s mission: economic impact, local employment impact, environmental preservation, and cultural preservation. Our team analyzed customer and tourist segments (e.g., eco-tourist, retirement tourist) and gathered customer insights around travel habits and preferences for each tourist segment through focus groups with international tourists. We benchmarked the intrinsic features (e.g., natural beauty), infrastructure and connectivity (e.g., directly flights to location), and products (e.g., accommodations, culture and heritage, culinary experience) of Huadong against similar regional destinations like Bali and Phuket to understand where improvements could be made to meet customers’ satisfaction and to draw in international tourists. Using McKinsey’s past experience, we compiled a creative inventory of opportunities for improvement from best-in-class tourism strategy case studies from around the world as well as from interviews with industry experts. ▪ Our strategic assessment ultimately created a high-level implementation plan for Huadong tourism development that included coordinated sustainable land usage planning, accountability through cross-bureau cooperation, optimizing transportation to and within the region, and enhancing IT user experience through two-way web-based communication with the international tourist community. The implementation plan also outlined performance measurement metrics to monitor progress and track impact and health of the tourism development program as well as customer satisfaction.

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

BRONNER GROUP CASE EXAMPLES

Case 1: U.S. Department of the Interior: Office of the Assistant Secretary for Indian Affairs

Client and Project Information	
Client identification	U.S. Department of Interior, Office of the Assistant Secretary for Indian Affairs
Project title	Examination, Evaluation, and Recommendation Analysis of the Department of the Interior Indian Affairs & Indian Education Organization
Contract number	GS 10F0052N/D11PD40426
Period of performance	June 20, 2011 - Ongoing
Contract value	\$489,483.00
Contracting and technical reviewing official: Name Telephone number	<p>Contracting: Anita Tolliver 381 Elden Street, Suite 4000 Herndon, VA 20170-4817 703-964-3687</p> <p>Technical: Jeanette Hanna Deputy Chief of Staff Office of the Assistant Secretary – Indian Affairs Washington, DC 202-208-4488</p>
Personnel involved	Bronner personnel
STRATEGY DEVELOPMENT	Project description
	<p>The Office of the Assistant Secretary – Indian Affairs sought Bronner’s expertise to conduct an impartial analysis of its administrative support organization and determine the appropriate series of “next steps” for the Bureau of Indian Affairs. The challenge to improving service to American Indians and Alaska Natives is to balance internal financial and programmatic controls with regional delivery of administrative services. Bronner developed a hybrid approach to provide for regional supervision and centralized administrative policy oversight. Bronner conducted a comprehensive organizational baseline analysis and drafted a report on alternative organizational options and peer agency behaviors. Bronner also recommended a roadmap for implementation, crafted an implementation plan, and provided tribal consultation support and facilitation.</p>

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.



Case 2: U.S. Small Business Administration (SBA)

Client and Project Information	
Client identification	U.S. Small Business Administration
Project title	Marketing and Outreach Facilitator
Contract number	SBAHQ-12-F-0136
Period of performance	February 13, 2012 - August 30, 2012
Contract value	\$147,843.75
Contracting and technical reviewing official: Name Telephone number Email	<p>Contracting: Barbara L Hayden Contract Specialist Small Business Administration 721 19th Street Denver CO 80202 303/844-7218 303/844-2119 (fax) barbara.hayden@sba.gov</p> <p>Technical: Jacqueline B. West Office of Field Operations (202) 205-7581 Direct Jacqueline.West@sba.gov Calvin Goings Assistant Associate Administrator (206) 437-2529 mobile Calvin.Goings@sba.gov</p>
Personnel involved	Bronner personnel

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.

STAKEHOLDER OUTREACH AND COMMUNICATIONS PLANNING AND EXECUTION	<table border="1"> <tr> <th colspan="2" data-bbox="355 224 1508 289" style="background-color: #002060; color: white;">Project description</th> </tr> <tr> <td data-bbox="355 289 649 567"></td> <td data-bbox="649 289 1508 567"> <p>Assistant Associate Administrator Calvin Goings was charged with assembling a first-of-its-kind initiative to enhance collaboration between the Small Business Administration’s (SBA) regional and district offices and the network of federal grantees providing support to small businesses. SBA selected Bronner to provide expert consultation and facilitation services around this new mandate to improve collaboration and support to small businesses.</p> </td> </tr> <tr> <td data-bbox="355 567 649 892"></td> <td data-bbox="649 567 1508 892"> <p>Bronner team members worked closely with senior SBA officials from the Offices of Field Operations (OFO) and Entrepreneurial Development (OED) to build a meeting agenda that would encourage candid discussion and actionable conversation. The three-day meeting was hailed as a complete success, prompting SBA to seek Bronner’s assistance with a series of follow-up sessions to be held across America during the late spring and early summer of 2012. Bronner’s prepared analysis for SBA outlined a series of concrete steps that are being pursued to maximize the government’s internal operating strategy around collaboration.</p> </td> </tr> <tr> <td data-bbox="355 892 649 1121"> <p>Key Deliverables:</p> </td> <td data-bbox="649 892 1508 1121"> <ul style="list-style-type: none"> Meeting Agenda and Curriculum Design Professional Meeting Facilitation Formal Recommendations for Organizational Improvement Change Management Strategy Development </td> </tr> </table>	Project description			<p>Assistant Associate Administrator Calvin Goings was charged with assembling a first-of-its-kind initiative to enhance collaboration between the Small Business Administration’s (SBA) regional and district offices and the network of federal grantees providing support to small businesses. SBA selected Bronner to provide expert consultation and facilitation services around this new mandate to improve collaboration and support to small businesses.</p>		<p>Bronner team members worked closely with senior SBA officials from the Offices of Field Operations (OFO) and Entrepreneurial Development (OED) to build a meeting agenda that would encourage candid discussion and actionable conversation. The three-day meeting was hailed as a complete success, prompting SBA to seek Bronner’s assistance with a series of follow-up sessions to be held across America during the late spring and early summer of 2012. Bronner’s prepared analysis for SBA outlined a series of concrete steps that are being pursued to maximize the government’s internal operating strategy around collaboration.</p>	<p>Key Deliverables:</p>	<ul style="list-style-type: none"> Meeting Agenda and Curriculum Design Professional Meeting Facilitation Formal Recommendations for Organizational Improvement Change Management Strategy Development
Project description									
	<p>Assistant Associate Administrator Calvin Goings was charged with assembling a first-of-its-kind initiative to enhance collaboration between the Small Business Administration’s (SBA) regional and district offices and the network of federal grantees providing support to small businesses. SBA selected Bronner to provide expert consultation and facilitation services around this new mandate to improve collaboration and support to small businesses.</p>								
	<p>Bronner team members worked closely with senior SBA officials from the Offices of Field Operations (OFO) and Entrepreneurial Development (OED) to build a meeting agenda that would encourage candid discussion and actionable conversation. The three-day meeting was hailed as a complete success, prompting SBA to seek Bronner’s assistance with a series of follow-up sessions to be held across America during the late spring and early summer of 2012. Bronner’s prepared analysis for SBA outlined a series of concrete steps that are being pursued to maximize the government’s internal operating strategy around collaboration.</p>								
<p>Key Deliverables:</p>	<ul style="list-style-type: none"> Meeting Agenda and Curriculum Design Professional Meeting Facilitation Formal Recommendations for Organizational Improvement Change Management Strategy Development 								

This page contains trade secrets or confidential information and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this quote.