



*Ebook*

# **Put Your Money Where your Mission Is**

A plan for modernizing how government plans, prioritizes, and funds



# Table of Contents

- 4**    **The United States Must Achieve Decision Superiority, Now**
- 5**    **Macroeconomic Factors Demanding Modernization**
- 7**    **Complicating Factors to Transformation**
- 9**    **The Problem Manifests in Today's Processes**
- 11**   **Becoming a Modern Decision Maker**
- 12**   **In Closing**



# The United States Must Achieve Decision Superiority, Now

Public sector decisions must become more transparent, accountable, and responsive. Being more diligent and strategic will ensure the nation's long-term safety and prosperity through improved economic standing in the world, ability to prevent potential conflict, and increased happiness of American citizens.

The conditions are right to successfully transform how the public sector plans, prioritizes and funds. By making better decisions, the US government can ensure a better future for the nation and its citizens.



# Macroeconomic Factors Demanding Modernization

The world is more connected and inter-dependent than ever before. The result is an accelerating need to assess the landscape, understand the threats and trade-offs, and improve decision making about the short- and long-term allocation of resources.

## Global Volatility

Global volatility has proven just how critical it is that the United States continue to be a world leader. Leadership comes at a cost, further exacerbating the necessity for the United States to effectively allocate each dollar. Examples below.

- **COVID.** In the second quarter of 2020, the GDP of the United States fell by 8.9%, the second largest drop in more than 70 years. This drop in production was coupled with an ongoing explosion in spending as nearly \$5 trillion was invested in relief. While a pandemic akin to COVID had not been experienced before, experts have indicated future pandemics are inevitable. Preparing for events resulting in this type of economic impact requires every dollar spent to be excruciatingly prioritized.
- **The War in Ukraine.** Not only has the United States invested more than \$50B in aid to the Ukraine since the war began, but the war has exposed other challenges. The price of oil has skyrocketed, leading the US to draw down on its strategic petroleum reserve which will need to be replenished. We have also drawn down on munitions, which too must be replenished. There are evolving threats of more global chaos as the war escalates and China's intentions with Taiwan remain unclear. Each threat increases the cone of uncertainty and will require judicious allocation of resources to be in a state of readiness to respond to unfolding events.

- **Supply Chain Issues.** Throughout the last year, the United States has experienced significant supply chain issues; from ships being unable to unload cargo to threats of a railway shutdown to trucker strikes in Canada. The risk is compounded by an aging flight control system which has seen numerous meltdowns. Addressing these issues requires significant investment in infrastructure improvements lest these, and other supply chain issues, will make it increasingly difficult to protect and defend American interests domestically and abroad.

## Limited Resources

The real-buying power of government agencies is being destroyed by inflation. According to the US Bureau of Labor Statics, one dollar in December of 2019 is now worth just \$.87. This average does not consider supercharged inflationary product categories which are making the dollar even more inflexible.

Thus, while the federal budget may appear to increase, it is not keeping up with inflation. Agencies which were expecting to increase investment in key areas are now effectively seeing cuts in their real spending. Important projects and investments must be re-allocated or divested altogether. With the legacy tools in use today, agencies are not positioned to make data-driven decisions in this type of environment.



## The War for Talent

According to a Labor Department report, unemployment in December of 2022 was just 3.5% remaining at near historic lows. The challenge in recruiting has hit the public sector particularly hard. In late 2022 the Army reported it had missed its recruitment goal by 25%.

The labor market is forcing experienced public workers to continue focusing on entry-level tasks typically taken on by entry-level employees. Further, the lack of innovation driven by the incoming workers is seeing organizations remain stuck in older, antiquated ways. A recent study suggests 7% of the federal workforce is under 30.

In short, the public sector is losing the war for talent and the loss is crippling decision making across two vectors.

The first vector is the inability for seasoned workers to allocate the time required to move from data validation—a low value task—to strategist, advising and guiding based on their experience and expertise. The result is great minds focusing on cell alignment instead of mission alignment. The second vector is fueled by the first. If the younger generation—innovators who often drive change—believe the only roles available to them are menial they will shun the public sector delaying the transformation needed to be globally competitive.

As the commercial market continues to recruit from Gen-Z and beyond and benefit from a generation brought up in the always connected, smartphone world, the government is mired in its antiquated approach leading to ongoing suboptimal insight, decision making and response times.



**If everything's a priority, then nothing's a priority.**

Frank Sonnenberg

# Complicating Factors to Transformation



**The Data Problem**



**A Risk  
Averse Culture**



**Cybersecurity  
Concerns**

Naturally, making better decisions would be a reasonably desirable goal for any organization. However, overcoming inertia and addressing systemic issues often stops organizations cold. Below are several of the challenges the government faces in achieving decision superiority. Each topic will be explored in-depth in the report series, “5 Impediments to Effective Public Sector Decision Making.”



## The Data Problem

We find ourselves in a predicament like that of the Ancient Mariner “*Water, water everywhere, nor any drop to drink.*”

Today, data is everywhere. According to Forbes, more than 2.5 quintillion bytes of data are created every day. Agencies are drowning in data but much like the ancient mariner, most struggle to benefit from it. There is a nearly religious belief that if you gather enough data, it will show the way and reveal “the right” answer. But “your data doesn’t know anything about that” is an apropos concept—data is just data without the overlay of priority and intelligence. The paradox is created by three issues.

- **The purpose of data.** Some data is collected—not for improved decision making—but simply because someone believes it might be useful. This leads to excessive volumes of data which must be evaluated—and ultimately deemed unhelpful—instead of a laser focus on the right data which will help organizations make better decisions.

- **No data structure / governance.** Most agencies do not structure or organize their data across the enterprise in a way which makes it readily actionable. Without structure, an agreed upon governance and consistent framework analysis becomes nearly impossible.
- **Data is old.** By relying on spreadsheets for decision making data, leaders are often left using old information. In today’s world leaders need real-time data when making consequential decisions.
- **Data isn’t actionable.** Decisions get delayed when new scenarios must be evaluated. The delay can be days, weeks, or months. Delayed decisions result in a disadvantage. Advantage is driven by structured, real-time data which allows for rapid, mission-aligned decision making.



## A Risk Averse Culture

The entire federal apparatus has become risk averse according to many including the former Secretary of Defense Mark Esper, “The DOD needs to be able to take risks and accept failure.”

Conduct a Google search for the term “Federal Government” and “Risk Averse” and you will find hundreds of articles, academic papers, and opinion pieces on this topic dating back more than 40 years. The continued reliance on the antiquated Planning, Programming, Budget, and Execution process (PPBE)—a 60+ year old centralized approach to planning—is evidence of risk aversion playing out over decades.

Major Brendan Gallagher notes in his publication, *Managing Risk in Today's Army* that “the only time FM 5-19 directly address the topic of risk aversion is in a single, brief sentence: “Do not be risk averse.” The referenced document focuses pages on mitigating risk and the consequence for taking risks yet only affords a single sentence to risk aversion. The focus is telling and does little to foster the belief that there is a true focus on changing the culture.

New tools which deliver scenario planning allow for multiple failures in hypothesis evaluation and scenario pressure tests, which then increases the chance of execution success.



## Cybersecurity Concerns

Threats to cybersecurity remain a real threat to our nation. Protecting our data is paramount, but the cost of risk mitigation can often have a bigger impact than the risk itself. The government has been slow to adopt cutting edge tools, move to the cloud, and share data between departments. The result is inferior outcomes and expensive difficult-to-adapt data management infrastructures. The economies of scale of a fortified centralized approach would free significant resources both financially and in human capital to greater value creation.

While the government is investing heavily in upgrading our cyber defenses the finish line is far into the distant future. Concerns are creating the following problems:

- **Secret networks** limit data sharing between agencies
- **The emergence of siloed hosting environments** such as ADVANA, Jupiter, ARC and others make it difficult for government to deploy innovative software
- **Zero trust architecture initiatives** will further increase software costs while erecting more barriers between commercial vendors and the government

While taking unnecessary risk would not make sense, the risk averse culture, an antiquated cyber strategy, and siloed solutioning from the DoD to the intelligence community to state and local governments is hindering new technology which will allow for better decision making. It also leads to maintaining home grown systems, and the custom-build consultancies that understand the technology and its extensibility and integrability. This further makes an auxiliary job of software development and maintenance versus technology application to problem solving.



# The Problem Manifests in Today's Processes

Suboptimal decision making is not a nebulous notion devoid of real-world consequences.

In this section, we explore examples of how the current processes are resulting in misaligned spend. Every inefficiency not aligned with expanding capacity or delivering timely innovation is a tax we cannot endure making us less ready today and capable tomorrow.

## Resourcing Unfunded Requirements

Across the federal government there is continued reliance on spreadsheets, manual data calls, and lack of a unified prioritization criteria when evaluating which unfunded requirements should receive allocations. There are a few potential outcomes of the process today:

- **Mission aligned spend.** Some agencies can maintain a list of requirements and fund the next best projects. However, limited feedback into the system and tracking downstream activity means little is known about how these funds ultimately aligned to mission goals.
- **Non-mission aligned spend.** At the end of the year, agencies with extra funds are known to spend on whatever they can to meet spending requirements and maintain budget for the following year. There are many Reddit threads discussing this topic.
- **Unused funds.** If projects cannot be identified money is either vacuumed up by a superior organization or simply goes unused. Not spending money delays critical investments which could have furthered objectives.





## Enterprise Planning

Planning across the public sector is antiquated. Departments are not connected to each other, there are challenges aligning to the overall mission, and there is difficulty planning year-to-year. The result is sub-optimal resource allocation. A better approach requires new technology and processes which will yield the right outcomes, including:

- **Qualitative decision making.** Without a connected approach to planning, an agreed-upon prioritization framework and real-time data leaders are forced to make gut-based decisions or delay decision making for updated data to be pulled. Neither are good options.
- **Knowledge turnover gaps.** When new leaders enter a position there is significant investment in understanding 'how we got here' versus a way to understand how decisions were made. This makes government inefficient.
- **Lack of visibility.** Understanding, evaluating, and comparing planning across subordinate organizations is extremely difficult meaning aligning to the broader mission is nearly impossible, money goes unspent or worse is wasted.

## State & Local Performance Based Planning

Across state & local government there is a movement towards improved tracking and measuring of performance to ensure taxpayer dollars are efficiently leveraged. Despite improvements, the siloed nature of short- and long-term planning continues.

- **Complying with federal and state** requirements. Transparent auditability and real-time reporting to ensure ongoing compliance are critical for oversight.
- **Performance-based decision-making.** Many state & local governments still struggle to understand the impact performance of every decision and assess tradeoffs along the way.
- **Overcoming bottlenecks.** Identifying bottlenecks and constraints when projects are delayed provides insight necessary to keep tax dollars working for citizens.



# Becoming a Modern Decision Maker

Implementing the proactive fiscal strategy to allow government to put its money where its mission is requires modern decision makers. These individuals structure data for action, focus on process improvement to allow for continuous planning, consider enterprise implications, and lean in on new technology.

There is no rank or seniority required to evolve one's decision-making. To foster this notion, there is a movement across the government to empower all ranks to invoke the necessary change to make the United States more agile.

Gaining the skills to be a modern-day decision maker will be covered in detail in *The Modern Decision Makers Toolkit* article series. An overview of the key takeaways are enumerated below.

- **Decide to be an innovator.** Less than 3% of workers are innovators. This avantgarde cross section builds a reputation as risk takers who push the envelope. Right now, the government is seeking risk takers who will demand transformation which takes advantage of the latest technology. Risk taking hasn't always been rewarded across the public sector, but now more than ever the time is right.
- **Build the foundation for data-based decision making.** It is imperative to understand what decisions are being made, who is involved and what information they need before changing processes or investing in new technology. Mapping out an organization's decision tree, suggesting ways to augment gaps in metadata, create more consistent real-time ways to intake project requests, and understanding key decision points allows an individual to build the core components to a data-driven decision-making organization.
- **Develop an objective prioritization framework.** Objective criteria are critical to fact-based decision making. Understanding the elements of a decision will allow individuals to build a set of qualitative and quantitative criteria on which future decisions can be assessed. The most successful rely on a value, cost, risk and balance framework to turn unstructured data and decisions into fact-based choices.
- **Step away from the spreadsheet.** Real-time data is critical to quickly making informed decisions. Using available tools to collect and organize data in a continuous fashion is critical. Spreadsheets, email, and PowerPoint are not the tools of a modern decision maker. Instead, both find better tools at your disposal, create new processes, and investigate new technology to make your data mission ready.
- **Plan to be proactive.** Creating scenario analysis is challenging and often results in a laborious process to develop even a single potential scenario. However, the world is changing quickly, and organizations must be able to immediately assess the impact of their decisions to the mission. Thinking of ways to create scenarios for several of the most requested situations—a budget cut, a project delay—will ease the decision-making process when the inevitable comes to pass.



# In Closing

Overcoming global volatility, diminishing resources, and an ever-increasing demand for “more” requires the government to modernize how it plans, prioritizes, and funds. The years of gut instinct and loudest-voice decision making must cede to data-driven, mission aligned prioritization.

Fortunately, the circumstances have never been better for the government to adopt such an approach. Advancing technology, an empowered workforce, and tested processes can usher in this new era.

The first and perhaps most difficult step to making this change is a recognition that the conditions are such that overcoming decades of inertia and systemic resistance are necessary.

Delivering the future citizens have come to expect—one full of prosperity and peace—requires the government to put its money where its mission is.

## About Decision Lens

Decision Lens develops integrated planning software which modernizes how government prioritizes, plans, and funds. We have been transforming public sector planning since 2005, delivering the people, process and technology which empower agencies to effectively meet the needs of today while delivering the cutting-edge capabilities of tomorrow. Customers across the Department of Defense, intelligence community, federal civilian agencies and state and local government achieve a sustained operational advantage through superior long-term planning, continuous medium-term prioritization, and short-term funding execution.

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