



Anticipatory Governance

Work Program:

Workshop Reports

Work Program Meetings (2011)

The Foresight-Policy Nexus
May 4-5

Networks for Whole-of-Governance
May 25-26

Feedback for Mid-Course Corrections
June 15-16

Operationalizing a System of Systems
July 19-20



Table of Contents

Work Program Overview.....	2
Foresight-Policy Nexus (May 4-5).....	11
Agenda – “The Foresight Policy Interface”	13
Proposals for a Foresight-Policy Interface.....	14
Summary of Workshop Insights.....	20
Appendix A: Real- World Application of Foresight.....	25
Networks for Whole-of-Governance (May 25-26).....	28
Agenda- “Networks for Whole of Governance”	30
Background: Networked Governance.....	31
Proposals for Networked Approach to Whole-of-Governance.....	33
Summary of Workshop Insights.....	38
Feedbacks for Mid-Course Corrections (June 15-16).....	43
Agenda- “Feedback for Mid-Course Correction”	45
Briefing on Feedback.....	46
Summary of Workshop Insights.....	51
Appendix A: Workshop Proposals.....	51
Operationalizing a System of Systems (July 19-20).....	57
Agenda- “Operationalizing a System of Systems”	59
Summary of Meeting.....	60
Summary of Group Discussions.....	61
Annex 1: Briefing Materials for Simulation	85
Annex 2: Proposals and Guiding Questions.....	90

Work Program Overview

Background

Premise: The United States is confronted by a new class of complex, fast-moving challenges that are outstripping our capacity to respond and “win the future.” These challenges are cross-cutting: they simultaneously engage our social, economic and political systems. Our “legacy” methods cannot meet this kind of challenge. We need to find ways to extend warning time, improve coordination, and promote agility. This requires that we:

- Make **foresight** an actionable component of the policy process;
- Use **networked systems** to support whole-of-government responsiveness; and
- Apply **feedback systems** to monitor performance and speed up learning from results.

Anticipatory Governance is a system of systems comprising foresight, networks and feedback. Various cabinet-level agencies – most notably, the Department of Defense – have internal planning systems that approximate Anticipatory Governance. However, no such system is available at the national level. It is possible – and critical – to design a credible, realistic system specifically intended for application in the White House.

Criteria: To comport with reality, the design of Anticipatory Governance as a whole, and of its constituent systems, should be:

- very light on resources;
- executable on the basis of existing presidential authority;
- compatible with existing White House processes;
- ultimately compatible with longer-range, more profound reform involving the executive branch as a whole, if and when that becomes possible; and
- integrated with advanced methodological approaches, including methods potentially important to foresight generation and to systems operations.

The Work Program will bring together persons with senior level experience (current and former) in policy-making, foresight production, and systems analysis in government for a series of meetings to discuss proposals for real-world approaches for operationalizing each subsystem – as measured against the above criteria – and for integrating them with each other and with underlying basic processes that are already in existence. The basic characteristics of the work program will be as follows:

- These sessions will be organized as working groups for a series of four two- day meetings, followed by a larger output meeting in the Fall.
- The starting point for discussion will be a concept paper containing a baseline set of suggestions.
- Each meeting will begin with a presentation and discussion of these suggestions, as a way to secure the comments of the participants.
- The meetings will be used to vet these suggestions against the work program criteria.
- Goals for the working groups are to uncover critical issues, and to discuss methods, mechanisms and processes that are actionable under existing authorities and procedural rules.
- Comments of participants will be analyzed and re-circulated.

Objective: The output of the cycle will be a report identifying concrete proposals for system improvement that are light on resources, compatible with existing processes, executable under existing presidential authority, and implementable by the POTUS or heads of executive agencies



Results of the Calibration Process

This set summarizes the results of an effort to calibrate opinion among policy makers, through a series of one-on-one as well as group meetings that occurred from October 2010 to April 2011.

- **Persistent Myopia.** The United States government continues to operate without a systematic approach to foresight. The White House has no institutional system to deal with the long-range horizon, or with the effects of near-term decisions on the longer-range.
- **Discounting the Future is Habitual.** The single most difficult problem is no longer conceptual but political: policy makers, sometimes encapsulated by ideology and always overwhelmed by current issues, discount the longer term future in favor of the here and now.
- **Disjointed Policy Planning.** Although every cabinet level agency has its own dedicated policy/planning unit, these units are not in communication with each other, and there is not venue for overall policy coordination at the top. Participants in these processes uniformly agree that the absence of such linkages means that American governance is disjointed.
- **Falling Behind.** Other countries, including our principle competitors are doing better at developing and executing long-range policy. Meanwhile, we are, indeed, being out-planned and out-paced as a society. Although government in and of itself is not the solution to this problem, government as we are practicing it, is definitely part of the problem.
- **Focusing on what can be fixed.** To the extent that this is an outcome of how our society is organized and how Americans think, that's a problem that lies beyond the competence of specialists in governance, although it might be within the reach of political leadership. However, to the extent that this reflects systems problems in government, it should be fixable.
- **Need for a Broad-Scope Definition of "National Security."** There is full agreement that the term "national security" is customarily a synonym for "national defense," and therefore entirely too narrow to encompass the range of issues required to assure the sustainability of American strength.
- **Need for Whole-of-Governance.** There is further agreement that complex events demand the total engagement of government assets, but that what we have at best is a deeply flawed effort to link vertically organized systems, hailing from industrial models that were appropriate to the late 19th and early 20th centuries, but are now obsolete.
- **Link the Budget Process and Foresight** One of the most important systems issues in government is the disconnect between long-term thinking and the budget process. There is no mechanism for converting alternative visualizations of the American future and alternative constructs of the budget.
- **Take advantage of Advanced Methods.** In the last 10-15 years, there has been an accelerating interaction between new computer and networked based technologies and different branches of the social sciences, together with new and increasingly accurate models of behavior and of decision making. As a consequence of this trend, there are increasingly powerful methods available for generating foresight, and for applying it to policy issues.
- **Importance of Culture.** A change in bureaucratic "culture" will be needed in order to make improvements that are systems-wide and durable.
- **Upgrade Training for the Civil Service.** This change is particularly important for the Civil Service, which lags far behind the military in providing advanced training for governance.
- **This can be fixed.** Assuming political will, a number of discrete proposals aimed at improving systems dynamics in the Executive Branch are of interest.

Workshop Schedule

I. The Foresight-Policy Interface **May 4 – 5**

NDU Lincoln Hall Room 2331

There are multiple concepts for organizing foresight into a specific stream of information available to policy makers. The central problem is that no mechanism exists for bringing foresight and policy into an effective relationship. The focus of this working group would be to examine ways to create an institutionalized “interface” that can integrate foresight into the policy process.

II. Networks for Whole-of-Governance **May 25 – 26**

NDU Lincoln Hall Andes Conference Room 3121

Modern problems challenge national security in ways that extend far beyond the traditional concept of physical defense from physical threat. Dealing with complex challenges requires organizational innovation. The focus of this working group would be to examine networking as the basis for a solution.

III. Feedback for Mid-Course Correction **June 15 – 16**

NDU Lincoln Hall Room 1107

At the national level, there is no system for tracking the consequences of policies once they are in the process of execution. The focus of this working group would be to examine ways to create a system for acquiring such information to be used as feedback by the policy-making process.

IV. Operationalizing Anticipatory Governance **July 19 – 20**

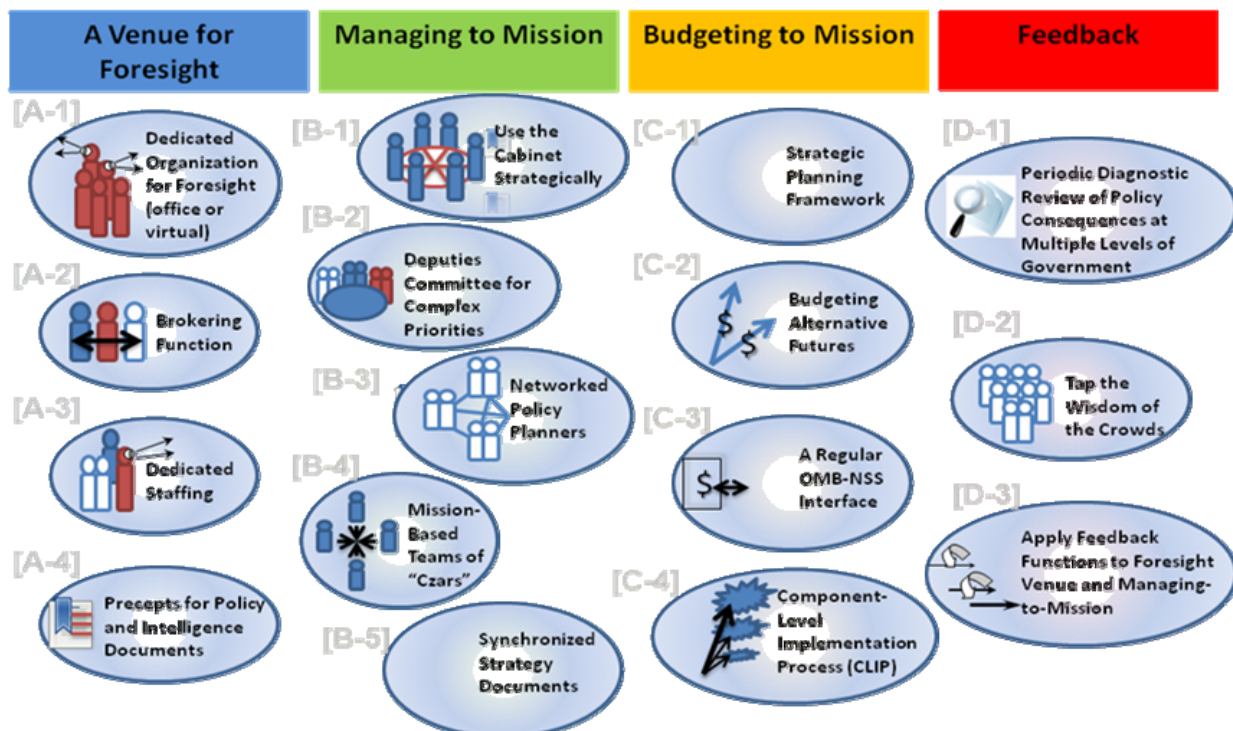
NDU Lincoln Hall Andes Conference Room 3121

Anticipatory governance is a system of systems. The focus of this working group would be to discuss suggestions for bringing the proposed sub-systems into operation as parts of a whole.



Overview of Proposals:

- A foresight / scanning capability as an ongoing process (office and/or “virtual organization”)
- An interface to incorporate these insights with policy (e.g., foresight staffing, and/or “brokering function”)
- An OMB-NSS link to tie resources to strategy (and vice versa)
- Management-to-Mission as the organizing principle of policy formation and execution
- A Network of policy planners across the whole-of-government for policy and strategy integration
- A Network of so-called “czars” to integrate and coordinate planning and execution
- A Deputies’ Committee or scheduled component of the Deputies’ process for complex priorities
- Feedback protocols for (a) monitoring policy, (b) accountability, (c) system learning
- New precepts for intelligence and policy documents
- Synchronized national strategies
- Foresight education as part of the curriculum for civil servants
- A mechanism to tap the “wisdom of the crowds”



Workshop Primers

I | The Foresight-Policy Interface

May 4 – 5

Tuesday May 4th 9am – 3pm

NDU Lincoln Hall Room 2331

Wednesday May 5th 9am – 3pm

Premise: A foresight generation and horizon scanning system can help government detect trends and weak signals, visualize alternative futures, and foster better outcomes. The United States lacks such a system at the national level. Various designs for such systems are operational in a few countries, and these can offer models for approaches that could – with suitable modification – work in the US. Even where such systems exist, however, the key problem is the gap between foresight in any form and policy-making. This problem is partly political, partly cultural, and partly a matter of inadequate systems-design. The political and cultural issues are very difficult to deal with. However, the systems issues might be workable through the creation of an interface where foresight and policy come together by design, rather than by chance.

Objective: This meeting will explore ways to design an interface between foresight and policy, based on a set of baseline suggestions, and measured against the Work Program Criteria

Factors to take into consideration: (illustrative list)

- Foresight as a specific form of information with characteristics that distinguish it from intelligence reporting and other standard sources
- Consequences of the presence and/or absence of foresight (cases)
- Examples of “societal tsunamis” – present, and on the horizon
- Conditions needed for the production of foresight
- The policy-foresight gap
- Organizing a policy/foresight interface

Output: A concise assessment of actionable foresight interfaces, with suggestions for how they could be installed.

Location: *NDU Lincoln Hall Room 2331*

Participants: (Chatham House Rules)



II | Networks for Whole-of-Governance

May 25 – 26

Wednesday May 25th 9am – 3pm

NDU Lincoln Hall Andes Conference Room 3121

Thursday May 26th 9am – 3pm

Premise: Government is presently organized on the basis of ‘best practices’ from the age of the vertically integrated American corporation. This system is ill-suited for the successful management of policies that address complex issues. Flattened, networked organizational structures can facilitate rapid flow of information and can thus serve as the basis for a more prescient bureaucracy. Networks can help to engage the full resources of government in the form of adjustable alliances, and in arrangements that encourage a high degree of initiative, although responsive to overall strategic guidance from the President. Deep integration of the government would be a lengthy process requiring enabling legislation. Alternative approaches exist that would enable the President to acquire much greater ‘situational awareness’ of the operations of government, and much greater precision in bringing its resources to bear. These alternatives could be put into place rapidly, by changing operations within the White House and the Cabinet.

Objective: The goal of this meeting is to identify networked architectures that could be designed and installed using existing Presidential authorities.

Factors to take into consideration: (illustrative list)

- Complexity and its implications for management of issues.
- Networked systems in concept.
- Using networked methods at the White House level to achieve whole-of-governance awareness, participation and response to designated issues.
- How would networked operations involve top layers of White House management?
- How would a networked White House system relate to the existing inter-agency structure?

Agenda: In progress

Output: A concise set of recommendations for designing and installing networked architectures using existing Presidential authorities.

Location: *NDU Lincoln Hall Andes Conference Room*

Participants: (Chatham House Rules)

Wednesday June 15^h 9am – 3pm*NDU Lincoln Hall Andes Conference Room 3121*Thursday June 16th 9am – 3pm

Premise: Feedback systems can serve as a basis for ongoing evaluation, reassessment and recalibration of policies in order to: (1) prevent break-downs and system failures that routinely go undetected until it is too late; (2) speed up system-learning from experience to improve the conduct of ongoing policies and to improve the design of policy in the future.

Objective: The purpose of this meeting will be to discuss designs of feedback mechanisms: what they would look like and how they could be installed under existing Presidential authorities.

Factors to take into consideration: (illustrative list)

- Feedback mechanisms in concept.
- Feedback methods for possible application to NSC processes.
 - How does feedback system relate to the underlying process?
 - How does the system select parameters to measure?
 - How is the task of tracking these parameters distributed?
 - How is output of the system formulated?
 - How is output of the system to be routed into the underlying process?
 - What responses should be built into the underlying process?
 - What are the resource requirements for the Feedback system? Feedback "cell" designed for each policy? Cell management subordinate to overall policy management? or independent? Create a Central office for feedback function?

Agenda: In progress

Output: A concise set of designs and recommendations for installing feedback systems as additions to present structures.

Location: *NDU Lincoln Hall Andes Conference Room*

Participants: (Chatham House Rules)



IV | Operationalizing Anticipatory Governance

July 19 – 20

Tuesday July 19th 9am – 3pm

NDU Lincoln Hall Room 1107

Wednesday July 20th 9am – 3pm

Premise: The President can use existing Presidential and Constitutional authorities to reorganize the White House, Cabinet, and NSC. This can be done by upgrading and supplementing existing processes, without degrading the government’s day-to-day operations. Staff requirements are minimal.

Objective: The purpose of this meeting will be to discuss suggestions for bringing the proposed sub-systems into operation as parts of a whole

Issues for Discussion: (illustrative list)

- Review of recommendations from three reports
- Phased implementation
- Authorities
- Requirements
- Links to further, deeper changes in governance.
- Possible links to the Congress
- Next steps

Agenda: In progress

Output: Presentation of collected output of discussions, and discussion of next steps forward for implementing the recommendations.

Location: *NDU Lincoln Hall Room 1107*

Participants: (Chatham House Rules)

Invitation

Dear Colleague:

In addition to the endless procession of near-term emergencies, the country also faces longer-term challenges that need to be shaped over an extended period of time. The question is how to accommodate this kind of work in a system that is continuously driven by very urgent shorter-term priorities. Since leaving the White House I have been thinking about the importance of systems designed to extend warning time, improve coordination, and promote agility. The results boil down to an organizational need to: (1) institutionalize foresight in our policy process; (2) network our planning and execution processes across the whole-of-government; and (3) use feedback to monitor performance of results for pre-crisis mid-course correction. The resulting configuration would be *Anticipatory Governance*.

I believe that the elements of anticipatory governance can be put into place efficiently, quickly, and by means that are specifically suited to presidential authority. The underscored language is extremely important. Given the political climate, it is hard to imagine Congress passing a well-designed, bipartisan, omnibus bill providing for major alterations in the way government operates, even though it is sorely needed. The best chance is to make limited improvements in the operation of White House systems, hoping to leverage these as ways to improve the performance of government as a whole. The President does have more running room in this regard, but the question is how much?

I am convening a set of working groups to address practical ways in which anticipatory governance can be made operational. These meetings will “stress-test” proposals against a set of strict criteria, e.g.: they must be very light on resources; compatible with ongoing Executive Branch processes; and implementable under existing presidential authorities. Working groups will be comprised of persons with senior-level experience in policy-making, foresight production, and systems-analysis in government. The output of the meetings should be a thoroughly-vetted set of recommendations for strengthening White House systems.

Attached is a detailed work program. The schedule will be as follows:

- o May 4 – 5 (Wed –Thurs) 9am – 3pm – “The Foresight-Policy Interface”
- o May 25 – 26 (Wed –Thurs) 9am – 3pm – “Networks for Whole-of-Governance”
- o June 15 – 16 (Wed –Thurs) 9am – 3pm – “Feedback for Gauging Performance”
- o July 19 – 20 (Tues – Wed) 9am – 3pm – “Operationalizing Anticipatory Governance”

The workshops will be organized as two-day sessions, to be held at the National Defense University. I would welcome your presence at any or all of these meetings as your time permits. All sessions will be off the record.

RSVP [Please click on this link to register](#).¹ My assistant, Evan Faber, is the best point of contact. He can be reached at evan.faber@forwardengagement.org. He will follow up.

All the best
Leon

¹ <https://spreadsheets0.google.com/viewform?hl=en&hl=en&formkey=dHVxbm1lX1pJUnEyVkhCMWlaUzBreFE6MA&ndplr=1#gid=0>



Anticipatory Governance Work Program:

Foresight-Policy Nexus (May 4-5)

Workshop Report

Work Program Meetings (2011)

The Foresight-Policy Nexus
May 4-5

WORKSHOP REPORT

Networks for Whole-of-Governance
May 25-26

Feedback for Mid-Course Corrections
June 15-16

Operationalizing a System of Systems
July 19-20

Table of Contents

Agenda – “The Foresight Policy Interface”	13
Proposals for a Foresight-Policy Interface.....	14
A. Creating a Venue for Foresight.....	15
B. Linking Strategy to the Budget.....	18
C. Institutionalizing Foresight.....	19
Summary of Workshop Insights	20
Appendix A: Real- World Application of Foresight.....	25
Hall of Fame: Successfully employed foresight.....	25
Consequences of Failed Foresight.....	25
Tsunamis on the Horizon.....	26



Agenda – “The Foresight Policy Interface”

Objective: to harness participants’ experience and knowledge to develop detailed ideas for how a set of baseline proposals for a foresight-policy interface can actually be implemented

Wednesday, May 4th (Day 1)

0830 – 0900	Registration and Light Buffet
0900 – 0945	Welcome and Introductions
0945 – 1050	Acceleration, Complexity and the Need for a Foresight-Policy Interface
1050 – 1100	<i>Break</i>
1100 – 1200	Laying out Proposals for a Foresight-Policy Interface
1200 – 1230	<i>Lunch</i>
1230 – 1500 <i>(incl. 10 min break)</i>	Venue for Foresight (<i>Building upon concrete proposals</i>)
1500	Adjourn

Thursday, May 5th (Day 2)

0830 – 0900	Registration and Light Buffet
0900 – 0930	Reactions to Previous Day Discussion
0930 – 1200 <i>(incl. 10 min break)</i>	Strategy-Budget Nexus (<i>Building upon concrete proposals</i>)
1200 – 1230	<i>Lunch</i>
1230 – 1400 <i>(incl. 10 min break)</i>	Institutionalizing Foresight (<i>Building upon concrete proposals</i>)
1400 – 1410	<i>Break</i>
1410 – 1500	Wrap-up Discussion
1500	Adjourn

Proposals for a Foresight-Policy Interface

An interface is a system for conjoining and combining different streams of information. There are multiple ways for generating foresight; the central problem is that there is no mechanism at the national level for bringing foresight and policy into an effective relationship. These interactions occur on a randomized basis; that is not a formula for success. A system is needed to ensure a higher probability that a timely exchange occurs between those responsible for producing foresight and those who need to use it. For want of such a mechanism, government is increasingly confined to dealing with full-blown crises, and is losing its capacity to design policies that enable America to shape the future. Faith in our ability to do this has been a constant factor in the development of the American nation. The evident loss of that faith will have serious implications for our ability to continue to find common cause among ourselves. This not only has a potentially devastating impact on our domestic existence as a state, but also on our behavior within the international system. There will be substitutes for American leadership, but none are likely to be premised on the existence of a win-win approach for all competitors. Any other approach, based on zero-sum thinking, will prevent rational action to preserve the future of our species. The stakes actually are very high.

What follows in tabular form is a description of a number of proposals for creating a foresight-policy interface. Proposals in each category can be executed in a variety of ways, and some of these are listed and described, along with some first-order issues to be considered. These proposals share a common feature in that all of them pass a test for feasibility: they are designed for implementation at the White House level; they can be implemented by a President, using customary authorities; they involve very little in terms of new resources; they do not require new legislation; they are compatible with existing systems within the executive branch; and they are potentially compatible with deeper reforms that might ultimately be taken outside the White House, in and amongst the cabinet level agencies.

A. Creating a Venue for Foresight

1. Dedicated Foresight Staffing
2. Brokering Function
3. Virtual Organization for Foresight
4. Mission-Based Teams of Czars
5. Use the Cabinet Strategically
6. Deputies' Committee on Complex Priorities
7. A Dedicated Office for Foresight

B. Linking Strategy to the Budget

1. Alternative Budgets for Alternative Futures
2. Alternative Priorities
3. A Regular NSS-OMB Interface
4. Translating Long-Term Conclusions into terms that fit Congressional Cycles and Responsibilities

C. Institutionalizing Foresight

1. Education / Training in Foresight
2. Nesting and Synchronizing the National Strategy Documents
3. Precepts for Intelligence and Policy Documents

Criteria for Upgrading Systems

The pulse of government cannot be stopped while the system is redesigned, and Congress is unlikely to produce an omnibus bill to upgrade government systems. Therefore, to comport with reality, the design of Anticipatory Governance as a whole, and of its constituent systems, should be:

- very light on resources;
- executable on the basis of existing presidential authority;
- compatible with existing White House processes;
- ultimately compatible with longer-range, more profound reform involving the executive branch as a whole, if and when that becomes possible; and
- integrated with advanced methodological approaches, including methods potentially important to foresight generation and to systems operations.

These are the criteria against which the following proposals will be assessed.



A. Creating a Venue for Foresight

(1) Dedicated Foresight Staffing

Detail

What: Staffing for all Principals would include a function to make sure that there is a stream of foresight information House and upper levels of the executive branch agencies. There could also be a staff function to make sure that foresight issues were identified and inserted into the agendas for Deputies and Principals meetings.

Why: Creates data flow for principals

Guiding Questions

- Would this alone help the interagency system develop foresight-based policy processes?
- Might it simply add another dimension to interagency competition, by extending policy differences into the longer-term future?
- Is the COO (as mandated by GPRAMA) a model or functional equivalent?

(2) Brokering Function

Detail

What: “Translation” teams to improve communication between producers and potential users of foresight

How:

- Small, ad-hoc teams that are organized and composed of foresight and policy specialists, tailored for specific issues
- Job is to translate to policy what is available from foresight sources; and to translate for foresight producers what is needed by policy makers.

Who:

- Composed of people with broad experience in both domains (foresight and policy)

Why:

- Bridges the “cultural” gap between policy-makers and foresight producers who do not think in the same terms, and who do not understand each other’s approach.
- A particularly important function would be to help policy-makers and computer modelers find a way to communicate.

Guiding Questions

- Might have to be selective about the issues to be served, in order to serve human resources and policy-maker time.

(3) Virtual Organization with Foresight Functionality

Detail

What:

- Create a virtual organization by networking existing organizations that have foresight functionality that are internal to the USG.
- Create a system of “portals” where non-governmental foresight producers could deliver their products to a government system able to assimilate and direct the contents.

Who: Link up all of the organizations that do policy planning/foresight in government (not just the IC)

- Not a brick and mortar organization. Uses existing personnel.
- Center this process at the White House, to help enrich flow of foresight materials to the policy system.

How:

- Use the IPC process (e.g., “Federal Advisory Council on the Future”)
- Create a sub-IPC focused on determining priorities and objectives over the next 1-5, 10-20 years.
- It is being done in stove pipe, risk-informed from a SME perspective, not from a structured methodical

perspective about where we as a nation should be moving toward.

- Get all of the departments and agencies involved. Look at duplication of effort across agencies.
- GAO could have a big role because they aren't a program agency.

Guiding Questions

- How to keep communications in this arrangement from becoming chaotic?
- How to filter out what is useful?
- What kind of product would be delivered by the filtering system to the policy-making community?

(4) Mission-Based Teams of Czars

Detail

- **What:** Organize the "Czars" into strategic groupings, e.g., heads of interagency task forces
- **Why:** Czars might collectively possess the totality of the information about where the government is and where it is headed. They can generate situational awareness across the whole-of-government, during both the formation and execution of policy, and track progress of policy implementation and needs for mid-course adjustment
- Creates a network of existing officials, with a collective responsibility

Guiding Questions

- Who would coordinate the groupings?
- They would have to morph as the problem morphs. How would that happen? (in other words, how would a rep be "assigned to" or dismissed from a team?)

(5) Use the Cabinet Strategically

Detail

- **What:** Reinvent the Cabinet to strategically maneuver the government.
- **Why:** It would combine at top level the ability to coordinate government planning and execution
- The Cabinet has little "corporate" existence, but it is possible to organize groupings according to strategic requirements. Agencies could get involved in subgroups to ensure their organizations are in alignment from the top down. This is like commander's intent in the DOD. These groupings can help make sure they mesh when they encounter each other.

Guiding Questions

- They have to answer to Congress, and Congress doesn't hold cabinet secretaries accountable for how well they have interacted and interlinked with others. What is the incentive?
- How would congressional committee jurisdictions affect their flexibility?

(6) Deputies' Committee on Complex Priorities

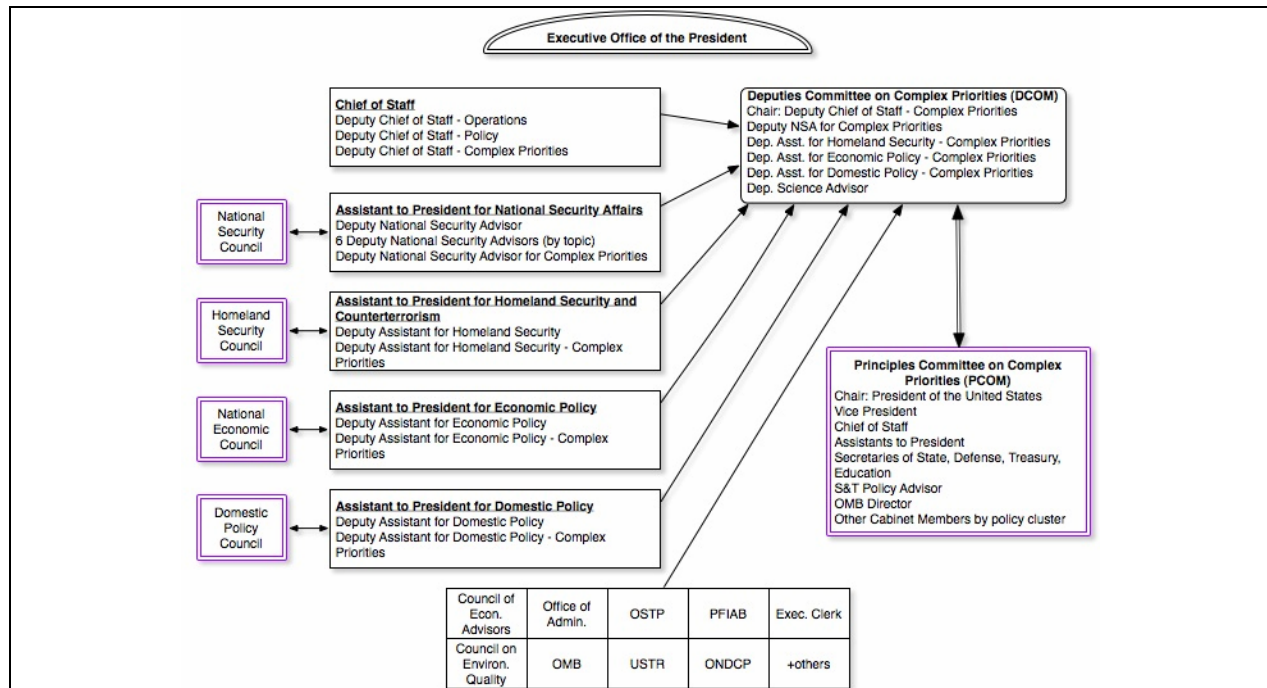
Detail

- **What:** A nucleus for long-term, cross-disciplinary policy formulation (foresight / warning function)
- Job is to consider the intersection of multiple issues and match potential consequences to policy priorities
- **Why:** adds formal consideration of the foresight dimension to the WH policy process
- Enables exploitation resources from a variety of bureaucracies while coordinating cross-bureaucracy policies

Guiding Questions

- How to have them avoid competing with other deputies' committees for buy-in?
- How to limit additional burden on deputies.
- What staffing support?
- How to insert the stream of information it would generate?

Example: Student Proposal (Fall 2007)



(7) A Dedicated Organization for Foresight

Detail

- An organization dedicated to the production of foresight. Could be located in EOP, OVP, or NSS (or outside the WH)
- Functions are horizon scanning and linking long-range assessments to ongoing policy formation
- Supplement the short- and medium-term emphasis of the NSC by focusing exclusively on the long-term
- Could be modeled to some extent on Singapore system.
- **Goes beyond re-purposing existing resources, and creates new system**

Guiding Questions

- Would it be possible to do this effectively with a small staff? (*If larger than this, it would not pass the criteria*)
- Would it be government-wide and large?
- Would it need congressional action to enable?
- Would it take the initiative to create its own agenda?
- How would it relate to intelligence input, especially longer-range input?
- Would it instead be responsive to instruction from somewhere else in the system?
- If the latter, would it retain independence of thought?
- Where would it connect in the larger system?
- How would its output be related to policy formation? E.g., Presidential order establishing that this be part of the dimensionality of all policy products coming out of the White House staff?
- What is the hand-off between long-range and current issues? (At what point is an issue no longer prospective in the long-term and active in the here and now? generate?)

B. Linking Strategy to the Budget

(1) Alternate budgets for alternative futures

Detail

- There are many possible futures- why do we have one budget?
- We currently have had a succession of single-image views of budget cuts and taxes.
- It would be helpful to have a set of scenarios that show where we are supposed to end up after these transactions; buy into or buy out of alternative visions of where we want to be.

Guiding Questions

- If you have to have one budget, can it be adaptive enough to withstand a range of contingencies?
- What is being done already in this regard?

(2) Alternate Priorities

Detail

- OMB could use its leavers to enforce prioritization. OMB already requires alternative budget proposals, but they ask for alternative decrements, without considering alternative priorities, and how alternative priorities shape the country we become. They are based on bean-counting, rather than priorities.
- Alternative budgets should be based on changes in the prioritization, so you can see the benefits of alternative budgets. If you prioritize this you invest here, if you invest here you prioritize this.
- If we have budgets that really do address the fiscal crisis, alternative approaches are going to mean alternative futures for how we live in the US and how the US relates to the international system.

Guiding Questions

- What if alternative priorities were the basis for alternative budgets?
- What would a budget with alternative priorities look like?
- How would it be structured?
- Who would set and consider alternative priorities?

(3) A Regular OMB-NSS Interface

Detail

- OMB as an active party to strategic planning and coordinating resources
- Regular meetings between OMB and NSS to translate strategies into budget implications
- A brokering function to translate strategy to resources
- Distill strategy priorities and translate to budget priorities
- Regularly have representatives from OMB present at NSS meetings to discuss the budgetary implications of strategy, and representatives of NSS present to discuss the strategic implications of budget decisions

(4) Translating Long-Term Conclusions into terms that fit Congressional Cycles and Responsibilities

Detail

Component-Level Implementation Process (CLIP):

- Break large projects into manageable chunks that are independently valuable but collectively aligned toward a larger goal. Turns those pieces into policy recommendations, and then translates the recommendations into legislative language and timelines. Success depends on describing a desired long-term end state and developing a series of short-term steps to achieve it. Each component is valuable in its own right and can stand on its own so that benefits are achieved regardless of whether or not the final goal is achieved.
- Often we spend several billion and then cancel with nothing to show. CLIP is a way to analyze the programmatic implications with terms that are in sync with congressional politics by breaking down the long-term goals into successive short-term legislative steps which offer substantial stand-alone benefits. CLIP mitigates the political risk of introducing legislation when the final results may not be seen for decades.

Guiding Questions

- Can congress actually agree to such a process without a basic change of its rules?
- Can this be done in a way that is compatible with the existing committee system?



C. Institutionalizing Foresight

(1) Education / Training in Foresight

Detail

- **What:** Set of learning objectives for USG training institutions to teach foresight, with special attention to the civil service and senior executive I service.
- **Why:** because we don't train civil servants to think across categories, and this kind of training is necessary in order to give the next generation of civil service the capacity to operate under 21st century complex conditions
 - Consolidate a curriculum for foresight and what makes it "actionable"
 - E.g., 3-day training sessions for career civil servants (e.g., SES, National Security Professionals)
 - Expose senior leadership to foresight through workshops

Guiding Questions

- How to institutionalize this as part of the training process in existing systems?

(2) Nesting and Synchronizing the National Strategy Documents

Congressionally mandated array of reports on national strategy (QDR, QHSR, QICR, NSS, etc., plus the QDDR).

Detail

- **What: (1)** Strategy documents should have a cumulative impact toward a common goal, understood in common terms. These reports should have direct relevance to each other and be treated as if "nested" one within the other. **(2)** Insert parallel requirements for long-range analysis in each of these reports to establish the link between the national strategy and longer range foresight.
- **Why:** These reports are asynchronous, syncoated and disjointed from one another.
- **How:**
 - They should have a clear progression from broad strategy down to programmatic detail.
 - Their due dates should be aligned to promote a strategic progression. The planning process should allow time for planning and reflection. Time is needed to do workmanship, to synchronize strategies. It is an iterative process where the parts take time to gel.
 - Each one of these documents should be readily convertible into budgetary implications

Guiding Questions

- Implications of GRPAMA: Is there a pending shift in publication order? Of what kind? Will it achieve inter-linkage and coherence?
- Is there a process for linking these documents to the budget planning process at the White House?
- Can these documents be used as the basis for a new dialog with Congress, in which strategy statements, cross-matched to the budget, become a basis for (a) debating the budget; and (b) oversight.

(3) Precepts for Intelligence and Policy Documents

Detail

- **What:** Precepts for intelligence production and for major intelligence reports and new policy documents should mandate long-range foresight-based analysis. An insight about the future should tied to actions that can be taken to seize an opportunity or avoid a threat
- **Why:** Because this would incentivize a stream of foresight-based reporting, tied to policy, and to budget, which is presently lacking.
- **How:**
 - Write these into standards via supporting directives at the agency level (e.g., ODNI)
 - Support it with training and education

Guiding Questions

- What would be the demarcation between near-term (for current policy) and long-term?
- How to apply a rule of reason such as to prevent these requirements from being mechanically applied to so many documents as to destroy the value of so-doing?

Summary of Workshop I Insights

Disclaimer: This discussion operated privately under “Chatham House Rules.” All comments are strictly not-for-attribution and views expressed do not reflect the views or policies of any government or private institution. Names of all discussants have been removed.

Understanding Foresight

- Foresight as proactive in creating opportunities and shaping futures; creating strengths
- Foresight as reaction to threats or risks; assessing weaknesses (*overemphasis on this today*)
- *Where does ‘risk management’ lie in this configuration?*
- Different type of lens/skills with “long range” thinking, while immediate policy refers to intimate knowledge of situation

Aperture vs. Scaffolding

- Scaffolding – trying to deal with the problem in a linear fashion by adding people
- Aperture – Use existing resources, just change processes to make it more efficient and attuned to long-range
 - POTUS must lay out principles for how the government should operate, particularly in the interagency space.
 - NS Act of 1947 forced POTUS to act beyond his mandate. But NSC was useful tool, becoming centerpiece of the whole process
 - Using NSC, POTUS can force the government to perform if he holds people accountable.
 - Be wary of involving congress: DHS, DNI were congressional *disasters*,

Communicating Foresight

- Special session aside? Should tie a foresight meeting to the current priorities. Not just looking at further out with no reference to what is in the inbox today.
- System must have capacity to self organize, generate its own questions, and have venue to create informal groupings

When to use foresight

- Due to information overload, officials try to minimize complexity; to reduce, not expand range of options. Foresight must have actionable recommendations.
- Foresight can’t be applied to every decision; how do you prioritize?
- A champion who will recognize a specific, particularly prescient issue and act
- Type of question determines which foresight tool is appropriate, i.e.,:
 - NIC would come up with a long term problem, go to Policy Planning, come up with alternatives, CIA would come in, and bring it to the NSC
 - Interagency games: Sr. Dir for Planning, NSC, Asst. Sec of Defense, etc
- Where is the public in this process?
 - Full potential of information systems to revive democratic process. Can this ‘wisdom of the crowds’ be used?
 - “Classified” markers make process difficult

Location of Foresight

- Each agency decides how it wants to do foresight
- Priority of foresight based on whether foresight person has direct access or whether foresight is just a ‘to-do box’ (on organizational chart)



- POTUS's management style determines whether subordinate can deliver contrarian, out of the box ideas without being sacked
- Making foresight mainstream is difficult, since it threatens the mainstream (even NSC).
- With any parallel system, challenge to make it relevant, so information flows from it back into the stream.
- Instead, corporations create **external bodies**, "renewal teams" to think about futures independently and speak directly to the CEO (no need to go through bureaucracy)
- **Proposal:** Design it offline, then pipe the foresight in directly. Small enough to be a single consumer.
- Reshape concept of 'foresight' so it's not a matter of brokering between "distinct communities"
- **Put foresight into more proximate terms** in order for it to be relevant
 - **Bring policymakers into foresight process** (gaming impossible due to paucity of time)
 - Use information **technologies** and social media to discern how and when foresight can inform actionable recommendations.
- **Proximity to POTUS**
 - Assistant or Deputy Secretary to focus on foresight: Principle has other priorities; Assistant or Deputy with President's ear would be an appropriate agency generator AND broker to POTUS.
 - Broker needs the authority to tell the analyst to refocus to be more relevant.
 - Brokering from complex to simple (Strategy is more complex → policy is shorter)
 - Requires open-minded POTUS, who in the end will decide how information is processed
- Should a foresight organization be in the IC or separate from it?
 - Three views on IC's involvement: (i) IC does evidence-based analysis but should stay far away from foresight and hypotheticals, which come too close to policy and advocacy; (ii) IC already does foresight and just wants policymakers to listen; (iii) IC craves policymaker's ear, so it does whatever the policy-makers ask. Therefore problem lies in questions policymakers ask.
 - "Opportunity analysis" is closest IC will come to policy or scenarios, where IC feels entitled to give advice on consequences of an action.

Managing-to-Mission

- Departments can do part of the mission, but not the whole thing.
 - If POTUS wants the cabinet to operate differently, must articulate specifics of each job
 - There are *legal* statutes about which agency has which jurisdiction
- There are lots of Czars, but there's no structure or system for them.
 - Some Czars have close relationships with POTUS, while others are parked far away. But these people don't have a venue either.
 - Czars have no way to talk to each other, except *through* WH
 - Instead, let them do what they do in the interagency system, but let them collaborate in their own way.
- Secrecy
 - Gov't configured for secrecy rather than sharing. Needlessly 'classified' information. "Can't share with people I'd like to collaborate with."
 - Wall in sharing foresight as well: tendency is to hold cards close, don't want to show how successful you might be in an adaptation to an alternate future or budget cut, because those futures are undesirable
 - No way around that without policy maker calling into question his/her own policy without other people getting the blame
- Whoever leads mission should lead for whole government, not home agency
 - Does cabinet secretary say "I'm in charge"? or self organize?

- Budgeting issues (discussed below)

Deputies' Committee

- Another option: Since Deputies are overwhelmed, use interagency policy committees instead. IPCs don't have same authority, but they have more knowledge.
- Multiple foresight systems at different layers of government: Czars and Planners
- Use IPCs as feeders for a more senior venue
- Deal with complex issues at lower levels of system, so it's more processed and absorbed as you go up the bureaucracy

Budgeting to Mission

- Cabinet agencies have capacity do this, it is just misaligned with national priorities
 - Someone must be designated as leads when appropriate, then transfer authority later.
 - Part of Grand Strategy process
- Investments are interagency in nature; if there's, i.e., *national security* budgeting, it can cut across bureaucracy.
 - After 9/11, assessing scope of resources across "counterterrorism" was extremely difficult, NSC and OMB worked together on that.
- Disconnect between macro and micro, influencing priorities.
 - E.g., People don't care about *US* manufacturing base provided the macro figures are right. Result: no strategic thinking about where resources should go to preserve a production base or investment incentives.
- GPRA Modernization Act requires agencies to identify priority performance goals and to identify 5 cross cutting challenges
 - Moves away from annual reporting – strategic plans to come out every four years.
- Use **technology to transcend the old style industrial process**
 - Eliminate hard copies of these reports – report quarterly, online, with the public able to access the information. Rather than a static report, move to real-time, transparent information
- Use **OMB strategically** with long-term GPRA goals
 - Change OMB vs. Insert something new into OMB
- Strategic, *scenario-based* budgets are only feasible with **macro categories** that require **normative judgments** about which scenario is most likely, and which vision should be realized
- Alternative budgets not easy without **changes to data collection system**; as is, huge bureaucracies labor for months to produce a budget.
 - New technology to make data more transparent (grants.gov, recovery.gov), and using Wisdom of Crowds.
- **Differences in data collection methods** in different agencies
 - Global Network is needed
 - No **centralized place in USG that aggregates information** and analyzes it appropriately, only statistics divisions in each agency trying to understand their own.
- **Proposal: Create a center of excellence** for mining and assessing cross-governmental data/statistics that is separate from *creativity* and foresight.
 - Paves the way for a separate, related institution to take advantage of opportunities (for cross-governmental foresight based on analytics)
- GAO does mostly oversight, more space for insight and foresight

Education/ Training in Foresight



- **Senior Executive Service (SES)** is the means to rise above specific institutional affiliations, and think of governance as a whole.
- Currently two competing courses paid for by agencies (HKS program for SES, Charlottesville at Federal Executive Institute) that would be open for areas to teach, i.e. foresight.
- GAO November report cataloging professional development activities in NS to foster collaboration.\
- As requirement, staff should be trained to understand what tools are available, how to think about these problems. What should be taught:
 - Incentives: In SIS there is a reward for serving abroad.
 - Specific Skills (i.e. leadership, analysis).
 - Techniques addressing complexity.
- Cross train civil servants to see beyond the current agenda and across the categories to consider the longer term issues
 - Singapore identifies senior civil servants on their way to senior positions, creates career path in which they are cross-trained as black belt bureaucrats trained in modeling, scenarios, risk analysis, etc, nested inside the office of prime minister, impacting how they conduct governance.
 - We have a civilian governance about to retire in a block, but we are not thinking about operational requirements of future civil service.
 - US Military Officers cannot advance in careers without education. Same does not apply to civil service: “you bring education to us and pay for it, and we’ll use it.”

Nesting and Synchronizing strategy documents

- Hard to synchronize since **strategy documents focus on internal dynamics**
- **NSS doesn’t establish ways, means, and ends.** It has aspirational goals, divorcing it from how EOP, WH, NSC, and others actually act.
 - **No feedback process through these strategy documents**, no way of tracking priorities and progress to get a sense of how the whole of governance is doing.
 - Must **manage to mission**. (Now mission is defracted into the responsibilities of different agencies).
- **Syncing should be a level down**, where goals meet *means*.
 - Should create strategic plans around *functional* issues, rather than at national level documents, where there is focus on policy or capabilities, rather than the goal statements
- GPRA Modernization Act moves away from annual reporting – strategic plans to come out every four years.

Politics of Foresight

- Though foresight is perceived to be objective, dispassionate, it gets involved in the political dialogue.
 - Perfect foresight would not eliminate political debate. There are many solutions to the same set of problems. Role of foresight should be to identify range of solutions without trying to color them from political perspective.
 - OTA was disestablished due to ‘liberal bias’. Perhaps it didn’t do a good enough job of being sensitive to conservatives’ priorities
 - *Messenger*, not just message, is important
 - No way to do anything of consequence without political courage or knowledge that you can take risks and still survive professionally

Precepts for Policy and Intelligence documents

- Foresight isn't appropriate for all analysis (information overload), so not all documents should require it
- Information generated by such a precept can be poor quality, or can provide a brilliant nugget of information.
- Good foresight will contradict or not fully agree with rest of the NIE (National Intelligence Estimate), since foresight is supposed to deal with hypothetical, not probable.
- **Proposal:** Drop in red cell within NIE? Depends what section is briefed to the Principles.

Career Incentives

- Agencies showered with money don't have to rethink what they do.
 - Those with budget crunches are forced to rethink their processes, which shapes their work, cultures, and even institutional views of foresight.
- Foresight will not take root if not aligned with business practices
 - When POTUS asks for foresight daily, then it will be delivered. Otherwise, what's the incentive to produce foresight or take it seriously?
- What happens to the career path of people who challenge the status quo?
 - Bureaucracy must value foresight, and individuals involved in foresight must know what their career path is subsequently.
 - People want to avoid being surprised, but that drives bureaucracy down.
 - Need to remove the fear that individuals will be punished.
 - Rather than "presenting info to chairman", *discussion with* the chairman.
 - Going beyond today's requirements requires connectedness.
 - Incentivize people in foresight to connect across boundaries (Catalysts, synthesizers, etc.)
 - Brokering function/end line producer might be a different person than the person invested in prepared minds and organizations.
 - Incentives to *work at the edge of*/challenge what we know
 - Implied contract between POTUS that wishes to be advised about the prospects, and that people should come forward with that advice.
 - Lay down clearly that 'if I made a mistake, I made it known, I don't want to be blindsided by decisions I never thought about.
 - Needs mechanism that will do what is possible to prevent that.
- Skills are minimized compared to ability to edit quickly, good writers, etc
 - We bias the system toward the individuals who have analytic skills, and they don't have the full leadership package that you want as you move up the organization.
 - We reinforce this because it is comfortable
 - Foresight/complex systems = hard
 - PDB done and organized = easier

Appendix A: Real- World Application of Foresight

Hall of Fame: Successfully employed foresight

The value of foresight is not theoretical: it has salience in the development of our country. Historically, big things happened because of a disciplined analysis of alternative futures. We tend to view history linearly, but at the time of major decisions in our history there were many possibilities under consideration, and the outcomes were very unclear.

Each of the following actions occurred in circumstances of controversy, at pivotal moments that were recognized to be such, with conscious separation of powers, and with reference to long-term consequences. The makers of these decisions did not stumble into them. These things were not destined to happen. Decisions were made based on a view of consequences for the future.

- Ratification of Constitution
- Bill of rights
- Louisiana Purchase
- Emancipation Proclamation
- Land Grant Act
- Lewis and Clarke Expedition
- Alaska Purchase
- Marshal Plan
- United Nations
- Transcontinental railroad
- Interstate Highway system
- GI-Bill
- Establishment of Federal Reserve
- Lend-Lease
- Civil Rights Act
- Establishment of NATO
- Support for the European Economic Community

Consequences of Failed Foresight

Example	Analysis	Questions
The "Arab Spring"	<p>The events in the Middle East presents a strong case that a process of scanning for weak signals and constantly evaluating possibilities and assumptions can help alert us to crises before they happen. We all knew about the youth bulge, the unemployment rates, and the rising commodity prices – but were we thinking about the implications of the convergence of these trends? Requiring analysts to think about "what if" rather than just "what is" can bring forth flashes of insight in advance of flashes of upheaval. These are some ways that foresight as a distinct stream of information could have been useful.</p> <p>This situation presents a clear bright-line test. Did anyone in the IC publish a paper which declared the region to be politically super-critical, ready to flash into revolution as the result of almost any random triggering event? If not, then one of the great political upheavals of modern history has come as a surprise, despite the expenditure of vast resources on strategic warning. For what have we spent all of this money if no one saw the events of the Middle East coming?</p> <p>Events in the Middle East are a valid case study for what happens when foresight methods are not applied as an intimate part of the policy process. This experience is, however, not a</p>	<ul style="list-style-type: none"> • Was this a series of predictable events, well anticipated? <ul style="list-style-type: none"> ○ Was it a faint signal that suddenly went from nearly inaudible to deafening? ○ Was it a pure "black swan"? ○ Was there adequate foresight, but inadequate action? • What action(s) if any could have altered events? • Now that we are in the midst of a great historical discontinuity, what can foresight suggest about alternative courses of action? • Is the great lesson that we are always at the mercy of accident? Or is the great

	typical closed-file. History is unfolding. Experience of deep surprise in the Middle East underscores the universal need to be thinking about the role of foresight methods <u>from here on out</u> , as we begin a journey across the unknown territory of the 21st century.	lesson that we need to rework intelligence into a discipline that sanctifies no assumptions? How?
Financial Crisis	We had a tremendous crash based on hyper-developed real estate, assumptions that housing prices would rise indefinitely, and that financial risk could be mathematically eliminated. All of our political leaders are saying that we need to get back to normal. What is “normal”? Back to the cycle that led us to this? We can’t afford that. If we are to steer toward a new normal, what would it look like? We aren’t anywhere near being able to figure out how to run the US on a sustainable basis. We run the economy on unsecured lending.	<ul style="list-style-type: none"> • If we are to steer toward a new normal, what would it look like?
Green Jobs	China has leaped ahead of us to become the leader of green technology. Somebody in Beijing made a decision a number of years ago that green energy would be big, that China would have to be ahead of it, and that industries would have to be created and brought online. They assessed alternative futures and made the foresight-based decisions in time to catch the front end of the wave. Where was our foresight? We are late to the market. The costs of catching up are more. This underscores the need for long range thinking, diverting resources to long range outcomes.	

Tsunamis on the Horizon

We are now contending with a new class of problems that have serious implications for the organization of governance. Below is a menu that illustrates this class of problems. Governance must be able to conceptualize and manage policy for these problems with sensitivity to the scale and speed that they occur.

Tsunami	Analysis
Peak Water	It has become cliché to talk about “peak oil,” but we may sooner be running up against the physical limits of our planet’s ability to recycle and reproduce fresh water.
Evolutionary secession	We decide what will live on the planet and its shape. We are using science, technology and medicine to take over our own destiny. Given the state of human wisdom, should we have that much power to manage the destiny of life on this planet?
Fiscal Policy / Interest payment on the US debt	<p>Present fiscal trends are leading towards disaster. At current rates, the growth of interest on the US debt we will soon reach a point beyond which it will squeeze out discretionary spending in government at ALL levels, including not only Federal but State and Local. America's creditors, looking at the same debt projections, are likely to draw conclusions and act upon them. In the very near future, our creditors will either see that we have acted so as to alter the projections, or they will conclude that we will probably not act to escape them. Internationally, America's present significance is discounted in light of an assessment that says we will not act in the near term to safeguard our longer-term interests. In other words, we have reached the point at which our tendency to discount the future has become a severe burden on present options.</p> <p>Plans for the rebirth of American manufacturing suggested a retreat from the enthusiasm for globalization that was a hallmark of US economic policy since WWII. No one wants to fall back into protectionism, but there is no substitute doctrine exists. Unless we can turn these trends around, we are heading toward the death of the American Dream. The most dynamic feature of the US economy – a growing middle class – could cease to be a working assumption, and may instead pass into history as an epoch of the 20th century, rather than as a permanent defining feature of our country. A healthy middle class could give way to the creation of a “tenured,” well-protected</p>

	<p>upper class separated from the rest of the population by growing economic inequality.</p> <p>Definitive action on the debt crisis implies changes to the structure of American society and to the international system. The President’s Commission on Debt points toward the kinds of changes that will ultimately be needed, however the report is an unstructured collection of cuts – large and small – without thematic unity. The NY Times created a “Deficit Game” (http://www.nytimes.com/interactive/2010/11/13/weekinreview/deficits-graphic.html) which offers a way to examine how different combinations of cuts impact debt accumulation, but it does not present these cuts within the framework of any coherent strategy. On the other hand, this methodology could be used to develop and examine alternative strategies.</p> <p>When circumstances eventually force us to take decisive action, it will be important to help the American public visualize the necessary steps in terms of scenarios about the alternative futures that different sets of decisions would represent. A major role for applied foresight in government would be to help develop these alternative scenarios.</p>
<p>Ocean Temperature and ice-melt rates</p>	<p>Climate change is approaching a tipping point that could mean the end of the environmental circumstances underlying modern human history. We are at the infancy of admitting that climate change requires our attention.</p>
<p>The "Watson" Revolution:</p>	<p>There has been a long debate on automation and its impact on jobs and the economy. Automation has built China while disaggregating US labor. IBM’s “Watson” is a jump toward an accelerated automation of white collar labor. The lead time on that was at least 10 years ago. How will our Education system adjust?</p>
<p>The “Twitter Revolution:” Impact of Social Networking on Governance</p>	<p>We are all fascinated by the transformation of social media into systems for political mobilization – specifically, revolution. A big question is whether <u>these same networks and their enabling technologies are going to have a disruptive impact on our own political system.</u> Technologists use the term “disruptive” as a kind of geek-speak for “transformative,” and are inclined to like the idea that what is old is obsolete, and that what is obsolete should be abruptly swept aside. Well, our system of representative government is old, and arguably dysfunctional: but it does not automatically logically follow that a disruptive technology is where the fix is. However, the question is whether that technology is in fact going to turn out to be disruptive.</p> <p>Our model of governance was actually Athenian direct democracy. Representative government as it has evolved in the US is in part an accommodation to the fact that distance and time prevented direct involvement of the public in actual decision making. Distance and time have now been compressed to the vanishing point. Direct engagement of the public is physically possible. The political implications are already visible. It is an error to think that in the United States the political impact of social networking is mainly in the future. In fact, the impact has arrived (e.g., the 2008 election, and the Tea Party). There is one and only one tool to employ against the inadequacy of public knowledge and that is the internet. It is a double-edged weapon to be sure, but there is no substitute. And that applies to the international scene as well as to life at home. Whether it is corporations implacably seeking to commoditize information, or foreign dictatorships implacable seeking to control it, the open internet is the best possible platform for development and expression of some “wisdom” of the crowd.</p> <p>Events in the Middle East threaten to progressively topple the pillars of long-standing US strategy. It will not be possible for the US to say that it has consistently supported a coherent outcome based on American ideal and principles, but we can consistently support an approach to information that stands for letting the light in to previously dark places. Authoritarianism depends upon total control of the content of information, and of access to it. The United States -- if it does nothing else to declare its position, could declare itself opposed to the subordination of information to state control. That would have ramifications for information policy in the US.</p>

Anticipatory Governance Work Program:

Networks for Whole-of-Governance (May 25-26) Workshop Report

Work Program Meetings (2011)

The Foresight-Policy Nexus
May 4-5

**Networks for Whole-Of-Governance
May 25-26**

WORKSHOP REPORT

Feedback for Mid-Course Corrections
June 15-16

Operationalizing a System of Systems
July 19-20



Table of Contents

Agenda – “Networks for Whole of Governance”	30
Background: Networked Governance.....	31
Proposals for a Networked Approach to Whole-of-Governance.....	33
Managing to Mission.....	34
Budgeting to Mission.....	36
Summary of Workshop Insights.....	38

Agenda – “Networks for Whole of Governance”

Objective: to harness participants’ experience and knowledge to develop detailed ideas for how a set of baseline proposals for a networked operations can actually be implemented

Wednesday, May 25th (Day 1)

0830 – 0900	Registration and Light Buffet
0900 – 0945	Welcome and Introductions
0945 – 1050	Networked Governance as an Organizational Response to Complexity
1050 – 1100	<i>Break</i>
1100 – 1200	GAO, OMB, Budgeting to Mission: Implications for Whole-of-Government Operations
1200 – 1230	<i>Lunch</i>
1230 – 1330	DOD and net-centric warfare: Implications for Whole-Of-Government Operations
1330 - 1340	<i>Break</i>
1340 – 1440	DHS Strategic Management Integration: Implications for Whole-of-Government Operations
1440 – 1500	Wrap Up
1500	Adjourn

Thursday, May 26th (Day 2)

0830 – 0900	Registration and Light Buffet
0900 – 1030	Reactions and Continued Discussion
1030 – 1040	<i>Break</i>
1040 – 1200	Private Sector Approach to Network Management
1200 – 1230	<i>Lunch</i>
1230 – 1500 (incl. 10 min break)	Institutionalizing Networked Governance: The Way Ahead
1500	Adjourn



Background: Networked Governance

Bureaucracies are procrustean: responding to new problems by chopping them to fit old concepts. We need a form of management that could be called protean: able to change its shape rapidly to match evolving challenges. If we don't, we risk being swamped by events and succumbing to "systems failure."

Complexity has the effect of eroding the customary boundaries that differentiate bureaucratic concepts and the missions that are based on them. Modern policy issues are complex phenomena, not linear. Linear problems can be broken down into components, and then sequentially resolved and administered. Complex problems are the result of concurrent interactions among multiple systems of events. They do not lend themselves to permanent solutions, but instead tend to morph into new problems, even as the result of our interventions to deal with them. They do not automatically move towards stable outcomes, but instead can exhibit highly disproportionate consequences in response to relatively small changes of condition. Complex challenges cannot be permanently resolved because they continuously mutate. Instead, they must be constantly monitored and managed.

Our legacy systems represent 19th and 20th century concepts of organization, constructed on the basis of an 18th century constitution. Oddly enough, it is the Constitution that continues to be the source of creative change in American government, while our organizational concepts – based on industrial principles – are outmoded, based on vertical organization. This vertical mode of organization (stove-piping) derives from an understanding of events as linear, rather than as interactive and complex. Vertical organization significantly impedes the ability of government to deal with complex challenges. Authority to act in the present system requires detailed supervision from the top, mediated by large bureaucracies. Information about real-world conditions does not travel easily between field-level components of institutions and the policy-making levels. It flows even less readily between the executive agencies. These shortcomings expose the government to "system failure," which takes the form of sudden collapse of function in the presence of unanticipated shocks to the system.

We have left a period when our most serious security problems were by nature "stove-piped," when information about these problems was linear hierarchical management was sufficient. We have entered a period when the problems we face are themselves networked: information about them is marked by complex interaction, and organization for dealing with them must become flattened and integrated.

The inter-agency system is especially ill-suited for managing complex priorities that involve strong interactions among formerly isolated policy domains: e.g., climate policy in its relationships with energy policy, trade policy, fiscal policy, and defense policy. A more subtle and continuous form of integration between policy and management is needed: what is now being referred to as a "whole-of-government approach." Network theory offers an alternative way to organize governance. Networking expands the mandate of lower echelons to act, eliminates bottlenecks latent in middle layers of management, and radically improves the flow of information throughout the new system.

The fundamental idea is that large organizations will – if organized in the form of networks that feed information to the "periphery" and that enable that "periphery" to act towards broadly, but clearly stated goals – display a capacity for rapid, internally generated responses that will consistently outperform conventionally organized, hierarchical systems. The basis for networking civilian governance

already can be found in the uniformed armed services, where it has been developing for more than two decades under various names – most recently, in the form of the theory and practice of “net-centric warfare.” Net-centric warfare is an approach to military operations based on complexity theory, network theory, and advances in command, control and communications. We need similar networked processes for collection and assessment of intelligence, and for policy analysis and implementation: not just in the military, where it is a work in progress, but in the civilian component of government, where it has yet to commence. As has been the case in the military, networked civilian operations will require encouragement of a culture of governance adapted to the requirements of action within the framework of complexity.

The idea of whole-of-governance is more radical than the idea of foresight. Foresight means adjusting the existing process to accommodate a new stream of specialized information, having to do with the interaction between potential actions in the present, and their consequences expressed as alternative future outcomes. The response to this proposition is skepticism about the value of foresight as a guide to action.. Whole of governance, on the other hand, calls for an operating style that runs contrary to hallowed management principles such as: span of control; unity of command; concentrating authority to decide and capacity to act; co-locating authority; and accountability. It will be said that large organizations cannot be run unless power is focused at the top. Moreover, this warning will be repeated despite the indications that the older management principles are failing, as a result of the increased complexity of affairs and the acceleration of events.

What is needed to cope with increased complexity is something like multiple concurrent networks. In fact, our government already is a web of multiple concurrent networks. The question is how to make the output of these systems coherent, in terms of ability to focus on a defined mission. The key here is improvement of information and command and control systems within the White House, and within the Office of the President. The White House should move to a more flattened internal approach, aiming for faster adaptive behavior and self-synchronization.

Two functions are involved:

- Planning
- Execution

The personnel can overlap, but the functions are different.

Two elements are needed for overall guidance:

- A civilian equivalent of the uniformed military’s “Commander's Intent” to provide foundational statements of objective, as the means to promote self-synchronization
- Feedback, to make sure the system is responding to the President's expressed guidance

Two vital sub-strata are required:

- Managing to Mission
- Budgeting to Mission

Both would have to be developed in parallel. Both can be imposed within the White House on its own operations.



Proposals for a Networked Approach to Whole-of-Governance

The following proposals share a common feature in that all of them pass a test for feasibility: they are designed for implementation at the White House level; they can be implemented by a President, using customary authorities; they involve very little in terms of new resources; they do not require new legislation; they are compatible with existing systems within the executive branch; and they are potentially compatible with deeper reforms that might ultimately be taken outside the White House, in and amongst the cabinet level agencies.

Criteria for networks:

- Satisfies all the “Criteria for Upgrading Systems”
- Reinforces existing systems; not designed to circumvent them.
- Adjustable in structure to reflect the goal of management to mission.
- Planner's network and operator's network: distinct but interlocked
- Operator's network must be guided by Commander's intent, but should also have input into its formulation.

Criteria for Upgrading Systems

The pulse of government cannot be stopped while the system is redesigned, and Congress is unlikely to produce an omnibus bill to upgrade government systems. Therefore, to comport with reality, the design of Anticipatory Governance as a whole, and of its constituent systems, should be:

- very light on resources;
- executable on the basis of existing presidential authority;
- compatible with existing White House processes;
- ultimately compatible with longer-range, more profound reform involving the executive branch as a whole, if and when that becomes possible; and
- integrated with advanced methodological approaches, including methods potentially important to foresight generation and to systems operations.

These are the criteria against which the following proposals will be assessed.

The following proposals are arranged in tabular form, with insights from the May 4-5 Foresight-Policy Interface Workshop incorporated into the analysis

D. Managing to Mission

1. Mission-Based Teams of Czars
2. Use the Cabinet Strategically
3. Deputies’ Committee on Complex Priorities

E. Budgeting to Mission

1. Alternative Budgets for Alternative Futures
2. Alternative Priorities
3. A Regular NSS-OMB Interface
4. Translating Long-Term Conclusions into terms that fit Congressional Cycles and Responsibilities

Managing to Mission

(8) Mission-Based Teams of Czars

Detail

Organize the so-called executive branch “Czars”² into strategic groupings (e.g., heads of interagency task forces). It is possible that “Czars” – who should be viewed more as *integrators* than *autocrats* – collectively possess the totality of the information about where the government is and where it is headed. Some report directly to the President, others to cabinet officers, and some have hybrid responsibilities, with lines of responsibility running more than one way. Integrators – individually and corporately – can perform a crucial knowledge management function in the executive branch by connecting top-of-system awareness to political authority. They are in a unique position to provide the visioning, networking and feedback functions necessary for anticipatory governance. Such functions would not threaten the oversight authority of congress, providing it is clearly established that responsibility for the execution of policy remains in the hands of Senate-confirmed officials. They can generate situational awareness across the whole-of-government, during both the formation and execution of policy, and track progress of policy implementation and needs for mid-course adjustment. The proposal is, therefore, to create a venue which brings this integrators together for systematic consultation and cross fertilization. This creates a network of existing officials, with a collective responsibility, focused on national priorities. It would NOT substitute for the National Security Council, or the Principles and Deputies Committees; nor would it displace senate-confirmed cabinet officers from their authorities and responsibilities. It would simply augment the existing process by adding a critical missing element: the ability to visualize policy formation and execution in relation to *mission*, as opposed to *bureaucratic jurisdiction*. This arrangement would require an authority responsible for coordinating the groupings and rearranging them as the problem or priority on which they are focused inevitably morphs.

Guiding Questions

- Who would coordinate the groupings?
- They would have to morph as the problem morphs. How would that happen? (in other words, how would a rep be “assigned to” or dismissed from a team?)

(9) Use the Cabinet Strategically

Detail

Use key White House officials and members of the Cabinet to “manage to mission,” by establishing ad hoc task forces for complex priorities. Currently, the Cabinet has little “corporate” existence, but it is possible to organize groupings according to strategic requirements. Agencies could get involved in subgroups to ensure their organizations are in alignment from the top down. This is like commander’s intent in the DOD. These groupings can help make sure they mesh when the encounter each other. Congressional oversight would need to be taken into account here, since Congress doesn’t hold cabinet secretaries accountable for how well they have interacted and interlinked with others (even if that is

² The term “czar” is a very misleading concept, weighed down by a great deal of historical baggage. It unavoidably suggests vertical organization, rigid hierarchy, and an imperious style of decision-making. Nothing could be further from what is required: laterally networked organization characterized by decentralized authority, operating with flexibility, and transparency. The present random assortment of “czars” may somewhat improve coordination within and among various agencies, but cannot do so for the system as a whole. In their present configuration, the czars cannot help the president achieve overall system coherence: they cannot provide an overall awareness of the operations of government, the interactions of policies with each other, and of the impact of these forces on our complex challenges.



what is required to strategically maneuver the government under the pressures of complexity).

Guiding Questions

- They have to answer to Congress, and Congress doesn't hold cabinet secretaries accountable for how well they have interacted and interlinked with others. What is the incentive?
- How would congressional committee jurisdictions affect their flexibility?

(10) Deputies' Committee on Complex Priorities

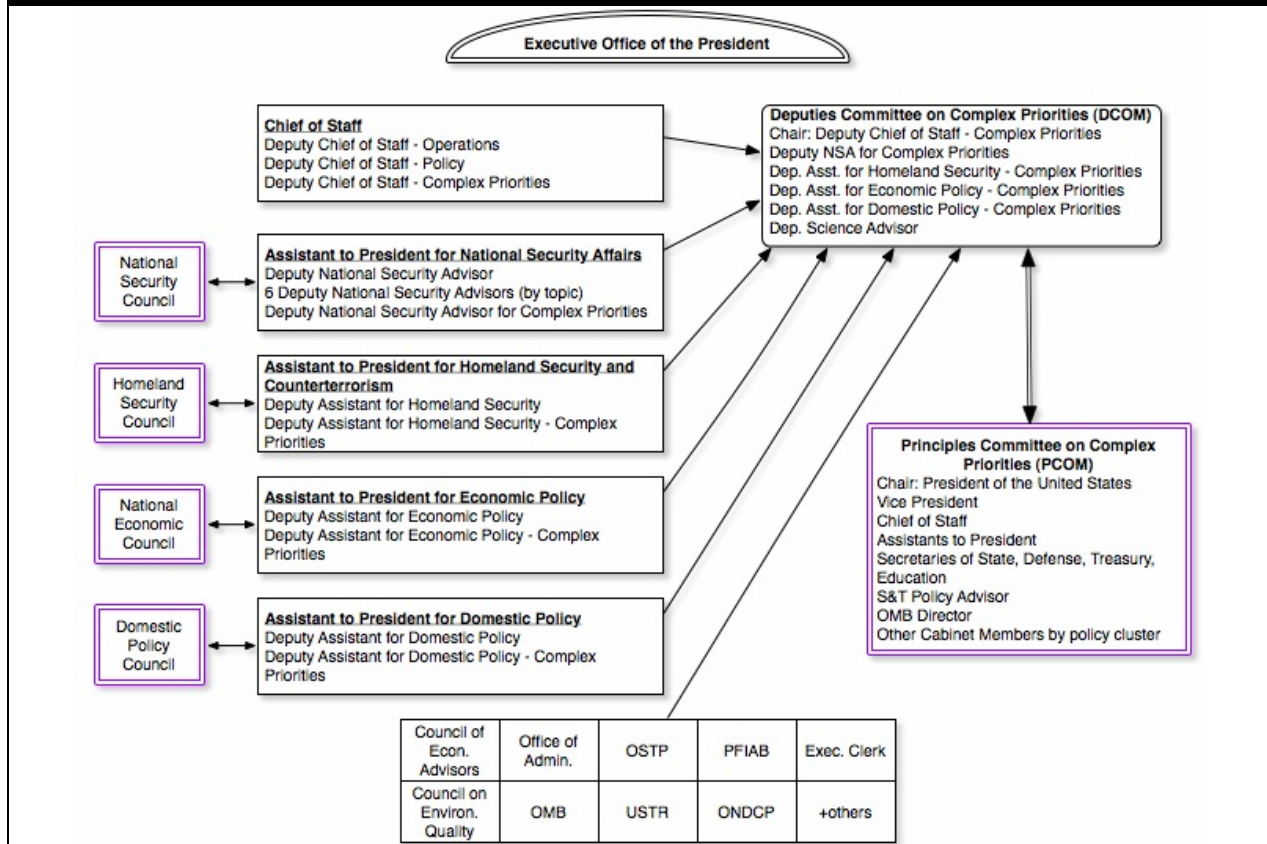
Detail

A committee of deputies could serve as a nucleus for long-term foresight and warning and cross-disciplinary policy formulation as response. The function of this committee would be to consider the intersection of multiple issues, and match potential consequences to policy priorities. This would be a light-weight way to add formal consideration of the foresight dimension to the White House policy process. It also enables the exploitation resources from a variety of bureaucracies while coordinating cross-bureaucracy policies. Efforts would have to be made to limit additional burden on deputies, and to integrate this committee into the policy formulation process, to avoid competition for buy-in.

Guiding Questions

- How to have them avoid competing with other deputies' committees for buy-in?
- How to limit additional burden on deputies.
- What staffing support?
- How to insert the stream of information it would generate?

Example: Student Proposal (Fall 2007)



Budgeting to Mission

(5) Use Alternative budgets to reflect scenarios for alternative futures

Detail

There are many possible futures – why do we have one budget? We currently have had a succession of single-image views of budget cuts and taxes, which are not adaptive enough to withstand a range of contingencies. It would be helpful to have a set of scenarios that show where we are supposed to end up after these transactions; buy into or buy out of alternative visions of where we want to be. Developing alternative budgets based on alternative national strategies would provide for better-informed decisions as to how to pursue and resource our national strategies.

Guiding Questions

- If you have to have one budget, can it be adaptive enough to withstand a range of contingencies?
- What is being done already in this regard?

(6) Use the budget process to develop strategic priorities

Detail

OMB already requires alternative budget proposals, but the emphasis is on alternative decrements, without considering alternative priorities, or how alternative priorities can shape the country over the longer term. Alternative budgets should be used to model the effects of different decisions about strategic national priorities. If we have budgets that really do address the fiscal crisis, alternative approaches are going to mean alternative futures for how we live in the US and how the US relates to the international system.

Guiding Questions

- What if alternative priorities were the basis for alternative budgets?
- What would a budget with alternative priorities look like?
- How would it be structured?
- Who would set and consider alternative priorities?

(7) Establish an OMB-NSS Interface

Detail

OMB could serve as an active party to strategic planning and coordinating resources. Regular meetings between OMB and NSS to translate strategies into budget implications would be a form of “brokering function.” The purpose would be to clarify strategic priorities by translating them into budgetary terms. This could be done by regularly having representatives from OMB present at NSS meetings to shed light on the budgetary implications of strategy, and representatives of NSS present to shed light on the strategic implications of budget decisions.

Guiding Questions

- How to bridge the culture gap?

(8) Translating Long-Term Conclusions into terms that fit Congressional Cycles and Responsibilities

Detail

The United States periodically will spend several billion dollars on long-term projects meant to shape the future, and then cancel them with nothing to show. Instead, proposals for large projects could be broken down into manageable chunks that are independently valuable but collectively aligned toward a larger goal. These chunks would be turned into policy recommendations, and then translated the recommendations into legislative language and timelines. Each component is valuable in its own right and can stand on its own so that benefits are achieved regardless of whether or not the final goal is achieved. Success depends on describing a desired long-term end state and developing a series of



short-term steps to achieve it. This Component-Level Implementation Process” (CLIP) is a way to analyze the programmatic implications with terms that are in sync with congressional politics by breaking down the long-term goals into progressive short-term legislative steps which offer substantial stand-alone benefits. CLIP mitigates the political risk inherent in introducing legislation when the final results may not be seen for decades.

Guiding Questions

- Can congress actually agree to such a process without a basic change of its rules?
- Can this be done in a way that is compatible with the existing committee system?

Summary of Workshop II Insights

Disclaimer: This discussion operated privately under “Chatham House Rules.” All comments are strictly not-for-attribution and views expressed do not reflect the views or policies of any government or private institution. Names of all discussants have been removed.

Basic Principles

- “Neo-Washington Consensus” that the system, as its capacities are used, is not structured for today’s problems
 - o *Then why is nothing happening?*
 - o The system is taken as a given, go running off with it to deal with urgent problems of the day
- DHS, DOD are struggling to achieve within the department what that the government as a whole needs to achieve – higher flexibility and coherence simultaneously
 - o DHS is a collection of diverse and independent agencies whose missions were not unitary, but now have to be united around a partially common mission.
 - o DoD is working to integrate processes, planning, and implementation across services
- Strategy: “Got to go about big things while you are doing small things so that the small things go in the right direction” – Alvin Toffler.
 - o Strategic *action* means as you are going about the business of now, while, at every point, thinking has a link to ‘eventually’.
- “Box-ology” – cannot produce an effective network by moving boxes around
 - o How do you ensure *accountability* in networks? Can’t hold hearings for networks.
 - o Don’t need congressional mandates, but it helps to keep members in the loop
- Forward Engagement proposals all fall into existing, constitutional presidential authority.
 - o Where POTUS is limited:
 - *Personnel*: number of personnel, deployable personnel (for civilian capacity)
 - *Budget*: anti-deficiency act requires that you not spend what is not allocated; Money transfer to deal with contingencies and crises (could bypass this by deputing people from one agency to another, or re-appropriating funds)
 - o What POTUS *could do*: Move bodies, have budget for flexible spending (e.g. contingency funding)
 - Proposals for managing and budgeting to mission already fall within presidential authority.
 - Workarounds to limited staff: embed personnel, privileged communications
 - Create organizations within the departments as extensions of the NSS, representing their department’s views, but as a permanent capacity with varied expertise.
 - Interagency, joint task-force, focused on a mission area.

Networks

- Networks are the organizational response to complexity. Any set of protocols governing who is entitled to do what with information, and who has the power to act.
- Distinction between a network and a system? Systems have a mission. Networks don’t always have missions.
- Need to understand *which* networks are important to the organization
- Aligning *objectives* (micro components of a mission) of a network to the system’s mission is a way to address speed, identify rogue behavior, re-direct when needed. Objectives break down a mission to specifics.



- Without shared mission, and planning function, and dollars to follow it – do you get a network or a system?
- Undigested flood of information vs. a calibrated fire-hose.
- Leadership remains a big part of networked management, but we don't train leaders in the bureaucracy appropriately

Office of Management and Budget

- PROPOSAL: Make OMB a full-fledged part of the strategic process so they can broker at the right moment in discussions of strategy and have ownership stake in the process, instead of just serving as the pocket book, able to say how it's paid for
 - To demonstrate feasibility of a systems-approach to budgeting, OMB needs to use an outcome-specific or problem-specific set of issues as proof of principle (e.g., a mission like homelessness)
- Effort to bring OMB into Principles committee didn't work too well, because the situation didn't cater to OMB strengths or abilities (just gave OMB dir chance to opine about foreign policy, about which he knew little).
- Is OMB a Program Analysis & Evaluation (PA&E) shop? Or a CFO shop?
- Monetary terms are dispersed all over the system; ability to plan and distribute these in a strategic and effective manner is lacking
- But OMB is basically an *auditing* agency; making it part of strategy changes its mandate, function, and culture

Government Performance and Results Modernization Act (GPRMA)

- GPRMA adds statutory authority to principle deputies as Chief Operating Officers (COOs) of their departments.
- Act mandates performance improvement officers in each agency, as well as council to coordinate government across agencies.
- Act requires internal strategic plans for each agency
- FY13 budget requires POTUS to identify cross-cutting national goals to bring together agencies on the performance goals, etc. there is statutory basis *and* institutional basis for OMB to have these goals
- What can GPRA do to create self-awareness? Deputy as COO works, but if s/he is over-stretched with short-term policy when assuming interagency roles, then it's hard for hir to deal with both day-to-day management and long-term issues

Network centric warfare:

- Principles
 - Purpose of IT networks is not to replace war, but to help shift information (and tactical decision-making) out to periphery
 - But sometimes cultural change does not follow, and information is used to empower the hierarchy (commanders micro-manage from afar)
 - Critique: "We don't need more information, we just want more rounds on target"
 - Civilian analogue: More *dollars* on target.
 - Sometimes less is actually less—information cannot compensate where mass is needed
 - More information doesn't necessarily lift the fog of war
 - Objective of net-centricity is to *improve the effectiveness of resources that are used*, not to increase or improve resources themselves.
- Lessons for Civilian Governance

- NCW and other such terms are now negatively associated with Rumsfeld, Shinseki. May be a loaded term in case you use “net-centricity” in public.
 - Use “network-enabled operations” instead
- But after a point, we need imagination superiority, not just information superiority.
- Culture-shifting Info-tech already exists in civilian domain (Bloomberg LP, Enterprise Systems)
- NCW had limited objectives in a contained battle space, with a defined enemy.
- Can work for stability operations involving civilians, but extending it to every problem facing government is a new level of complexity. The networking that is now available has to be exploited, but it may be a bridge too far.

Learning, self-diagnosis, and self-synchronization

- Learning must be institutionally supported and institutionally *rewarded*. All too often there are conflicts b/t interagency and home department rewards.
- Continuity across administrations: strategy for how you can prepare strategies for an incoming administration, through memos, etc
- Leaders must be incentivized to asked questions about assumptions being made for conclusions being presented. Once this happens often, it forces people to think in new ways.
- Could establish a *course* on foresight and complexity for Senior Executive Service (SES), which is smaller and has an institutional existence across departments, to teach how to pause and re-assess.
 - E.g. Goldwater-Nichols
 - Culture shift at Army War College: all the people who will be promoted will be educated with systems perspectives on warfare.
 - Requirement that you had to serve in joint position before promotion to General
 - Could be requirement that you won't be promoted until you've complete d training (in foresight)
 - But perhaps it's too late to expose staff to foresight when they're SES's. Should be thinking of complex systems in our *educational* system, bringing creativity back in, getting linear argumentation out at the national level. This is strategic in the sense of education reform, etc
 - Why doesn't NDU offer some initial courses of this sort?

Lessons from DHS

- Independence to analyze vs. independence to arrange budget pieces
- NSPD 26 articulates what the intelligence priorities are for whole of DHS and composite agencies
 - Process involves gathering agency deputies to rebalance and identify short term and long-term priorities.
 - Same process could be used for national security writ-large.
- National security planning guide.
 - Distill initiatives and outcomes that have the highest priority – rank them.
 - Then you can comfortably distribute the solution space, because you have created the conditions for self-synchronization around outcomes.
 - Planning guide should include functions writ-large.
 - The more holistic you can draw the guidance and priorities, the better sense of prioritization you can get.
- Without prioritized outcomes, the network is just a set of randomly firing synapses; everyone thinks they are trying to accomplish objectives.

Managing to Mission



- Using cabinet strategically, cabinet should be used as leadership team. It would be good to think of how cabinet works horizontally. Departments must become like military departments, in which they don't need integration, but act that way reflexively.
- Need to link the analytic departments in the different agencies doing alternative [strategic] conceptualizations, not just creating their own versions separately.
 - o What you then get: the bi-annual process creates a venue for bringing in the anticipatory thinking.
 - o Inject gamed discussion into the prioritization process, then acted upon through execution. Then information comes back to inform outcomes.
- This is more corporate in its orientation, demands a seeding of actual or perceived authority, (directorate heads, OMB) to a more holistic process, and it demands strategic choice.
 - o Strategic principles should guide actions reflexively and indiscriminately
- In place of robust feedback mechanisms, DHS has risk management and measurement techniques
- Example: In 1980s, Sen. John Tower, Chair of Senate Arms Services Committee, asked DoD to give them defense budget by mission categories, which forced committee to think by mission.

Deputies Committee on Complex Priorities

- Rather than creating a separate group, have existing deputies focus on long-term; give day-to-day tasks to other people, because a new institution will be ignored.
 - o I.e. redirect the agenda of the Deputies Committee so that its members are focused on the long-term
- DCOM needs more outside input; an *external*, consultative approach to determine the policies, strategies and priorities, and inform its knowledge and resource base
 - o Needs pre-existing networks that can act at will without excessively reactive preparation
- There already exists a Deputies Committee for strategic planning headed by Deputies, and an IPC for strategic planning, headed by Dir of Strategic Planning
 - o It should be used more; enhance rather recreate it.
 - o Relationship b/t policy planning and strategic staffs are not as robust as they could be
- Short-term always displaces long-term
 - o Committee must be built on special people who are interested in bringing these things into the forefront.
 - o Deputies Committees are distracted by short-term. Focusing on the deputy's committee may not be useful in this sense.
 - You might ask OMB for a balance scorecard on Deputy committee.
 - o IPC may be a better tool for this.
 - Have someone on the IC and policy side for whom thinking about the future is a full time job.
 - In the IPC for strategy, this should be a major responsibility for them, working in tandem with the NIC. 6-8 people whose full time job is long-term issues
- NEW PROPOSALS FOR ORGANIZING THE DEPUTIES
 - o Take them to Camp David to talk about the future (once-in-a-while)
 - o Have someone from the NIC serve on the IPC for strategy
 - o Have a separate IPC or DC for strategy
 - o One or two people on the DC charged with contextualizing the decisions of the day. Go back to a standing body (separate DC, or NIC, etc) and hash through it. Bring it back at the top of the next day to contextualize the decisions of the day within the broader strategy set by the POTUS.

Alternate Budgets

- There is a technological ability to generate different budgets, and it's done.
- But the problem is that they're still *annualized*. So we don't genuinely look 5-10 years out.
- They don't really look at *impacts* of these budgetary decisions
 - o New technology breaks down the government's monopoly on budgetary information. Ability to manipulate this to come up with alternative models.
 - o Transparency device – where their money is going. It also serves as an education function.
 - o But even if people see the numbers and graphs, they don't see the *social* implications of various budget scenarios. E.g. they don't see their healthcare going away until they show up in the Emergency Room
- It may take years for a budget to align with a policy decision, depending on the policy decision. If leaders want to influence budget, they must do it on the front end.
- It may be too difficult to talk about 'budget' in the context of strategy; the budget is too detailed. What you are talking about is whole-of-government budget, or grand strategy
- Grand Strategy: linking the little things and the big things.
 - o But influencing this is only possible on the periphery, because the Military-Industrial-Congressional Complex (MICC) is so embedded.
 - o Algorithms for alternative budgets are easy, but the structure and the priorities are driven by the MICC
 - Would need constitutional amendment re: DOD and *Congressional reforms*
 - “How does this affect the happiness of my district?”
 - DOD has best reputation, despite the fact that we can't even audit its budget.
 - We outsource our forces around the world and get no financial rewards for this.
 - Special interests are living off the American budget. Until we can limit these special interests, there will be little progress.
 - o Budget is always a battle of special interests, and whoever plays that best will win. Ultimate arbiters are people who can ring in voters, etc. You can put in taxes and see what you're getting for your taxes.
- CBO does budget scoring, GAO does evaluation, CRS does secondary research, OTA did sci-tech assessments. GAO was supposed to evaluate Climate change, but had to outsource it to National Academy of Science, which had to be funded specifically on request of the contract. (from bigger agency). Politics of academies are such that a contracting member must find funding
- Departments are unlikely to be interested in different budgets and show what they'd be able to accomplish under alternate futures with budget cuts. (Because it would imply that they'd still be able to survive and function with fewer resources)

NSS-OMB Interface

- Government-wide Performance Plan required that OMB should have been a part of planning process since 1940s, yet that only happened for two years in Clinton admin.
 - o First two GWPPs after GPRMA were actually very good. But what killed them was that they don't have a natural constituency on the hill—committees or congress members that could champion them. 'Government-wide' gets carved up in Congress, with no single body to push it forward to make sure it goes through
- OMB-NS Staff joint project: i.e. combating terrorism field, there's guidance from John Brennan and OMB Deputy to different agencies saying “here's what we need done, put your budgets together on this basis.”
- Need NSS and OMB to buy in to at least one person to serve as the bridge between them. Or a deputy chief of staff in each organization to specifically force the integration.



Anticipatory Governance Work Program:

Feedback for Mid-Course Correction (June 15-16) Workshop Report

Work Program Meetings (2011)

The Foresight-Policy Nexus

May 4-5

Networks for Whole of Governance

May 25-26

**Feedback for Mid-Course Correction
June 15-16**

WORKSHOP REPORT

Operationalizing a System of Systems

July 19-20

Table of Contents

Agenda – “Feedback for Mid-Course Correction”	45
Briefing on Feedback.....	46
Feedback: Background and Theory.....	46
Application of Feedback to Policy.....	46
(1) Feedback for Monitoring and Adjustment of Policy	46
(2) Feedback for Accountability, Control and Self-Synchronization	47
(3) Feedback for Learning.....	48
Feedback Functions in Relation to Governance.....	49
Summary of Workshop Insights	51
Appendix A: Workshop Proposals.....	56



Agenda – “Feedback for Mid-Course Correction”

Location: NDU Lincoln Hall Andes Conference Room 3121

Objective: A concise set of designs and proposals for installing feedback mechanisms as add-ons to present structures: what they would look like and how they could be installed under existing Presidential authorities.

Wednesday, June 15th (Day 1)

0830 – 0900	Registration and Light Buffet
0900 – 0950	Welcome and Introductions
0950 – 1050	Feedback: Theory and Applications for Policy
1050 – 1100	<i>Break</i>
1100 – 1230	Feedback for Monitoring and Adjustment of Policy
1230 – 1300	<i>Lunch</i>
1300 – 1430	Feedback for Accountability, Control and Self-Synchronization in a Networked System
1430 – 1500	Wrap Up
1500	Adjourn

Thursday, June 16th (Day 2)

0830 – 0900	Registration and Light Buffet
0900 – 1050	Reactions and Continued Discussion
1050 – 1100	<i>Break</i>
1100 – 1230	Feedback for Learning
1230 – 1300	<i>Lunch</i>
1300 – 1500	Summary discussion: Designing and Implementing Feedback Systems
1500	Adjourn

Briefing on Feedback

Anticipatory Governance is a systems-based approach for enabling governance to cope with accelerating, complex forms of change. Feedback is the third element of Anticipatory Governance (in addition to Foresight and Networks). Feedback systems exist in disparate forms throughout government, but there is no feedback system operating at the national level as an organized function of government.

Feedback: Background and Theory

Feedback is the use of information to modify behavior. Feedback occurs when a portion of the information contained in a system is recycled into that system in a way that influences its ultimate behavior. There are two categories of feedback: positive and negative. Positive feedback amplifies certain characteristics of the system's performance. It accentuates variants from a desired profile. If used to excess, positive feedback can cause uncontrolled levels of amplification. It therefore tends to encourage instability. Negative feedback dampens certain characteristics of the system's behavior. Specifically, it dampens variations in signal performance, and modulates in order to shape the output toward a desired profile. In effect, negative feedback stabilizes output, to make sure that output is proportionate to the input. It therefore tends to encourage stability. The type of feedback of interest for use as a mechanism in governance is negative feedback. Used to excess, however, negative feedback can squelch responsiveness.

The most familiar examples of feedback are found in engineering. For example: a thermostat that regulates room temperature, or feel-of-the-road circuits built into power-steering in an automobile. Other examples, perhaps less familiar, are to be found in biological systems, whereby organisms use information gained from sampling to adapt to their environment (e.g., self-regulation of body temperature or metabolism). Design characteristics of feedback mechanisms in physical systems should be translatable for use in policy.

Application of Feedback to Policy

Applied to policy, feedback can have at least three basic functions:

- (1) **Feedback for Monitoring and Adjustment of Policy**
- (2) **Feedback for Accountability, Control and Self-Synchronization** (Sustaining Accountability and Control in a Networked System)
- (3) **Feedback for Learning** (Promoting Rapid Self-Learning and Evolution in Systems)

(1) Feedback for Monitoring and Adjustment of Policy

All policies deteriorate and eventually fail under the pressure of changing circumstances. That is the nature of complexity: the world is always changing, and the problems that policies are meant to solve do not go away; they mutate. Just as it is impossible to predict how and when problems will mutate, it is impossible to predict when a policy will fail. But it is possible to monitor for signs of failure. Doing this requires the operation of a dedicated system. However, at the national level, no governance systems are in place to monitor the deterioration in the function of policies or of the governance systems that



execute them. Thus, we typically learn not by foresight, but by costly hard knocks. It is impossible to know when a policy is failing without using some sort of feedback mechanism to keep track.

Feedback systems, if embedded as a regular function in the policy process, could serve as a basis for ongoing monitoring, evaluation, reassessment and recalibration of policies. This kind of continuous loop is vital for preventing break-downs and system failures that routinely go undetected until it is too late. System-awareness gained from feedback can serve as a basis for pro-active, instead of reactive, policy adjustments. Elements of this process could include:

- **Monitoring and Data Collection:** Monitoring the impact of a policy once it has been put into operation. Regular, ongoing sampling for diagnostic information on a policy's performance as well as budgetary needs.
- **Detection of error:** the ability to diagnose deterioration of a policy before it fails. This must be measured against expected performance of a policy, which must be clearly defined from the outset, and continuously adjusted to fit changing reality.
- **Correction of error:** eliminating deviations from expected policy outcomes by making minor adjustments continuously, and teeing-up reviews for major adjustments when necessary.
- **Informing Strategy.** Government strategy documents can use these data to track priorities and progress to maintain an overall sense of how the whole-of-governance is performing.

In governance, as in any other system, designing a good feedback mechanism means:

- Describing expected performance outcomes of the policy,
- Identifying and sampling data streams to be used for feedback;
- Identifying the point where that data stream will be reintroduced in the policy-making cycle;
- Codifying protocols to guide the behavior of the system for responding to that information.

Proposal: Feedback Protocols for Policy Adjustment

Every policy sent to the President – or any senior decision-maker – for approval should be part of a package that includes the following precepts, in explicit terms:

- Statement of key assumptions on the basis of which the recommendation has been made
- Definition of success, including overall definition of success as well as specific key objectives
- Information streams to be monitored on an ongoing basis
- Performance indicators that would automatically trigger a review of the policy
- Points of responsibility and accountability in the system for collecting and applying such information
- Periodic "audits" of performance by teams that will independently report their conclusions to higher levels of consideration
- Provisional date for an audit of the policy and its performance, to occur even in the absence of a trigger said date to be built into the WH calendar

(2) Feedback for Accountability, Control and Self-Synchronization

Networks have the advantage of increasing the speed and flexibility of a system by pushing authority to act to the periphery. However, without feedback systems to maintain accountability and control from the center, networked systems tend to "go rogue," since self-regulating behavior is not inherent (e.g., de-regulation of the banking sector did not produce self-regulating behavior, but system-failure).

Feedback can serve as a means to permit adaptive behavior in a large organization without losing accountability or the ability to provide strategic guidance. It can provide a basis for command and control of flattened networks by streaming real-time information about conditions at the periphery of the system. In this way, feedback allows more flexible relations between command systems on the one hand, and execution systems on the other. Thus feedback can promote responsible complex adaptive behavior in networked systems, coupling accountability and flexibility.

This form of feedback could be implemented as a civilian equivalent of the uniformed military's "Commander's Intent" to provide foundational statements of objective, as the means to promote self-synchronization. Feedback is not just a way to ensure orders are followed; it is a way to issue guidance in a new fashion and not lose control of the process. Feedback systems should be dynamic enough to achieve a flexible coupling between designed intent and behavior at the edges of a system.

In this way, feedback can be used to sustain a new form of goal-defined management, and feedback mechanisms can be applied for managing and budgeting to mission (addressed in prior sessions, on foresight-policy interface, and networks for whole-of-governance).

Proposal: Feedback Protocols for Accountability, Control and Self-Synchronization

Every program or mission should incorporate the following precepts, in explicit terms: (illustrative list)

- How is the system supposed to operate?
- What parameters are selected for monitoring and measurement?
- How is the task of tracking these parameters distributed?
- How is output of the system formulated?
- What constitutes evidence of deterioration?
- How is output of the system to be routed into the underlying process?
- What responses should be built into the underlying process?
- What are the resource requirements for the Feedback system? (e.g., a Feedback "cell" designed for each policy? Cell management subordinate to overall policy management? or independent? Create a Central office for feedback function?)

(3) Feedback for Learning

To keep pace with fast paced change, our government must become a learning organization. Feedback can speed up system-learning from experience to improve the conduct of ongoing policies and to improve the design of policy in the future. Feedback can accelerate awareness of (and response to) best and worst practices in the operation of networked systems.

Although this function presently does not exist as a steady-state process in government, examples and possibilities do exist:

- **Private sector:** Given the pace of development in certain industries, learning and adaptation must take place in real time. For this purpose, industry is using organized foresight and continuous monitoring and feedback to accelerate response to new possibilities and to new developments in the market place. In this way, many companies are continuously evolving.



- **GPRA Modernization Act:** Although the Act primarily deals with new methods for avoiding old problems such as duplication and inefficiency, it may offer ways to go further toward Anticipatory Governance; for example, by expanding the functions of the so-called Chief Operating Officers and Performance Improvement Officers to include such functions as systems reform to include foresight, networking and feedback.
- **Agency Level Resources:** the so-called “czars” in the executive branch collectively have at their disposal a great deal of information about system performance, which could – if harvested – be fed into a feedback system. The same can be said, collectively, for the planning bureaus that are distributed throughout the executive branch. Again, this potential requires setting up a small sub-system for harvesting knowledge and feeding it back, which presently does not exist.
- **Wisdom of the crowd.** Electronic systems provide means not just to reach the experts, but to tap the “*wisdom of the crowd*” for feedback on policy and system performance. For example, the city of Chicago developed scenarios that were played at individual and community level, getting sensible feedback from the public.³ Systems such as these offer the potential of information systems to revive democratic discourse as a source of continuous system learning.

There is an important point to be made here about the characteristics of feedback suitable for system learning in the presence of accelerating, complex events. The standard approach based on case-studies is far too slow. It tends to produce compendia of what is thought to have been true about action in a system which will already have been altered. Twain said: “History does not repeat itself, but it does rhyme.” If so, then learning from the past has to occur in time with the rhythm of the rhyme in order to be of operational value. Systems learning must be a continuous effort, which must be sustained by a dedicated system.

Feedback Functions in Relation to Governance

Applications. As described above, feedback can have at least three basic functions as applied to policy:

- (1) **Feedback for Monitoring and Adjustment of Policy**
- (2) **Feedback for Accountability, Control and Self-Synchronization** (Sustaining Accountability and Control in a Networked System)
- (3) **Feedback for Learning** (Promoting Rapid Self-Learning and Evolution in Systems)

Domains. For purposes of Anticipatory Governance in the Executive Branch, there are three domains where feedback systems are needed:

- In and for the Office of the President;
- At senior interagency level;
- At senior levels in the executive agencies.

³ <http://www.cmap.illinois.gov/2040/main> Accessed June 9, 2011

A discussion of feedback should examine how its functions could be established and integrated in each of these domains. The matrix below should make that proposition clear, and will serve as the starting point for discussion.

<i>Feedback: Application-Domain Matrix</i>		<i>Domains for feedback</i>		
		(A) White House	(B) Interagency Level	(C) Agency-Level
<i>Applications of feedback</i>	(1) Monitoring and Adjusting Policy Execution	<i>CELL 1</i>	<i>CELL 2</i>	<i>CELL 3</i>
	(2) Sustaining Accountability in a Networked System	<i>CELL 4</i>	<i>CELL 5</i>	<i>CELL 6</i>
	(3) Promoting System-Learning and Evolution	<i>CELL 7</i>	<i>CELL 8</i>	<i>CELL 9</i>

In each cell, for discussion:

- How is the system supposed to operate in this space?
- How are parameters to be selected for monitoring and measurement?
- How is the task of tracking these parameters distributed?
- How is output of the system formulated?
- What constitutes evidence of deterioration?
- How is output of the system to be routed into the underlying process?
- What responses should be built into the underlying process?
- What are the resource requirements for the Feedback system? (e.g., a Feedback "cell" designed for each policy? Cell management subordinate to overall policy management? or independent? Create a Central office for feedback function?)

Criteria. Design of feedback mechanisms and protocols must pass a test for feasibility: they must involve very little in terms of new resources; they should be implementable by a President, using customary authorities; they must not require new legislation; they should be compatible with existing systems within the executive branch; and they should be potentially compatible with deeper reforms that might ultimately be taken outside the White House, in and amongst the cabinet level agencies.



Summary of Workshop III Insights

Disclaimer: This discussion operated privately under “Chatham House Rules.” All comments are strictly not-for-attribution and views expressed do not reflect the views or policies of any government or private institution. Names of all discussants have been removed.

Feedback Theory

- Feedback reconciles and integrates (a) motivational authority with (b) action happening at the periphery. With feedback, you can have adaptive behavior and without it, you have rogue behavior (you do what you once thought was right and keep doing it)
- Foresight is a stream of information that is incorporated in what you do next and how you evaluate what you’ve already done.
 - o Feedback is how foresight is incorporated into the actions we take.
 - o There is no perfect foresight, since actions change your system, so you need feedback to adjust it.
 - o *Sampling Rate* is how often you have to check the system to make sure you don’t miss an important inflection point.
 - o Feedback sampling cycle should be as long as the policy cycle, and maybe vice versa
- Feedback requires periodicity to ensure things aren’t forgotten, and an alarm system to make sure things get flagged sufficiently.
- Both foresight and feedback are relegated
 - o Whoever represents them must be able to “stop the line” (stop the process and ensure that foresight and feedback are incorporated).

Feedback for Policy

- Setting policy inherently defines the problem. If you have a feedback loop on the policy, it does not necessarily change problem itself.
 - o For example, you might have less success fighting drugs as a crime problem than as a sociological problem. Feedback might start working on the crime approach, but won’t change that it should be feeding into the social /psychological services that should be tackling it.
- Feedback for “adjusting policy” vs. “adjusting policy *execution*”. These are different. Policy is what you intend; execution is how it is implemented.

Assessment vs. Feedback

- Assessment tells you where and how you are; feedback is when you learn from it and incorporate lessons into what is done going forward.
- Feedback mechanisms are built into system—checks-and-balances, electoral process—but these mechanisms are often either corrupted or insufficient
- There is denial regarding learning: there is always a period of denial prior to understanding, acceptance, and incorporating lessons. *How do we hasten acceptance and get beyond denial?*
- It is a product of luck that someone will (a) think about a question, (b) have the opportunity to ask it, and (c) seek to hear that question asked. This happens in NSC discussions, but it happens randomly.

Periodicity of Feedback

- Timing of feedback must align with creation of policy and its execution.
- Feedback that’s out of phase is just as bad as no feedback at all.

- You need a small operation that doesn't forget where it comes from but which is free to operate on accelerated basis.

Barriers to Feedback

- Career paths are a barrier to feedback and change
 - o When there's a 30-year path to pension, commanders follow rigid practices from which they do not deviate – there is no place for feedback, altering course (the process is ossified)
 - o VERSUS private sector competition: if you're not progressing at Xerox, you can go to Intel.
- Smart people who have the responsibility to give feedback do not have the authority to implement changes, while it is not in the job description of those who do have the authority to do so. You do not get your next star or a newspaper headline for applying the next lesson learned.
- Commanders' intent gets skewed as it filters down four layers of command.
- Politically confirmed officials resist criticism. Senior directors perceive assessments to be criticism of *leadership*.
 - o ALL levels of command should be involved in assessments
 - "Wisdom of crowd" approach *within* an organization to assess how organization is functioning
 - Every level involved in assessment, so it is not seen as personal attack, and so information is fed back to appropriate consumer
 - GAO listens to employees, who discuss problems with GAO that they are unable to send up the chain at their own organization.
 - o As it comes up chain of command, data gets altered to reinforce status quo.
 - Self-censorship, desire to please superiors, bad news not reported
 - o How to protect the people that provide feedback?
 - After action reviews are viewed as a career danger
 - Is this possible to change if senior leadership is committed to policy and won't receive feedback from subordinates?
 - o Reluctance of an administration to build upon its predecessors. They reinvent the wheel
- Failure and Learning
 - o Military judged on ability to learn, not ability to perform.
 - o Should be allowed to fail, because that's the only way you learn not to.
 - o When given a mission, military thinks of it as a "solvable problem." No "wicked" problems, only issues that need solving and will be solved.
 - Don't accept the fact that something needs excessive analysis
 - o Don't produce a product assuming "here's a plan and it'll be perfect."
- Electoral Process constitutes a powerful, existing feedback loop (media, elections, checks and balances)
 - o The performance of *that* feedback loop should be questioned
 - o May need another means of enforcing more or better feedback within that electoral system.
 - o Government IS a political system. We must embrace that; politics is not going away
 - o We must look at ways to manage political system so that it balances politics with technocracy
- Each agency is so culturally different that it might not be possible to assign a single person to do feedback

Defining and Measuring Success

- Government programs get ossified because there are no measured outputs
- Private sector has agnostic measure—money and profit as singular unit—around which to orient their goals.
- Government has to figure out what its singular unit is (safety? Risk? Opportunity?)



- GAO is looking at performance measures, trying to get OMB to develop whole-of-government performance measures
- Use political incentives, harness the opportunities that a political system gives you. Have an institution or think-tank score them on their management ability. Score based on what happened 3-4 years after the initiatives they started. Politicians are ambitious: people may not respond to a management structure or military structure, but they will respond to things that impact their ambition.
- GPRAMA calls for Performance Improvement officer to be a political official. That makes the function more connected to political leadership. Suggests that if performance isn't improving, there is someone to blame.

Tactical/Operational vs. Policy/Strategic Feedback

- All existing feedback mechanisms are geared toward tactics and execution, not toward strategy and *what* is done
- IC well suited for feedback on tactics. Not good at the strategy because policy is the third rail in the IC.
- Traditional lessons-learned approach is so far out of action that information derived from it is certain not to arrive in timely fashion
 - o Lessons learned come too late; what worked before may not work again
- *Events easily adapt to your tactics, but adapting to your strategy is more difficult.* Strategic adjustment is more sustainable.

Domains for Feedback

- Good organizations with risk assessment and management systems have internal *and external* auditing
- Feedback would necessarily be designed at all levels.
 - o But with the same system replicated at different levels, you run the risk of disjointedness
- Ability to move between domains of feedback (WH, interagency, agency) is difficult, but necessary
 - o As policy and strategy move down the ladder, they require a single line of communication, but different means of feedback with different jurisdictions
- Approach to WH, interagency, agency should be different.
 - o WH is public, transparent process; *external* group must audit and readjust policy (role of congress?)
 - o Interagency level: WH is in best position to monitor.
 - o At agency level, informal processes (emails, lower level engagement, etc) that feed back into the system.
- Official vs. Informal feedback
 - o Feedback system for governance that is official only dampens creativity;
 - o Formal mechanisms do not accomplish this, which is not a problem if informal mechanisms exist. But those informal mechanisms are dangerous, because taking stuff offline can circumvent *accountability*. If you let standard procedure hide where decision is occurring, you get what you deserve.
- Additional domains to consider for feedback (too add as columns to the matrix)
 - o International (between national governments)
 - o Private Sector (i.e. Verizon is the main provider of communication for the USG)
 - o Inter-governmental (between Federal-State-City)
 - o Wisdom of the Crowd (substantive public opinion, media discourse) – maybe not a “domain”, but a “repository” for feedback.

Administrative Adviser in WH

- POTUS has NSA and NEA for insight and advice on security and economics, but has no advisor specializing in management and operation of the system, who knows what government is doing, and manages its assets and processes
- There is no one focusing on management techniques (e.g., review techniques in an agency to see if they're useful elsewhere)
 - o OMB has a chief performance officer to do this, but it can't look at the Executive Office of the President (including the NS Staff, and OMB doesn't have any expertise in this).
 - Is this legal, policy, or tradition?
 - o Awareness of how the organization is operating is less important than policy and politics.
 - o USG doesn't have a learning system because we haven't tried to write it down.
- No Chief Managing Officer (CMO) or inspector general for NS system
- Same agency-level individuals also needed at interagency level.

Interagency Alignments of Strategic Planning

- Dilemma: If they meet together in WH, they risk being pulled into daily policy management. If they meet outside, they risk irrelevance
- Different agencies must speak same strategic language, linking:
 - o Strategy (what you want to do)
 - o Capabilities (what you need to do it)
 - o Resources (how you'll pay for it).
- Capabilities are most important because seeing where capabilities overlap enables discussion of what else can be shared
- *Perhaps what is needed is a GPRMA for Strategy (Five-year planning with internal strategic officer)*
- POTUS (or NSA) must make this a priority; whether it's legal or not, POTUS must demand it so that it's *de facto*.
 - o Don't go to the POTUS and tell him he has to be the fireplug to start it from the center. HE can inspire the periphery to work from the edges and get it inward.

Accountability in Networks

- It is possible to use a system more efficiently through Metcalfe's Law $P_N = N^2$ (Power of a network proportional to number of interconnected nodes)
 - o I.e. Joint interagency taskforce = network that maximizes power
- Two key elements of organized network: (1) Human Capital and (2) Common Narrative
 - o "Harvest from the edges" (e.g., bring potatoes back starting from edge of field, because they got less nutrients from the start, so they were more resilient).
- *Accountability is not the same as 'Control'*
 - o "Optional Control" (*Control at the option of the commander*): Cultivate good junior and mid level commanders, brief them on concept of operations, let them run, but you must have as full a picture as possible.
 - o Network doesn't mean everybody gets all info all the time. Security of a network is a huge problem
- Office of POTUS should have common political, social, and operational narratives
 - o Providing a unified narrative concept is the most important function of leadership. If it involves uncertainty and risk, leadership must provide common understanding of the whole struggle. This may emerge from the training of leaders.
 - People may not need monetary incentives, but inspirational motivation.



- Competing narratives between *agencies*, political parties. We build up barriers like security clearances.
- For 40 years, containment and MAD united all parties; today we have no similar narrative
- USG Chief Information Officer (CIO) should have same, less limited portfolio as corporate CIO
- Common narrative: What is *our* story? What are *we* about?
 - Incentive structures for network nodes not always clear; incentives of nodes and commanders' are often opposing
 - How to get incentive structure in gov't, where there are no strict parameters?
 - Loyalty is Achilles heel of networks (*even with joint interagency task force, incentives come from CIA, FBI, not from JITF*)
 - Network itself must become a focus of loyalty (JITF should be given lead: not ad hoc institution, but authority, incentive powers, taking loyalty away from home agency)

Potential Venues for Feedback

- COO (as mandated by GPRAMA) could be the right person for feedback
 - However, that would reinforce the idea that they are there to maximize effectiveness of their own agency, rather than joint-ness across agencies
 - GPRAMA calls for 5 interagency positions – can be used for resourcing to mission, and for deciding when a policy is bankrupt (before going to execution) – i.e., can perform the function of a red team
- CMO (chief management officer) or IG (inspector general)– create one for the national security system
 - Would be the process manager, to manage the vertical integration. Need processes, not meetings, to do this.
- CIO (chief information officer)

Appendix A: Workshop Proposals

This is a summary. Detailed proposals are not included in this document.

Creating a Venue for Foresight

5. Dedicated Foresight Staffing
6. Brokering Function
7. Virtual Organization for Foresight
8. A Dedicated Office for Foresight

Institutionalizing Foresight

1. Education / Training in Foresight
2. Nesting and Synchronizing the National Strategy Documents
3. Precepts for Intelligence and Policy Documents

Managing to Mission

1. Mission-Based Teams of Czars
2. Use the Cabinet Strategically
3. Deputies' Committee on Complex Priorities

Budgeting to Mission

1. Alternative Budgets for Alternative Futures
2. Alternative Priorities
3. A Regular NSS-OMB Interface
4. Translating Long-Term Conclusions into terms that fit Congressional Cycles and Responsibilities

Feedback Protocols for Mid-Course Correction

1. Feedback as a means to evaluate and adjust the execution of policies
2. Feedback as a means to promote complex adaptive behavior in networked systems
3. Feedback as a means to promote self-learning in systems



Anticipatory Governance Work Program:

Operationalizing a System of Systems (July 19-20) Workshop Report

Work Program Meetings (2011)

The Foresight-Policy Nexus
May 4-5

Networks for Whole of Governance
May 25-26

Feedback for Mid-Course Correction
June 15-16

**Operationalizing a System of Systems
July 19-20**

WORKSHOP REPORT

Table of Contents

Agenda.....	59
Summary of the Meeting	60
Summary of Group Discussions.....	61
Overview of Proposals.....	54
Group A: Venue for Foresight	61
Group B-C: Managing to Mission / Budgeting to Mission.....	67
Group D: Feedback.....	79
Annex I: Briefing Materials for the Simulation.....	85
Simulation Overview.....	85
Goals of the Simulation.....	85
Test-Case Complex Priority: Cyber Security.....	87
MEMORANDUM from the “POTUS” to the WH Chief of Staff.....	88
MEMORANDUM from the “Chief of Staff”	89
Annex II: Proposals and Guiding Questions.....	90
A: Venue for Foresight.....	91
B: Managing to Mission.....	96
C: Budgeting to Mission.....	102
D: Feedback.....	107



Agenda – “Operationalizing Anticipatory Governance as a System of Systems”

Location: NDU Lincoln Hall Andes Conference Room 3121

Objective: To organize the findings of the working group process into a coherent whole, and to “test” how they would work if implemented.

Tuesday, July 19th (Day 1)

0830 – 0900	Registration and Light Buffet
0900 – 0945	Welcome and Introductions
0945 – 1115	Review of Proposals / Findings from Working Groups I, II and III
<i>1115 – 1130</i>	<i>Break</i>
1130 – 1230	Overview of the simulation / Instructions from the “Chief of Staff”
<i>1230 – 1300</i>	<i>Lunch</i>
1300 – 1500	Four Parallel Break-Out Sessions <ol style="list-style-type: none">1. Foresight Venue2. Manage-to-Mission3. Budget-to-Mission4. Feedback
<i>1500</i>	<i>Adjourn</i>

Wednesday, July 20th (Day 2)

0830 – 0900	Registration and Light Buffet
0900 – 0930	Morning Plenary (mid-way check-in)
0930 – 1200	Four Parallel Break-Out Sessions [continued] <ol style="list-style-type: none">1. Foresight Venue2. Manage-to-Mission3. Budget-to-Mission4. Feedback
1200 – 1230	Lunch
1230 – 1500	Plenary to review results

Summary of Workshop IV Insights

The objective of this meeting was to encourage very specific, concrete suggestions for making operational, the broad set of proposals that had already emerged from the Anticipatory Governance Work Program. A scenario-based approach, based on instructions from a notional “President” and “Chief of Staff,” was used to organize the discussions.

On day one, participants met in three parallel working groups, tasked with producing concrete demonstrations of how the Anticipatory Governance proposals -- individually or in combination -- could function as a system of systems grafted on to the existing processes of the Executive Branch. Participants were asked to describe how the proposals could be effective in improving the system’s capacity to be more anticipatory, adaptive and resilient. On day two, participants were asked to consider how these proposals -- or a system of proposals -- could handle the special requirements of a real- world, complex challenge: in this instance, *Cyber security*. Instructions for the exercise emphasized that the goal was not to generate policy solutions, but to test how proposed improvements to White House systems and processes would stand up.

Guidelines for this exercise incorporated strict criteria that have been used throughout the workshop series to ensure that the proposals comport with reality. Proposals must be designed to be:

- very light on resources;
- executable on the basis of existing presidential authority;
- compatible with existing White House processes;
- ultimately compatible with longer-range, more profound reform involving the executive branch as a whole, if and when that becomes possible; and
- integrated with advanced methodological approaches, including methods potentially important to foresight generation and to systems operations.

The discussions contained herein raise important new questions that need to be answered prior to implementation, new ideas about existing structures and resources that can be brought to bear, and – in the case of each working group – at least one basic blueprint for a system that could potentially be instituted to improve government’s capacity to think and act “forward.”

The discussions did not – and were not supposed to – produce complete and perfect answers. They were intended to find new ideas, and to illuminate important issues that would need to be worked out by an Administration intending to incorporate Anticipatory Governance.



Group A: Venue for Foresight



[A-1]



[A-2]



[A-3]



[A-4]

Your goal is to test the effect of the foresight/policy venue on (1) long-range mission management, and (2) the interaction (reciprocal handoff) between short and long range mission management.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

GROUP A [Foresight]: Summary of Discussion

EXEC SUMMARY: Establish a small Foresight Cell (FC) in the White House, detached from day-to-day policy concerns, but with the President's (quarterly) ear. The FC would be the key, leading node of a virtual, open source Collective Intelligence (CI) system comprising the foresight institutions in the US Government, academia, private sector, other countries, etc. The CI would generate foresight products, to be distilled by the FC and turned into something actionable for the President.

FORESIGHT THEORY: SUBSTANCE AND LOCATION

WHAT IS FORESIGHT?

- Foresight vs. Futures Research
 - o Forecasting = “unemployment will be 8% next year,” but as a futures research, you look at the broader context...where's the gap b/t where we want to be and where we are. Futures research is much broader.
 - o Futuring is a means to question one's assumptions
- Actionability
 - o People pay attention to info they think is ACTIONABLE. (E.g. Climate deniers become believers when they see solutions that seem more palatable)
 - o If it's not actionable today, it may be actionable in the future. It can set the stage for discussion (“think about big things while doing the little things”)

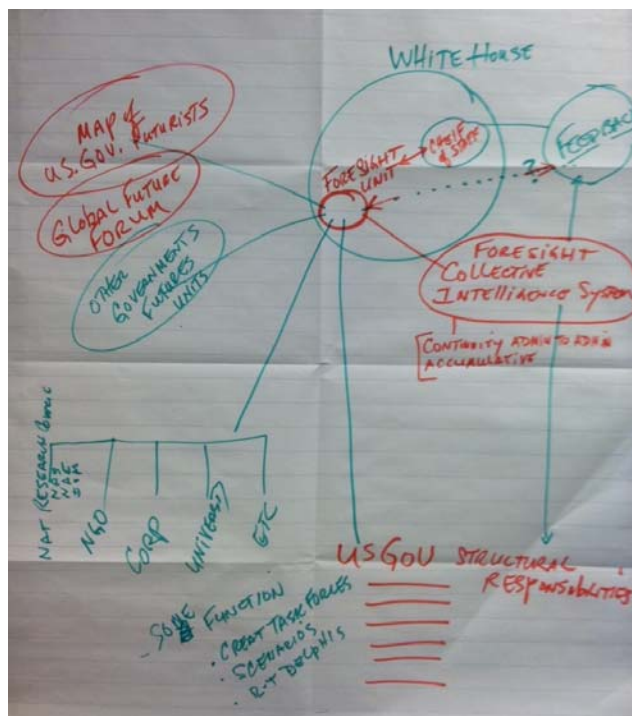
THEORETIC LOCATION OF FORESIGHT

- IC is wrong location for key foresight organization, because it's past-based, requirements-based, and empirical basis of things that have already happened whose culture is secrecy; IC is a *collection* agency, not a sense-making agency.
 - o Classification system is also counter to foresight:
 - Foresight requires openness, not secrecy
 - Due to IC's classification of topics by discipline and region, it jettisons things deemed irrelevant
 - o IC has been seen as knowledge provider in terms of NS importance that leadership needs to know. But “strategic”/long-term intelligence is lacking
 - o Foresight and futures engender a strong allergic reaction, as it deals with uncertainty, complexity, and contingency.
- Yet IC produces work that is important to a foresight network:
 - o 5-year reviews of IC are useful...they raise new subjects that hadn't been thought about in a cohesive way. But they were of a level of generality that provided broad new understanding rather than directly informing policy.
 - o Mat Burrows is leading Global Trend 2030 to impact how the gov't and NSS is evolving. Important to show what *will* happen if current state continues. (Trend analysis is different from foresight/futuring, but still important.)
- If WH only deals with day-to-day, and leaves within 4 years, is it even possible to deal with and respond to GRAND strategy? How grand is four years? challenge is continuity across administrations.
 - o GRAND Strategy is a difficult one for the US because it implies a permanent set of guiding approaches, driven by *reasons* that certain decisions are made

- We're pragmatically ad hoc, not very focused on a single strategy. Everybody wants one, but the final NSS document is just an advertisement piece. Is GS to *be* policy or to guide policy?
- Should futures be embedded deeper in the bureaucracy so that it survives the day-to-day focus of the WH and actually influences long-term plans?
 - Not restricted to the 'National Security' domain, because it closes off *opportunities*.
 - Not OMB, which is divorced from policy making, and would be so tight on purse that it would oppose innovations
 - Not NSC, which focuses primarily on day-to-day issues;
 - Must be a protected system because honesty is essential
 - Demands of the day kept stealing resources of foresight staff.
 - Small group activity with POTUS
 - Build a process that's reiterated so that it becomes standard protocol
 - b/t head of feedback unit and foresight unit should be able to meet w/ pres on an extraordinary case. Once a quarter, one hour set aside w/ key members of the foresight group to talk about extraordinary things coming down the road.
 - Small group can move a whole bureaucracy.
- COLLECTIVE INTELLIGENCE can be replicated across the bureaucracy, since it's such a broad, encompassing system
 - Need to create 'trans-institutional' not just whole of government.

FORESIGHT ORGANIZATION FOR THE USG

'Institution' must be a hybrid approach of small, centralized (day to day, looping insights into WH policy system) plugged into a distributed collective intelligence system (focus on complexity).



SMALL, CENTRALIZED FUSION CELL

- At the center is a Foresight Group (FG) in the WH, reporting to CoS, not to OMB or NSS. Keep it outside of policy, but important to POTUS.
- Overview of Fusion Cell:
 - o Inventory of who's doing foresight in USG
 - o Leader of collective intelligence network of foresight organizations within USG and without
 - FG in WH is meant to be catalyst, keeps system honest, keeps foresight people keeping working on because they're watching over them.
 - o Administrative apparatus to aggregate foresight from across the collective intelligence system
 - Do *sense-making* to assess what's important for US policy
 - o Prioritize Aggregated foresight products and give to POTUS in actionable form
 - Advocate and coordinator of the whole effort
 - o Implement results.
 - Look at inadequacies WITHIN USG to ensure that there are no deficits within the gov't vis-à-vis future contingencies. ("GAO of Futuring")
- How does Fusion Cell prioritize?
 - o Boundary b/t foresight and operations? "Any piece of info that enables us to create a response = foresight"?
 - o What may be noise in one scenario may be relevant in another
 - o Well functioning policy groups would do foresight. Not only foresight, but judging, questioning, and synthesizing. (Even sense-making).
 - o Foresight unit that designates chief of contingency: collective intelligence unit would 'cough up' who those players should be.
 - o FG can tell IC, which has massive resources, to track x issue more closely.
 - o Task-forcing
 - Task force should not be long-term, because you want a different set of eyes to look at an issue each time.
 - Or Futures Cell can have a red team that it brings in every so often?
 - A Defense science board?
 - Group of trusted people from many discipline
 - Normally linked to the group informally, but brought into the FG on a rolling basis to ensure that the FG is working appropriately.
- Making Foresight Actionable
 - o Collective Intelligence system with TAGGING?
 - If CIA thinks it's a perception, and it's right, then CIA will have its name on it and it will get credit. So you can get the bureaucratic source and even individual source.
 - o Foresight credit is even more important than info credit. (Creativity vs. data).
 - o What's *actionable*, what requires intervention.
 - Having national state of the art capabilities is useful. Simply making sure that we know enough about something to deal with it when it comes (immediate access to information across USG, academy, private sector, other countries?).
 - E.g. POTUS hopes there's a 'hold' card that nobody knows about. At any given time, advanced R&D should be creating 'secret weapons' in case of contingencies



- This is where *catalogue of capabilities* bears relevance
- Everything remains unclassified until *actionability* comes into play

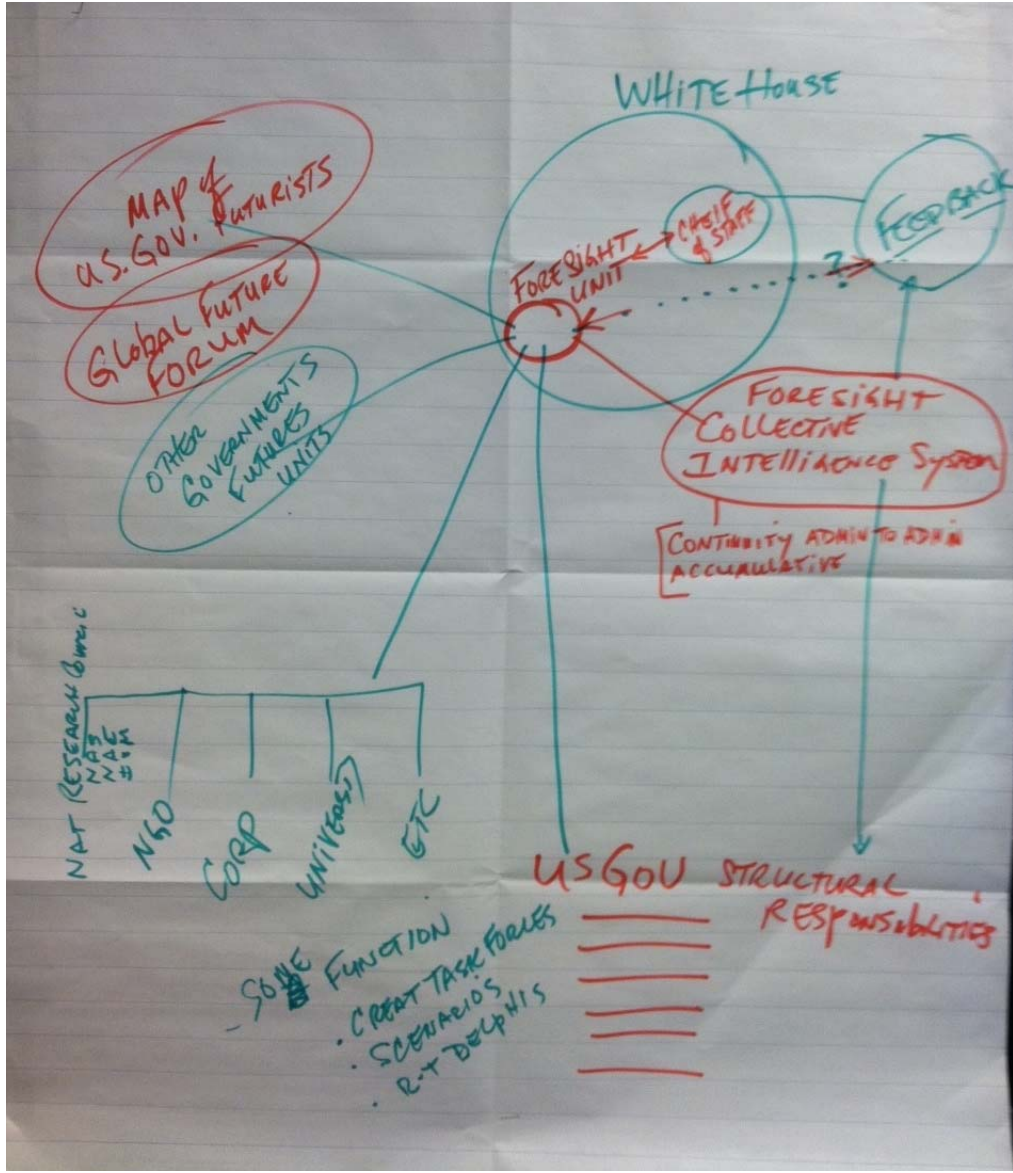
DECENTRALIZED COLLECTIVE INTELLIGENCE SYSTEM

- Virtual network of foresight practitioners within USG, outside
 - “Trans-institution” with extraordinary flexibility, because you cut through all the systems you need to think about.
 - Comprised of internal USG, external experts, as well as international community
 - Foresight Cell is linked to (in fact, comprised of) futurists *within USG*, GFF and internationally, other governments, NGOs, industry, universities (*SEE DIAGRAM*)
- Open-source foresight-generation system
 - Strategic knowledge integrator that gives people means to share and access, and only thereafter have classifications,
 - Mug work would be done by reformed open source community.
- Collective intelligence system that’s earmarked with priorities.
 - JERRY: Nat’l Academies may provide institutional measure of linking politics with policy. But you need something in the WH itself.
 - Endow them with liaison relationships.
 - Nature of most problems is already in the public domain; Collective Intelligence system would generate specific problems and experts, Foresight Cell would distill and work with the product of the CI system.

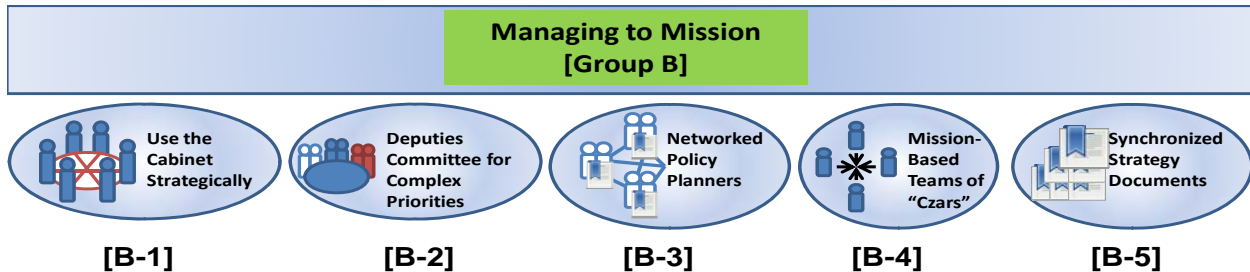
LINK TO FEEDBACK

- Futures is *not* supposed to be accurate, so it cannot be graded in the same sense. POLICY Formulation is DIFFERENT from foresight.
 - Rarely does a policy response take this approach.
- Information exchange relationship and cross-assignments.
- Need foresight people working in feedback for a while, and feedback people working in foresight for a while.
 - *New provision in GPRA for *cross-cutting issues*, which could be a basis for foresight.
- Daily flow of intelligence should be analytical and semi-predictive.
- Feedback must also be managerial, personal:
 - *Who* does the briefing to POTUS is half the battle. Gatekeeper is seminal.
 - Chief of Staff should be able to say to Foresight Cell, “POTUS hates FC leader, bring in new guy.”
- POTUS to give feedback to foresight unit, unprompted. But even FG should measure its own effectiveness.
 - Internal advisory board?
 - Domestic Political Effects
 - The domestic political effects play a huge role in this. Main foresight question is: Will the president get re-elected. This is a factor that we cannot likely set aside.
 - (*France has ‘strategy’ group in President’s office that focuses on politics, and remains in place across governments. Prime Minister’s office has ‘strategic planning’ group that focuses on policy*).
 - MUST realize there’s domestic political space to deal with. And maybe even use that as part of it.
 - *Domestic political situation* and incorporate it in a way that’s useful.

- Urgency is missing to galvanize people. Maybe this is where the domestic political can play a role.
- One purpose of foresight is looking at your own internal problems.
 - Inventory of foresight capabilities across USG
 - Inventory of other capabilities across USG to *respond* to contingencies identified by fusion group



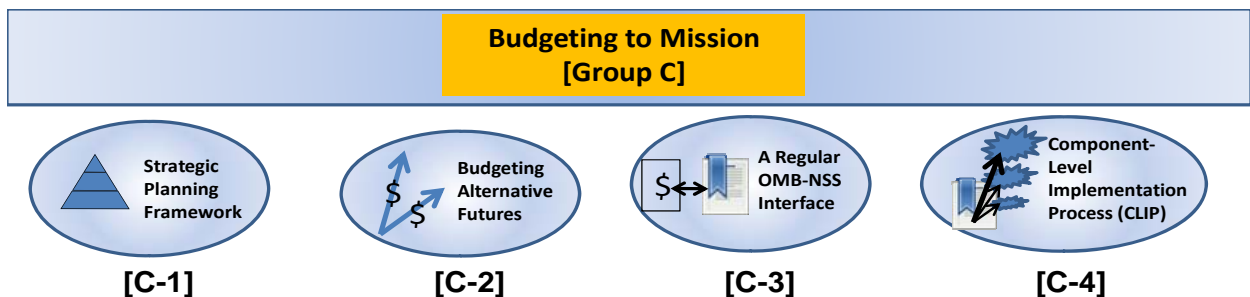
Group B-C: Managing to Mission / Budgeting to Mission



Your goal is to test the effect of a networked management on the current organizational structure for shorter range (ongoing, current) mission management, and the ability to sustain and adjust mission-management as problems and missions morph.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

Also for consideration: What would be the most senior level of government where integration of advanced knowledge comes together with situational awareness? Deputies? IPC? Would it require separate, specialized IPC's for each identified complex priority?



Your goal is to test the feasibility of various approaches to budgeting to mission in relation to the existing system.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

GROUP B-C [Management]: Summary of Discussion

We have the mechanisms, the capacity and resources. They are not being orchestrated strategically. We have the tools. How do we use the toolbox we have in a strategic manner?

KEY IDEAS

- National Priorities Process to incentivize cross-department budgeting and management-to-mission
- A “Super Calendar” to align strategy and the budget cycle, regularize strategic foresight meetings at the DC level, and keep decision makers above tactics
- POTUS Commanders’ Intent – executive order to lay out management priorities and foresight-based decision-making process
- Rotations to create mission-based cadres of experts

Notes from the discussion (organized thematically)

Using the Cabinet Strategically

- Our cabinet system of government incentivizes activities that don’t lead to integration. If OMB hurts an agency, they complain to the appropriator on the Hill. What penalty to impose for doing that?
- Cabinet officials can prevent agencies from running to the hill to undermine the POTUS authority
- Strategic use of the cabinet should recognize the secretary is accountable to congress, committees that expect the secretaries to maximize the interest of their department.
- How to create trade space within their dynamic? Use them to frame and set agreements so there is political cost of walking away from it.
- How do you do a task tracking exercise for the cabinet level? Who is the person to vector information?

Mission-based “Czars”

- Does this concept undermine strategic use of the cabinet? Program czars, functional portfolios – for building capabilities across departments. That would create tension between mission and function instead of creating cabinet secretaries who are missions czars
- We have a NIC – they now have national intelligence managers (NIMs) who are supposed to integrate all the intelligence, but they have no control of the operators. [It comes together at the NSC under Brennan]
- Who is speaking to “czars” about foresight/horizon issues?
- What supporting structures?

Focusing leadership on strategy

- Deputy NSAs, Deputies’ Committees spending too much time on single issues (e.g., a single bank failure, Afghanistan)
- The individual matters a lot, has to discipline themselves not to dive into the issue so much.
 - A POTUS shouldn’t dive into tactical, yet some think they got elected for that. They were elected for their vision.
- Can’t constrain a leader all the time. They will have pet projects. If you only focus on those things, you don’t manage the system. You open yourself to strategic surprise.



- Part of our system is charismatic leadership. There is a systematic way to execute that big idea. That person needs to be constrained by the rules
 - E.g., Many were surprised the POTUS chaired the meetings on the Afghan surge
- **The process has to be designed to continually bring them back to strategy**
- The budget is a way of imposing discipline, a constraint that forces focus.
 - The budget process presents a procedural check on the actions on the leadership; it is a forcing mechanism in the absence of discipline being imposed by a leader.
 - **Is it possible to create a process to constrain the instincts of leaders to delve into the tactical and stay at the strategic space?**

Unifying processes

- We can't create a czar for every issue; can't create a separate process for each.
- We need a way for the POM process at DOD to be reflected in the annual resource allocation process at DHS, reflected in the annual budget process at Commerce, reflected in the IC community-wide process, and it all matches. It is not a separate process, can't set up separate process. Each should be uniformly influenced.
- Drive it into the DPG (Defense Planning Guidance – issued by the Sec Def)

Use of the Deputies' Committee *(amend the proposal bubble)*

- Deputies need to stop themselves from channeling the secretary and “deciding the answer.” Instead, focus on packaging the issue adequately. **This needs to be instructed.** NSC is supposed to be making policy choices.
- **Deputies as chief management officers**, functioning through the POM process and the budget process. Have a DC function that is just chief management issues. Instead of two people, two functions. Not divested from policy. Cyclical process that pulls in the budget.
 - PIO (IPC level)
- Using existing DC structure for policy and budget priorities
 - Each player comes in with their own budget, potential to move money around.
 - Biggest fight is always “who is going to pay for that?”
 - OMB always has a rep at DCs. They sit in the corner, preserve their independence. DCs develop the idea, then try to fund it. OMB rep plays devils advocate.
 - If OMB is present but not invested in a decision ,they will fight it
 - Include an OMB person to ensure emotional investment in the process
 - Instead of asking the chief financial officer for permission, say we want ‘this’, you find a way to do it.
 - Not good enough that everyone buys ISR assets (Intelligence, Surveillance and Reconnaissance). We aren't buying what we need, we are each buying what we want. Navy does not need the individual 100% ability to annihilate the Soviet Union
 - **A corporate forum to buy jointly.**
- Regularize the NSPR process / priority setting process. Eliminate redundancy, prioritize elements. Then what does that mean for each agency? What are they responsible for?
 - Have a DC sitting every 6 months for priority setting.
 - **Deputy walks each priority through the bureaucratic process. It is a strategic priority and a budget priority.**
- **Not a new committee: a new series of meetings dedicated to foresight and mission-based planning**

- Some success with this: WH had a meeting on South Asia to think about the long range strategy for the region and our national interest there.
- Deputies meet one day every year (e.g., first Monday of October): **two hours to review and rebalance priorities**. Idea is that you know when it is, it is linked to budgetary purposes, and it is in the annual process. You know that is the target date to go to the WH to talk priorities.
- Need a person on the NSS whose job it is to manage the priority setting process. A group saying here are the advantages and disadvantages of running the system this way.
 - Find the right timing to brief the POTUS on horizon issues (e.g., On Air Force One while traveling)
 - Can't set a process off in isolation, or it will lose its connection to ongoing processes.
 - Whose responsibility to make sure it happens every 6 months or every year?
 - Chief of staff? NSA? Senior Director for Strategic Planning?

"Super Schedule" (*becomes its own proposal bubble*)

- A "Super Schedule," like the national security affairs calendar. Work backward from the schedule to the processes.
- An inexorable calendar to impose discipline

GPRA MA

- Elements that are supposed to harmonize aspects of this
- Needs to be backed up by an executive order stating that this is a management priority
- GPRA is executed in the agencies independent of policy. Sometimes compliance is delegated from the CFO way down to a single person. How to integrate it?

National Security Priorities

- New priorities process
 - National Security Priorities Framework (NSPF) – 1 page
 - National Security Priorities Review (NSPR) – several pages
 - National Security Priorities Guidance (NSPG)
- Directly empower NS Staff around an NSPR type of document.
- Great to convene the IPC, deputies, principals to talk about these issues, but you need a product to memorialize what has been decided and drive it into action
- 5 basic areas of National Security. One lead agency, other agencies support. Here are priorities, run a review, come back with consensus and/or points of disagreement to be resolved.
- Is strategic planning a long-range process? Or is it linking strategy to resources? The last Senior Director for Strategic Planning held discussions, and different agencies thought it was for different things.
 - Could make it a SAP (special access process), with a senior director for long-range planning, a senior director for strategy to budget
 - Non-control of the system (anti-Rumsfeld) – allows different perspectives to retain influence in the system in case you got it wrong when you made your decision.
- Cross administration prioritization, you have to hand off and they have to buy the same set of priorities (or at least account for them)
 - Ideally the next administration reviews the list of priorities from the previous administration and moves some up, moves some down.
 - Tell them to buy and they won't do it, but tell them to account for where their priorities fall in the priority set, they will do that.
 - GAO has a mandate to do transition briefings for the new POTUS.



- How far out are we going to go as part of this process? Two years is insufficient.
 - Expectations of the planning that can be accomplished with a 2 year window will be different from expectations with which to approach a 4-10 year window.
 - Just because it is politically awkward to think 20 years out doesn't mean you shouldn't do it (health care, water management, etc.)
- A person whose job it is to provide long-range context for current decisions
 - NIC supposed to be thinking through long-term problems. We know the long range end-state is to keep China integrated, but when events start to happen, we need a group that reminds us to show restraint. A lot of pressure to act, this group says show force or restraint so we don't blunder.
 - Someone there to help them think through the strategic implications of different scenarios.
 - Contextualize for the POTUS, or the NSA
 - Morning brief- provides information, day-to-day. Not contextualized.
 - PDB creates an incentive in the system – worst possible incentives – to get it in there.
 - How do we use these senior directors in the NSC for this function?
 - Czars can function like this. Function as a Senior Director in the NSC process.
- When the executive says you will be working together, someone has responsibility
 - Non-proliferation was a Presidential Priority, main foreign policy goal: it is conceivable that at a Cabinet meeting (e.g., DOE, DOD, State) he insisted you guys work together, said Gary Samore empowered as the guy to lead the interagency task force to come up with deliverables.
 - A facilitator /coordinator to either be a bad-ass or a hand shaking guy.
 - Staffing is really important – these jobs require people who don't think they are in charge of money.
 - The organization of my executive branch is not appropriate for the problem in hand, so I have to make something up. Recognize is it is an ad-hoc thing, temporary thing? Especially in a constrained government phase.
 - Is this an ongoing capacity we are going to need going forward?
- What priorities get shifted in order to accommodate a new priority, how does the budget morph as you try to insert a new priority?
 - Some are inserted by speech writers that have no reference to the budget.
 - Need to knit a sense of money and policy together at every level.
- Nanotechnology example – huge potential to be the next wave of manufacturing, but not for us if China owns the patents
 - Long range, carries risk. Have to decide where to put our chips; if we don't, we get out-run. Can't put down our anchor – relative to what?
 - Relative role of raw materials in building national wealth, ultimately wealth is knowledge. Are we investing now 20 years ahead of time to make sure there is a harvest of knowledge ahead of time?

POTUS' "Commanders' Intent"

- POTUS can describe roles and mission at a Cabinet level meeting. He probably did this with his nonproliferation agenda, could with cyber, etc.
- Using the cabinet, rather than waiting for months for the issues to bubble up. Absent top level guidance, big issues will come up to the fore.

- POTUS may or may not put thumb on the scale. There is a goodness to not doing that (likely to bias the issue).
- POTUS can establish his commander's intent, can say: *"I expect you to come back to me with decision-quality materials, decide on the issues I'm most passionate about. Don't come back with a food fight over .mil, .gov, .org. Top priority is X"* (e.g., defending the defense industrial base). Use it as a case study to get our roles and missions rights.

Incentivizing Coordinated Decision Making

- How to disincentivize disaggregated decision making and incentivize coordinated decision making?
- Can't eliminate stupidity. Brief for the POTUS explaining that this is the way the USG is built: if you don't lead, fighting will ensue.
- SES class – rewarded for garnering advantage to your own cylinder.
 - Idea: require SES to vote on each other (i.e., a Goldwater Nichols for the SES). This won't go over well.
 - Some incentive structure: to advance beyond SES you have to do a rotation somewhere.

Process Reform for Personnel (*becomes its own proposal bubble*)

- **Create Mission-based Cadres**
- Geek-wonk rotation, intentional cross-pollination (e.g., someone at Education or USDA at State Department, HHS and Veterans Affairs)
- Get the wonks to spend time at NSA to understand the 0s and 1s at that level.
- This can work in relation to a Policy Planning Network (B3) – have someone from DNI / OSD policy planning spend a year at policy planning at the state department. Jumpstart an interagency network.
- DOD – cross pollination between military and joint staff. Float issue is critical.
- Cost-neutral exchange program. You give me two, I give you two. 1 year TDY – pure exchange program.
- Similar to the Coral Foundation – fellows spend 1 quarter in the mayors office, one in the housing office, one quarter with the cops, one quarter with the newspaper.
- **People doing the rotation would be working on the synchronized strategy documents**

How to inject anticipatory into the Cabinet

- Domestic policy counsel, national economic counsel – not the same staffing or configuration as the NSS. If domestic issues become security issues, they cross over.
- E.g., POTUS goal of doubling exports – “national export cabinet” (subset of the full cabinet) they came out with a strategy, and metrics, but don't have a budget.
- IPCs as “tiger teams”?
 - Chaired by Senior Director
 - Participants are interagency (Deputy Assistant level)
 - E.g., Bob Kaplan (Author: “Monsoon”) met with Tom Donillon, then Senior Dir for Strategy held an IPC level discussion about the future of America's role in the Indian Ocean.
- Do we have the right kind of people with the right level of contacts to incentivize these things to happen on their own?
 - How to make it timely? (without it being crisis-driven).
- Slightly extend the billets for a Senior Director for Strategic Planning to do more management of strategy for DC meetings. Schedule a meeting for foresight / complex priorities.



Role of Technology for Task Management *(becomes its own proposal bubble)*

- NSC executive secretary rolled out new software:
 - SOCs – responsible to type up the summary of conclusions, sends that document out to the agencies
 - Until last week it was incumbent on someone to keep track of those SOCs to see if they had reported them.
 - New software to help director level WH see on a spreadsheet all of the soc items to see if they had come in.
- Using Social Media to Crowd-source
 - OMB – in thinking about organizing the trade agencies, they used social media to open to the entire USG comment on how the agencies could be re-organized. (Zeintz’s group) used the 30,000 responses to shape their proposals.
 - DHS used that too. Have to optimize its uses. You get feedback from someone junior who has little experience but might have a really good concept
 - Emerging defined networks. Viewed themselves as contributing to a greater cause.

Concept for an NSPR Process

- Use NSPR to define success of the mission
 - E.g., Hold a cabinet meeting before the holidays – POTUS says here are my priorities for the term, here is what success would like to me
 - The interagency falls in on that early in the year (Feb, March) – that drives the cycle for the year
 - This becomes the strategic plan for the year.
- Budget cycle
 - Each new POTUS inherits 2 years of budget – you are trying to solve tactical problems, not really getting into the notion of long term priorities
 - Most administrations – the first time you influence the budget cycle is the year after you take office, the budget you are influencing is the one two years later
 - Budget goes to the hill in February. If you focus on getting your priorities right, you can negotiate those backward.
 - **If you are working on three budgets at the same time, start with the 3rd year, work backwards**
- Synchronize the strategy documents in a way that they are useful for the budget
 - Statutory dates don’t line up – that could be fixed. They are not aligned with GPRA MA (DOD is exempt, the rest are not).
 - The Quadrennial Reviews are not aligned with the strategy requirements in GPRA MA.
 - Should be able to be able to use the review to force change.
 - Successes of the QDDR:
 - Emphasized bringing in expertise from management in industry.
 - Constant reference to the NSS (guidance and collaboration)
 - Appropriators asked DHS: how do you want to change your budget appropriations based on your QDHR?
 - Setting your priorities, then working backward to your submitted budget and executed budget
 - Lead and supporting roles, definitions of success, lead and priority – if the NSPR had gotten to that, it would have

- Is the Secretary's planning guidance reflective of the OMB's top-line number? Typically not synchronized
- Budget process
 - OMB issues Top-line Guidance
 - Becomes part of the process for DOD
 - For DHS – they wait, they are not part of the process until they see the submission
 - Result is an adversarial dynamic
 - CFO responsible for shepherding the budget through the department policy
 - DOD – 3 shepherding offices
 - OSD Cape – effectiveness
 - OSD policy (strategy plans and forces)
 - J-5 – planning guidance, J-8 program review
- **POTUS could have synchronizing discussions with cabinet secretaries to find redundancies, set priorities, identify the interconnections**
- Deputy secretary often responsible for these functions
- Secretary responsible for the political message of the department
- Could have a NSPF balancing session prior to the planning guidance
- National Security Priorities Review (NSPR)
 - Statement on the security environment. Sets missions with lead. Mission-specific priorities and outcomes. Send a document to the interagency.
 - The study plans can then be derivative of that process. Have the interagency groups looking at these outcomes.
 - How do we rebalance the current program to get there?
 - What options exist, what are the implications of this?
- These require sustained focus and cycle. Needs to be multi-year funding to sustain these alliances. The issues are as interconnected as we see them in the world, the silos wont work
 - DOD has a 6 year cycle, DHS has a 5 year cycle (doesn't buy long-lead acquisitions)
- **Framework rebalancing – do it twice per year**
- **Foresight has to come in at the National Security Priorities Framework (NSPF) or National Security Priority Guidance (NSPG)**
 - If you don't have a mechanism to drive the foresight into the NSPG, then the rest of the process is so distributed that it is impossible to get it injected later in the process.
 - **Insert sections into the NSPG on: (1) long range considerations, (2) potential interactions**
 - However, if you identify an issue in those documents, there becomes a pee wee soccer match; everybody thinks that is what is going to get funded.
 - To solve this, you could pair supported agencies and supporting agencies with relative level of priority. This is the lead agency, they specify what they need. If you are a supporting agency supporting something that is a number 9 priority, you don't run to that ball
- Concept as a three slide presentation
 - Slide 1 – system as it is
 - Slide 2 – super impose a basic NSPF / NSPR and its on-ramps
 - Slide 3 – more ambitious (feedback loops, mechanisms that can be added)
- Three Horizons of Risk
 1. Risk of poor execution
 2. Risk of poor investment
 3. Risk of poor imagination
 - Opens your optic to non-traditional security issues



- Democratization of the Middle East has been a priority, yet we were still blind sighted by the Arab Spring. We didn't connect the idea we should be looking at indigenous democratization movements. Failure to recognize the importance of food prices, rising despair, social media, crack downs, etc.
 - Break down the NSS using the three horizons (take the NSS and superimpose what you have today)
 - From that, you can translate planning guidance, etc.
 - Priorities list
 - Three Horizons: **(1) "Enduring" (long-range), (2) "Emerging" (medium-range), (3) "Current" (short-range)**
 - Might also have a deprioritized list
 - National Intelligence Priorities Framework (NIPF)
 - Designed in tiers. Tier 1 gets all priorities. Things that don't fall into a bin don't fall into a list. The Arab spring didn't fit in the NIPF
 - Foresight hasn't been introduced into the NIPF process.
 - Could have the NIPF and the horizons approach.
 - NIPF – there was a DC on this. Deputy NSA chaired a meeting on this. If we can do that, we can do a DC on the priorities.
 - Specialization in each department.
 - Functional specialization is a positive feature?
 - Growing awareness of its downsides.
 - "Collapse of complex societies" by Joseph Tainter – diminishing marginal returns from specialization
 - Function of a Czar – matrix management solution

Cyber as a test case

- Specific example: protecting defense industrial base.
- Cyber is presently a coalition of the willing, resourced to different agencies.
 - If anyone in the leadership of the agencies changes, we have to re-negotiate everything.
- What if it is something the POTUS believes needs to be done, but no agency wants to?
 - USG can only take on so much and be successful. Don't take on more than what you can do. Is cyber important? At least 5 departments that have equity.
- FAR (federal acquisitions regulations) – create a standard for acquisitions for cyber related issues.
 - Example of failure: ATF and FBI had two parallel systems that were not interoperable. Criminals could get around this. How did we let this happen? Two secretaries had not watched the component parts, all pursued their own things. When we got in front of the appropriations committees, they blamed them.
- National infrastructure protection system.
- If POTUS says "all hands on deck for cyber" then you get a task force and a supplemental, etc.
- POTUS says: EITHER it is really important to me, OR: you told me it is important in such a compelling manner. Come back to me with a set of possibilities.
- opportunities for cooperation in procurement, operation, etc.
- Three horizons: Short, Emerging, Enduring (Cyber is an enduring priority)
 - Always operate with a presumption of malicious cyber breach. Assume a level of penetration.

- Priorities framework: relative importance is X (in the NSPF). Within Cyber, the most important things are X, Y and Z
 - If it doesn't merit placement in one of the buckets, then it isn't actionable
 - One agency takes defense of classified stuff, one agency takes defense of the non-classified stuff. One agency takes the offense. One takes defense of private sector.
 - Together they develop joint capabilities
 - Match and pair to the top line guidance (NSPG)
 - Match in the pass-back
 - Not building them from the bottom up. Start with last year's. first year is the hardest.
 - **This is a priority, these are the capabilities we want. Execution agencies: figure out how.**
 - Start with: in the ideal world, this is what we do about cyber. What is the cost of doing that? The cost is all these other priorities. Then you start prioritizing on a resource basis.
- Innovation – hard to get government to innovate. Alternative business models vs. hierarchies.
 - Hedging strategies, so we aren't opting for an either/or.
 - Example of corporations together putting out R&D questions to a common platform. Technical questions, like how to create a better band-aid sticky. Reduces R&D redundancy.
 - **Use this process to identify the no regrets moves, the real bets, and the uncertainties**
 - Don't need to identify the solution, but at least the general parameters of how you want to address the problem.
- **Make a call on prioritization:**
 - E.g., the exfiltration of information from government and civilian networks...is a higher priority than the impact on illegal economic migration. Or destruction of infrastructure.
 - And therefore, this is what I want you to do. You take risk that one is more important than the other. (Bet 7 dollars on one vs. 3 on the other instead of 5-5).
 - Have to declare what the outcome is.
 - DOD, NSA, DHS, Commerce – we will prioritize the exfiltration problem. We want to see this increased / prioritized, or an outcome of solutions or potential options.
- Put together a council on Cyber
 - Have the head of Black Hat on that group.
 - Put out a call to hackers – on a safe platform.
 - Ask the Director for Cyber to convene those agencies and drive that process.
 - You might specify that you want IARPA, DAPRA, etc. to coordinate, or to work separately.
 - Have the CIOs from across agencies get together to talk about it, share best practices, identify redundancies
 - Still have to get down to the roles and say who is going to do what
 - You can say who is going to be in charge. 3 spheres: NSA takes this, DOD takes this, Commerce/DHS take this
 - OR say you want these 4 agencies to innovate together
- Cabinet officers would have to endorse the elevation of cyber as a priority, and the guidance given as the action we want taken, who has the lead, and what are the deliverables
 - Management process might conflict with the political priorities, so it might require a PC or a NSC meeting. Might want to back that up with a public cabinet meeting.
 - POTUS says: data exfiltration is most important priority in cyber, I have asked secretaries to look into this.
- Who would interpret the POTUS' intent on a day to day basis? Who has the authority to steer the system?



- WH chief of staff?
- Deputy COS tasked with this responsibility? (many agencies have that) might be a chief management official.
- **A Deputy NSA for Management.** Action level / 2-star level, like a Senior Director for Strategic Planning. That person would also wear an OMB hat.

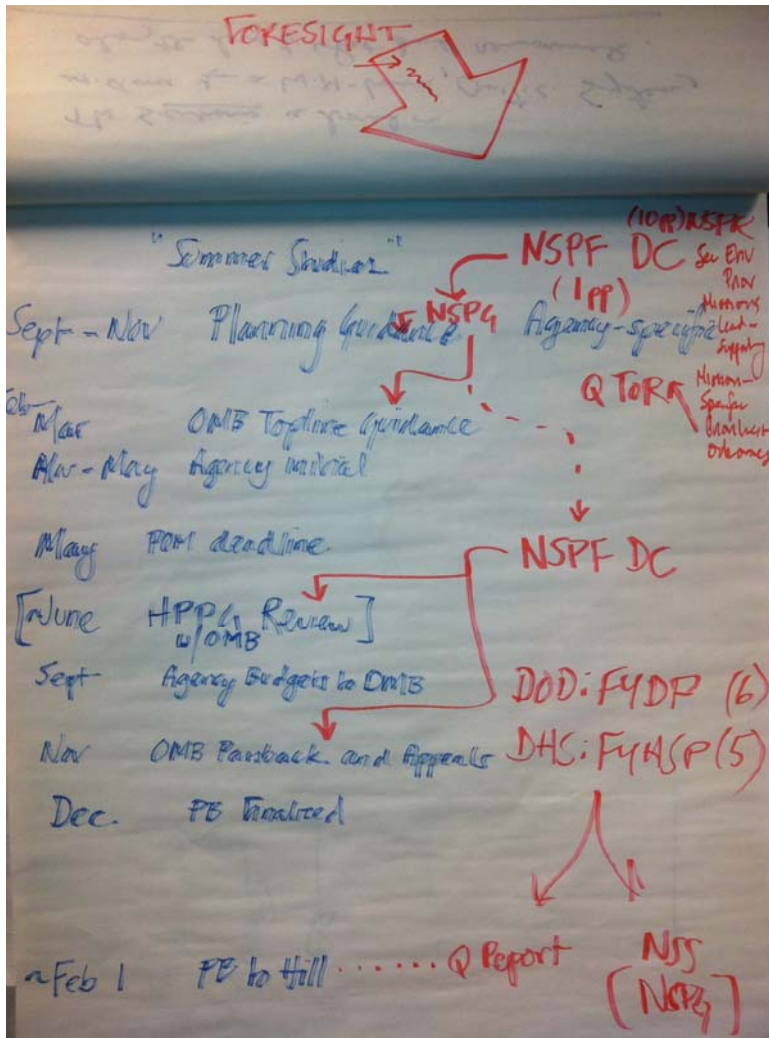
Concept for a National Priorities Process (*Continued*)

- An executive order could direct the OMB Director and the NS Advisor to synchronize the national security priorities with the high performance goals and the NSPG.
 - Requires the discipline to stay out of the 24-7 news cycle.
 - Requires you to stick with what you said.
 - If something is an enduring priority, the response to the Arab Spring becomes whatever is consistent with the prioritization
- Problem of constant language tweaking.
 - E.g., is the enduring priority “democratization” or is it “stability”?
 - PDB made the calculation that democratization in the long-range is more important down the road, and we will accept the risk in the short medium term that
- An enduring priority, put it in a system-level discussion so that we don’t have to reinvent the wheel every time the POTUS gives a speech
 - Have the debate. WH discussions included: How is prioritizing democracy going to affect our relationship with Saudi Arabia? If we intervene in Libya, we have to intervene in Syria?
 - Should democratization follow the S Korean model? (start with a strong-man)
 - If it democratization is declared an enduring priority – declare what do you want everyone to do
 - Libya democratization is a priority for us, but we don’t have boots on the ground and our allies don’t have the weaponry, etc. if we think about the ripple effects ahead of time, can we deal with our enduring priority with our assets?
- Collaboration
 - QDR has stated for a long time that we should be working with allies and partners, improving interoperability
 - NSS could say “in an era of austerity we expect DHS and others to work together in more creative ways.”
 - E.g., do we let the British take the lead in the Mediterranean, whereby we re-posture in the Asian Pacific?
 - You can declare a posture: we will posture toward collaboration, and thus DOD will look at the implications of marine aviation on navy carriers. Come up with solutions, propose them.
 - Cabinet secretaries think of themselves as autonomous. This process reminds the cabinet secretaries who is in charge, who was elected.
 - Congress wont like that these are not sovereign fiefdoms.
- OMB process is a microcosm of the appropriations process.
 - When you go to the hill, you go to at least 4 of the 13 appropriations sub committees. Have to get them to put the money in the right baskets.
 - It is hard to account for where the money is, getting it in the right baskets. Logistical as well as cultural challenges.
- Personal / political impacts

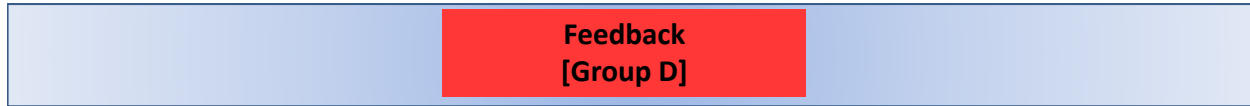
- This is a diffuse issue –who is the national champion of this approach?
- The political accountability – make sure it is executed with the POTUS' vision
- Congress wants someone politically accountable, and the cabinet persons wants someone to whom they can appeal
- This would have implications for big political documents.
- It is different for career officials and political appointees

Options for who could run this process

- Executive secretary – has standing in law (ran the NSPR)
- Deputy NSA (e.g., a Deputy NSA for Management)
- Dir for Strategic Planning
- NSC Chief of Staff
- OMB Deputy



Group D: Feedback



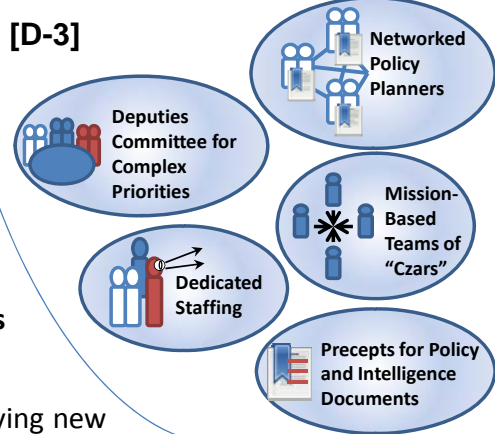
[D-1]



[D-2]

You might also consider potential feedback functions for any of the following:

[D-3]



Your goal is to test the effect of feedback arrangements on both short and long-range mission management.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

GROUP D [Feedback]: Summary of Discussion

Executive Summary

- The operations of the WH Feedback Unit would be harmonized by taking care to develop a unified narrative, in the form of a clear statement of goal, and a derived listing of indicators, as to the success of failure of the policy as gauged by events on the ground. Policies may concurrently have long and short-term objectives; and they may be intended to concurrently produce national and international results. These objectives must be stated explicitly as part of the policy "narrative," which in turn is the basis for designing feedback data requirements, including both substance and cycles.
- The intelligence community is a source of input for feedback, but classified information needs to be accompanied by very complete use of open source information, including new sources such as those that come under the heading of the "wisdom of the crowd." There needs to be a venue within which foreign intelligence and domestic information can be fused, to create what could be called "national information." For any given policy, a single official needs to be responsible for managing the total stock of "national information" available for feedback.
- Care must be taken to protect the objectivity of those who generate feedback assessments. Participants in such systems can be rotated from time to time, although a stable core is needed for continuity. One way to do this is make sure that participants in this process are buffered from "blow-back," when the views they report are not welcome. Another way to do this is to rotate personnel from time to time.

Principles of Feedback

- Principles of triggering mechanisms. Analysis has two parts:
 - convincing yourself (cognition)
 - convincing someone else (communication); relevant to feedback is how you communicate to someone else the need for action and participation.
- Need to define what is input, what is process, and what is output.
 - Feedback will be 50% cognition and 50% communication.
 - When you analyze the situation based upon policy expectations and execution, where the message goes is dependent upon managers and the environment.
 - The assessors of feedback aren't often the ones who communicate the feedback to the general population.
- Policy and planning decisions are inputs into global change
 - Conversely, **Feedback is to be able to sense other aspects of the greater system, and understand what the impacts of those inputs are and grasp how it is changing the bigger picture.**
- Politics of Feedback
 - When we speak of technocratics or policy, we make assumptions that are not true in the political realm ("global warming is a given").
 - It's in this political realm that feedback must be built in
 - What we determine is feedback is dependent upon our own benefit in the process—a 'critique' of one perspective is an endorsement of another
 - Ethical dimension: if you say we are protecting the nation's prosperity and security, *prosperity for whom and security for whom?*
 - Feedback-worthy issues (cyber-security, climate change, debt) are fraught with assumptions and definitions and personal agendas



- The side that sells its story the best is the one that ends up controlling the territory.
 - Whereas before the mechanical means of producing and disseminating information required the concentration of capital, now both are free.
 - So how do you find a way in that environment to create a *consensus of story* and communicate it appropriately?

- Function of Feedback
 - Feedback must be two-fold because policy is expecting to change both, one for shorter-range purposes and the other for longer-range purposes.
 - national perspective vs. global perspective
 - Component level implementation process (CLIP) process is a milestone that will help the feedback function to understand the bigger goal and what should be monitored and benchmarked.
 - The function should be able to inform the whole process that they are on target or off target.

- Wisdom of Crowds
 - Numerous tools that allow you to tap into the wisdom of the crowds.
 - Networked era where people are far more connected to multiple streams of information than ever before.
 - Policy makers will say that tapping into that network is paramount.
 - Allows decision makers to glean instant feedback to know whether they have adequately addressed an issue, solved a problem, etc., instead of relying on the press for delayed feedback.

- Feedback Mechanisms
 - Elections are a very crude tool for measuring success.
 - Important to know if the questions that are being addressed are really on the agenda of the crowd.
 - Elections are very short term. Oftentimes things look great in the short term, but fail in the long term.
 - Feedback function requires hammering down the question that is trying to be answered.
 - Parameters must be established, but remain flexible so that they do not become self-reinforcing
 - Must create an enduring mechanism that includes the feedback but also allows for continuous administrations to accept the fact that there is a cabal of folks looking over the horizon (who may get it right but who may not) in the system?

- Challenging the Experts
 - Everything is obvious once you know the answer.
 - Scenario planning has a beneficial role, but be careful it doesn't lock you into a self-fulfilling prophecy, and the other side doesn't have it.
 - Tension between a mandarin system that assumes it understands what society needs and wants in the long-term, and whether anyone wants a mandarin system running the country.
 - This is where the wisdom of the crowds is absolutely imperative. E.g. the worst people for warning are the experts.
 - 'Challenging the experts' is central to futuring

- Necessity of a 'Vision'
 - o National Dialogue on "what do we want to be when we grow up? What is the role of the government? Is there a way we could tap into the long-term (20-40 years) wisdom of the crowd where the future of the United States is concerned?"
 - o This would help gauge what should be monitored if we are on track.

- Feedback as Foresight
 - o Foresight is horizon scanning without context
 - o Feedback becomes another mechanism of foresight when the wisdom of the crowds, the challenges, and the predictions come into play.
 - o Feedback must include unintended consequences at all levels of government. That information must then return to the group conducting the foresight.
 - o Before we enact a policy we need to do a series of policy testing. Feedback should start once the policy is implemented but will build upon the lessons learned from the tests.

- Current system allows **vagueness** of missions and goals
 - o The problem with analysis is that what happened yesterday influences what happens tomorrow, which is not always the case. Today's mission and goals often lack checkpoints.
 - o Other elements of this system have to provide and support the feedback system. There must be monitors, but that requires having something to monitor and knowing how to evaluate it. If you are going to tap the wisdom of the crowds, you have to be succinct and guided in your questions.

Feedback in Practice

- Requisite Variety
 - o Survivability of feedback mechanism depends on having multiple inputs in the system.
 - o Firewall needs to not only be permeable, but (some of) the people need to be rotational so that they understand all aspects. (Red cell model.)
 - o Many large organizations have a core group of people similar to a dedicated staff, but the internal auditing team rotate (few stay for continuity purposes) to maintain objectivity

- Feedback requires **dedicated staffing** because if someone isn't in charge of doing it, it isn't going to get done.
 - o Dedicated staff similar to an internal auditing function, in addition to consulting with outside resources to identify weaknesses and strengths is key. It is more objective and goes beyond examining the budget.
 - o Tell people what they need to hear but not what they *want* to hear
 - o Individuals also need to be insulated to some degree so they do not fear reprisals for reporting the truth.

- Long-term Management
 - o More networked system that says long-range trajectory is not on the right path. Groups can control whatever they are doing today, but there need to be modifications on a larger scale in order to change the long term outside.
 - o Execution sometimes comes after analysis to achieve this. In other words, beginning with the objective.



- Component-Level Implementation Process
 - o How do we do monitoring that a policy is going to go beyond a two, four, six, or eight year election cycle?
 - o The goal needs to be recognized as taking longer than just one administration, but specific administrative goals must be identified.
 - Making a plan to declare war on poverty, or make the nation prosperous, is a complicated problem that may not have viable solutions.
 - The feedback process starts immediately to ascertain if the right question is being asked.

- The Narrative
 - o Analysis goes on at every box, and in between each box. Instead of representing this with data only, you could put it in narrative form.
 - o *Story* is connected to what we're trying to accomplish short and long range.
 - o Feedback implies making value judgments. The only way you can decide that is within the context of a larger story. Hence a narrative.
 - o *Who is setting the national course?* If we don't know where we're going as a nation, which we likely don't, we can't formulate a consistent narrative and they will continue to be competition.
 - o Must be a clearly *shared* mission along with a storyline that can be tested at specific intervals and modified along the trajectory.
 - o Part of the feedback loop is constantly assessing the competing narratives that exist

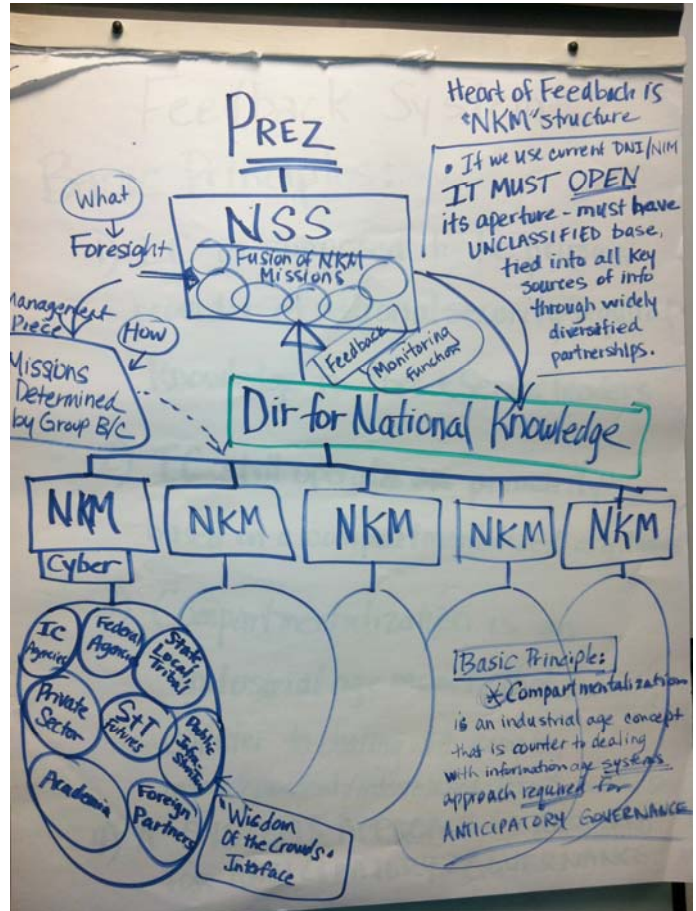
- Executing Feedback
 - o Who are the long-range planners that are executing a long-range plan? And where does the feedback go?
 - o It is a long-range plan through the specific lens of a stove-piped organization. There are pieces here and there throughout the government but no place to put it together.

Operationalizing Feedback

- Precepts for Feedback
 - o The President could implement a rule that everything that comes to his or her desk must contain each of the nine elements listed within the pink box. If it doesn't, it doesn't get read.
 - E.g. what are we trying to achieve and how are we doing to get there?
 - o IC are the best collectors of data, but they don't want to be commented on those issues. So then do you establish a dedicated staff? Doing so goes against having a low financial burden.

- Report Cards
 - o The middle three bullets of the pink box would be the most difficult.
 - o Points of responsibility and accountability as well as benchmarks are not present in many current policies although they should be.
 - o Small independent staff for the system to ensure accountability and internal auditing (OMB, GAO, and NSS?)
 - OMB works for the WH while GAO works for Congress.
 - If these groups simply put out a periodic report card on how agencies fulfilled their budget, mission, goals, etc. how would that be received? Would it be effective?

- First you need to make people aware that the pink box exists. Then you need to make sure there are consequences for bad grades.
- The intelligence community is a source of input for feedback.
 - o Classified information needs to be accompanied by very complete use of open source information, including "wisdom of the crowd."
 - o Foreign intelligence and domestic information can be fused, to create what could be called "national information."
 - o For any given policy, a single official needs to be responsible for managing the total stock of "national information" available for feedback.
- DEDICATED STAFF FOR FEEDBACK
 - o 1) tactical level monitoring of issues that may matter in future (regional and functional);
 - o 2) "fusion cell" for strategic foresight
 - National Knowledge Managers (outside IC) for each issue
 - Span unclassified/classified environs, U.S.-Foreign knowledge base, NGOs, IOs, public-private-academic communities, etc.
 - o Define all U.S. cyber national security assets matters (USG, companies, public-private, etc.)
 - o Immediate reporting from key nodes, as required, to WH
 - o They monitor issues, missions, and systems that support Information Sharing Analysis Centers





Annex I: Briefing Materials for the Simulation

Simulation Overview

- We are starting with the assumption that President has been briefed on the Anticipatory Governance proposals and is interested in how those proposals would function if implemented. The President has asked for a concrete demonstration of how this approach would work.
- The simulation will be based on two mock documents: (1) a memo from the “President” to the “Chief of Staff” requesting more information, and (2) a memo from the “Chief of Staff” to a task force of officials, instructing them to examine how to apply the proposals.
- Participants (i.e., YOU) are the “Task Force”, tasked with examining and reporting back to the Chief of Staff on how the anticipatory governance proposals would work as a system of systems grafted on to the existing processes of the Executive Branch.
- YOU are the advocates of this approach. Your purpose is to describe how the proposals -- individually or in combination -- could be effective in improving the system’s capacity to be more anticipatory, adaptive and resilient.
- The task force will work on applying the proposals by dividing into four break-out teams, that will meet in parallel on the afternoon of day 1 (Tuesday) and the morning of day 2 (Wednesday):
 1. Foresight Venue
 2. Manage to Mission
 3. Budget to Mission
 4. Feedback
- Each break-out team has a set of specific proposals under their heading. They can choose to examine proposals individually, or as a system. Specific questions are issued to each team as guidance, as part of the instructions from the Chief of Staff.
- The teams will meet together after lunch in a plenary on day 2 to discuss results, and how the “task force” should proceed to answer the “Chief of Staff’s” instructions.

Goals of the Simulation

- **Primary Goal:** The “task force” is to think through questions (and to come up with new ones) that are going to have to be answered if these proposals are to receive serious consideration by the White House.
- **Your tasking as a participant:**⁴
 - Determine the potential for identifying and tracking longer range contingencies at the threshold of emergence.
 - Identify the necessary USG assets that are required to respond to long-range contingencies and how they may be implemented at the White House and sub-cabinet levels.
 - Determine how a “foresight cell” can operate within the current and future fiscal constraints via ensuring missions are matched against budgets.
 - Determine what non-traditional USG security components should be brought “online” to ensure a truly integrated approach.
- **Each break-out team will be asked to:**

⁴ Thanks to NDU’s Center for Applied Strategic Learning (CASL) for contributing this set of guidelines

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.
- **Specific Goals for each meeting segment:**
 - Foresight Venue: Your goal is to test the effect of the foresight/policy venue on (1) long-range mission management, and (2) the interaction (reciprocal handoff) between short and long range mission management.
 - Management to Mission: Your goal is to test the effect of a networked management on the current organizational structure for shorter range (ongoing, current) mission management, and the ability to sustain and adjust mission-management as problems and missions morph.
 - Budgeting to Mission: Your goal is to test the feasibility of various approaches to budgeting to mission in relation to the existing system.
 - Feedback: Your goal is to test the effect of feedback arrangements on both short and long-range mission management.
 - Final Plenary: Our goal will be to share results of the systems tests, and to consider how they would operate in concert with each other and with the existing interagency arrangements.
- **Criteria.** To comport with reality, the Anticipatory Governance proposals must be designed to be:
 - very light on resources;
 - executable on the basis of existing presidential authority;
 - compatible with existing White House processes;
 - ultimately compatible with longer-range, more profound reform involving the executive branch as a whole, if and when that becomes possible; and
 - integrated with advanced methodological approaches, including methods potentially important to foresight generation and to systems operations.
- **Definition of "Success":** The goal is to capture ways in which an anticipatory system should (arguably) outperform the existing system. Success would amount to a test of the proposition that it is possible to operationalize Anticipatory Governance as a system that is compatible with existing government processes and capable of taking on real-world circumstances.
- **Disclaimer:** The discussions do not have to be complete and perfect answers. They just have to illuminate what would need to be worked out if an administration were to take this on.



Test-Case Complex Priority: Cyber Security

The ideal way to “test” the proposals is to consider how they would – individually, or as a collection – handle a real-world “complex priority”. How would this configuration improve our ability to manage major, fast moving, complex, broad-ranging issues as they play out over time? Many of the guiding questions for testing the proposals make reference to a complex priority. We will use our problem with Cyber security as an example.

The Cyber challenge is tremendously important, fast, and complex, with implications across the board for defense, the economy and competitiveness, not to mention civil society. The national security of the United States is critically dependent on the capacity of its civil and military networks to process exponentially increasing quantities of digitized information, at exponentially increasing rates of speed, and to assure the capacity of its civil and military sectors to transform that information into services and products, faster and more creatively than any other society. The role of governance is to determine how to deploy its assets in order to assure that the United States is able to maintain this capability into the indefinite future. The scope of this endeavor extends to research and development; incentivizing US-based production; intellectual property protection and trade law enforcement; protection of data integrity; protection against, deterrence of, and responses to attacks on US systems from malicious interference regardless of source; anticipation of and preparation for major sources of strategic surprise that would put these objectives at risk.

Cyber is not really one problem, but a squirming nest of them. What's more, every protective action seems to come with numberless unexpected or undesired side effects. Cyber is a problem that will continue to constantly "morph," rather than disappear. It cannot be "solved," but it absolutely has to be well managed. We've just been through a big policy exercise, and a “Czar” has been named. That's good, but just the beginning. The policy is going to be challenged from the moment it is applied, precisely because it will alter the trajectory of every one of these problems in ways hard to estimate, and impossible to predict. As for the "czar" -- no such official can (or should) have the autocratic authority that such a term suggests.

So, what might "anticipatory governance" do to help us develop and sustain a comprehensive approach, and why would Anticipatory Governance be better than existing arrangements? Why should it be better at detecting, tracking, and then managing long range developments as they move from the horizon line to the top of the government's agenda?

NOTE: the scenario is NOT something specific about cyber. We are not playing a war game involving hypothetical sequential events in the world. The scenario addresses how an imaginary task force sees the Anticipatory Governance proposals working if implemented as part of the system. Also note that cyber is a very topical issue, but the purpose of Anticipatory Governance is not just to manage the present issues, but to anticipate and manage future major issues that have yet to detonate.

MEMORANDUM from the “POTUS” to the WH Chief of Staff

The White House
Washington
July 19, 2011

SUBJECT: Anticipatory Governance

I've just read a memo on proposals for something called "anticipatory governance." Supposedly, this system would help all of us to understand and deal with major issues on a more systematic basis, wherein we typically find ourselves acting short-term, even though we are aware of the need to shape events over the long-term. It would establish, in the White House, a capacity to mobilize and coordinate resources in a way that begins with a concept of managing to mission as the organizing principle for operations. It would also allow us to keep track of the consequences of our own policies, so as to be more responsive to facts about what is happening, rather than projections of what was supposed to happen after decisions were made.

As theory, that has great appeal. But the reality is less clear. So what I would like to see is an analysis that shows how this approach could work if we were to implement any or all of its elements into the way we do business. Notice, I say "could." It would of course be a hypothetical trial run – basically a table-top exercise – but one worth doing.

If I am going to give this idea serious consideration, what I want to know is: what might "anticipatory governance" do to help us develop and sustain a comprehensive approach, and why would the proposed new arrangements be better than existing arrangements? How would this system be better at detecting, tracking, and then managing long range developments as they move from the horizon line to the top of our agenda?

Finally, it might help if you can identify an illustrative “complex priorities” which could benefit from the "anticipatory" approach. For example, how would this configuration improve our ability to manage a major, fast moving, complex, broad-ranging issue – such as the cyber threat – as it plays out over time?

If the findings are promising – that the proposed configuration could improve our capacity to organize and manage complex issues on a longer-term basis – then the logical next step would be for us to explore implementation.

Signed: “POTUS”

--Enclosure--

[SIMULATION ONLY: THIS IS NOT A GOVERNMENT DOCUMENT]

MEMORANDUM from the “Chief of Staff”

The White House
Washington

MEMORANDUM FOR THE NATIONAL SECURITY ADVISOR
THE NATIONAL ECONOMIC ADVISOR
THE CABINET
...etc.

SUBJECT: Testing the Anticipatory Governance Proposals

The President has asked me for a detailed application of the concept of Anticipatory Governance. I understand that there are highly experienced members of your staffs who are personally familiar with this concept of Anticipatory Governance, having participated voluntarily as members of an informal working group that studied the matter from April to June 2011. I am requesting that these members of your staff now be asked to form a task force to help me respond to the President. The task force will have its first meeting for this purpose on July 19 and 20, 2011.

As I understand it, Anticipatory Governance involves the incorporation of three management processes into those we already have in place at the White House: a system for combining foresight and policy; a networked system for coordinating management to mission; and a feedback system to measure results against expectations. As a whole, these new systems would in theory allow the US government to deal more effectively with classes of high-stakes, high-speed, complex issues that are very hard for our standing arrangements to handle.

The Task Force will “stress test” Anticipatory Governance, to give the President a better understanding of how the proposals would affect our ability to deal with major issues in comparison with our ability to do so at present. It would be helpful to use one of the major real-world problems we are facing as a test-case, to see how the proposed configurations would hold up. The cyber threat is a vast, complex, quickly-changing threat that needs to be managed in the present, and well into the future. I think it would be the right complex priority to address, if you are able to get that far in your analysis. I have attached my set of questions relating to the anticipatory governance proposals. I am asking the task force to study these questions, identify new questions that would need to be answered if any of these proposals were to be implemented, and provide some answers where possible, either as specific recommendations, or (preferably) a set of alternative possibilities.

When you report back to me, the answers do not have to be perfect. They just have to illuminate what would need to be worked out. I want to stress that the objective is not to debate the substance of existing policy, but to examine whether (and how) Anticipatory Governance can improve our capacity to anticipate what may be coming, manage what has arrived, and follow the twists and turns ahead.

Signed: “Chief of Staff”

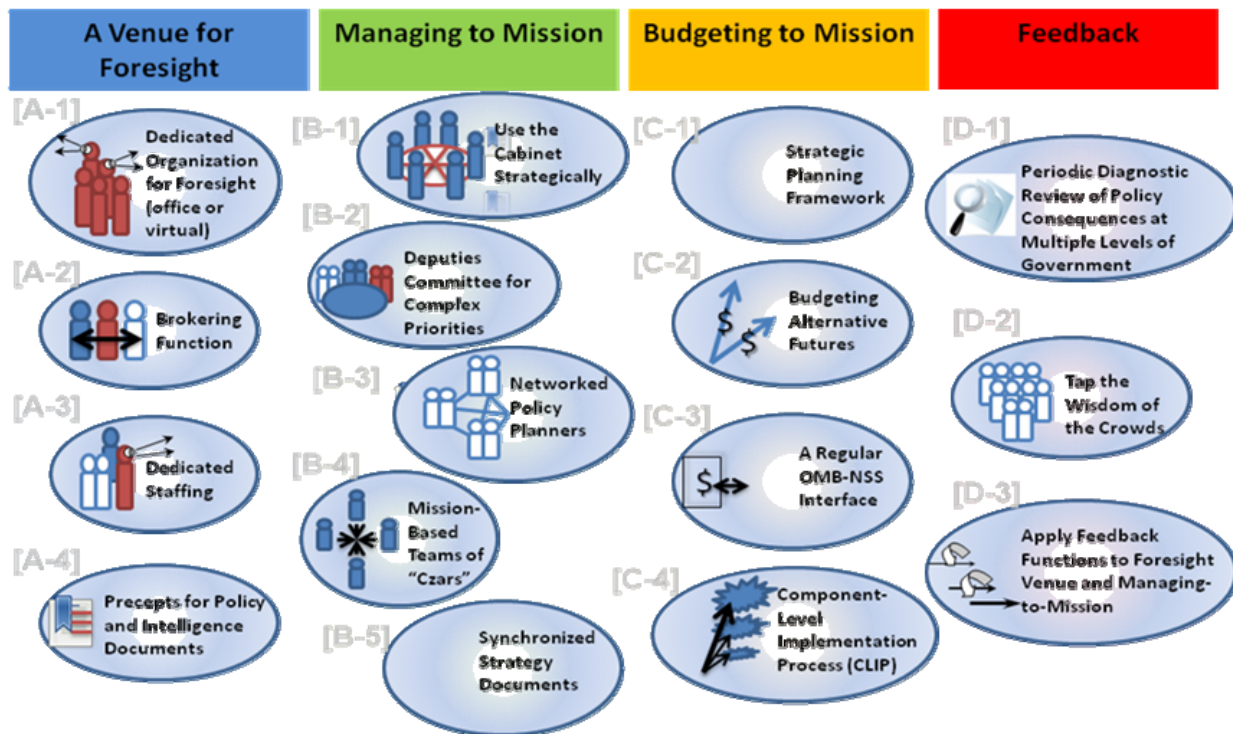
--Enclosure--

[SIMULATION ONLY: THIS IS NOT A GOVERNMENT DOCUMENT]

Annex II: Proposals and Guiding Questions

Overview of Proposals:

- A foresight / scanning capability as an ongoing process (office and/or “virtual organization”)
- An interface to incorporate these insights with policy (e.g., foresight staffing, and/or “brokering function”)
- An OMB-NSS link to tie resources to strategy (and vice versa)
- Management-to-Mission as the organizing principle of policy formation and execution
- A Network of policy planners across the whole-of-government for policy and strategy integration
- A Network of so-called “czars” to integrate and coordinate planning and execution
- A Deputies’ Committee or scheduled component of the Deputies’ process for complex priorities
- Feedback protocols for (a) monitoring policy, (b) accountability, (c) system learning
- New precepts for intelligence and policy documents
- Synchronized national strategies
- Foresight education as part of the curriculum for civil servants
- A mechanism to tap the “wisdom of the crowds”

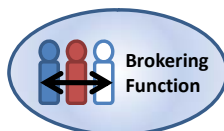




Group A: Venue for Foresight



[A-1]



[A-2]



[A-3]



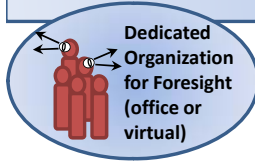
[A-4]

Your goal is to test the effect of the foresight/policy venue on (1) long-range mission management, and (2) the interaction (reciprocal handoff) between short and long range mission management.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

[A-1] A Dedicated Organization for Foresight

Venue for Foresight
[Group A]



- An organization dedicated to the production of foresight.
- Functions are horizon scanning and linking long-range assessments to ongoing policy formation
- Goal is to supplement the short- and medium-term emphasis of the NSS by focusing exclusively on the long-term
- Could be modeled to some extent on Singapore system
- Substantial mandate and convening authority
 - ❑ Ability to set its own agenda
 - ❑ Ability to use seconded staff (perhaps from planning staffs)
 - ❑ Access to the policy making system at very senior levels

Two options:

An office for foresight

- Located in the WH (EOP, OVP, or NSS), or outside the WH
- About the size of an NSS directorate
- Cross linked to all similar functions already operating in government

A virtual organization

- Comprised of existing USG organizations that have foresight functionality
- Create a system of “portals” where non-governmental foresight producers could deliver their products to a government system able to assimilate and direct the content
- Center this process at the White House, to help enrich flow of foresight materials to the policy system
- Use the IPC system?

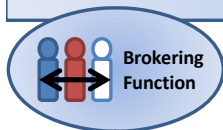
Guiding Questions:

- How would it relate to intelligence input, especially longer-range input?
- Where would it connect in the larger system? Precisely what agencies / offices would be linked? How would the linkages work?
- How would its output be related to (i.e., used in) policy formation?
- What is the hand-off between long-range and current issues? (At what point is an issue no longer prospective in the long-term and active in the here and now?). Specifically: what happens to requirements for long-range foresight when the original target has moved from far-out to close in: from hypothetical to imminent reality?



[A-2] A Brokering Function

Venue for Foresight [Group A]



- “Translation teams” to improve communication between producers and potential users of foresight
- Job is to translate to policy what is available from foresight sources; and to translate for foresight producers what is needed by policy makers.
- Small, ad-hoc teams that are organized and composed of foresight and policy specialists, tailored for specific issues
- Composed of people with broad experience in both domains (foresight and policy)
- Bridges the “cultural” gap between policy-makers and foresight producers who do not think in the same terms, and who do not understand each other’s approach
- A particularly important function would be to link policy-makers and computer modelers

Guiding Questions:

- What process would be set up to be selective about the issues that these brokering teams serve, in order to conserve human resources and policy-maker time?
- How would a brokering team play a role in bridging the gap between foresight people and policy makers for the complex priority (cyber)?

[A-3] Dedicated Staffing

Venue for Foresight
[Group A]



- Staffing for all Principals would include a function to make sure that there is a stream of foresight information House and upper levels of the executive branch agencies.
- There could also be a staff function to make sure that foresight issues were identified and inserted into the agendas for Deputies and Principals meetings.
- Creates data flow for principals, linking foresight to policy

Guiding Questions:

- Relating to the complex priority (cyber), how could a foresight staffer play a role in focusing his/her principal's attention to a long-range issue?
- Is the COO (as mandated by GPRAMA) a model or functional equivalent? How?



[A-4] Precepts for Policy and Intelligence Documents

Venue for Foresight
[Group A]

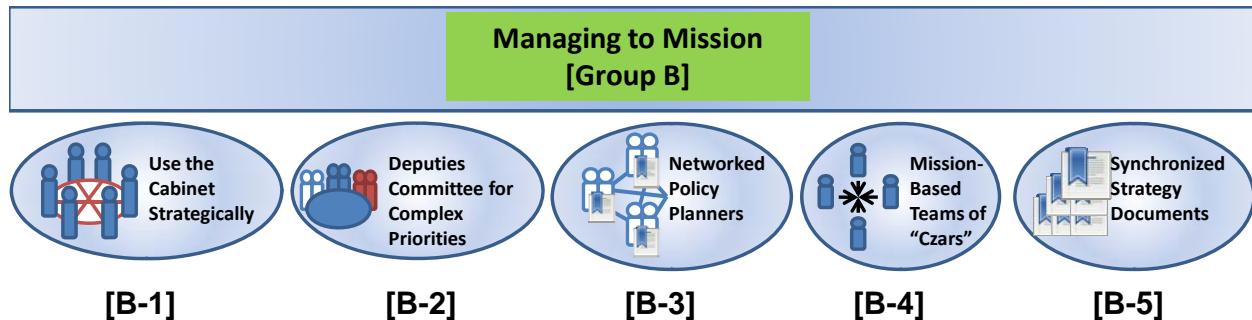


- Precepts for intelligence production and for major intelligence reports and new policy documents should mandate long-range foresight-based analysis
- An insight about the future should be tied to actions that can be taken to seize an opportunity or avoid a threat
- This would incentivize a stream of foresight-based reporting, tied to policy, and to budget, which is presently lacking.
- Write these into standards via supporting directives at the individual agency level
- Establish a demarcation between near-term (for current policy) and long-term (e.g., 5-10 years)
- Devise a rule of reason to prevent these requirements from being mechanically applied to so many documents as to destroy their value

Guiding Questions:

- What are some examples of specific precepts to serve this purpose?
- Can you illustrate a fictional example of how these precepts would be applied as part of a document, relevant to the complex priority (cyber)?
- How to apply a rule of reason such as to prevent these requirements from being mechanically applied as to destroy the value of so-doing?

Group B: Managing to Mission



Your goal is to test the effect of a networked management on the current organizational structure for shorter range (ongoing, current) mission management, and the ability to sustain and adjust mission-management as problems and missions morph.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

Also for consideration:

What would be the most senior level of government where integration of advanced knowledge comes together with situational awareness? Deputies? IPC? Would it require separate, specialized IPC's for each identified complex priority?



[B-1] Use the Cabinet Strategically

Managing to Mission [Group B]



- Currently, Cabinet has little “corporate” existence, but it is possible to organize groupings according to strategic requirements.
- Use the Cabinet for strategic oversight and coordination (Top-level ability to coordinate government planning and execution)
- Use key White House officials and members of the Cabinet to “manage to mission,” by establishing ad hoc task forces for complex priorities.
- Agencies get involved in subgroups to ensure their organizations are in alignment from the top down (e.g., “commander’s intent”)

Guiding Questions:

- What could be accomplished by strategic management of the cabinet?
- Can you illustrate a fictional account of how this arrangement would work as applied to the complex priority (cyber)?
- Cabinet officers have to answer to Congress, and Congress doesn’t hold cabinet secretaries accountable for how well they have interacted and interlinked with others. How would congressional committee jurisdictions affect their flexibility?

[B-2] Deputies Committee for Complex Priorities

Managing to Mission
[Group B]



- A committee of deputies to serve as a nucleus for long-term foresight and warning and cross-disciplinary policy formulation as response.
- Committee considers the intersection of multiple issues, and matches potential consequences to policy priorities.
- Lightweight way to add formal consideration of the foresight dimension to the White House policy process.
- Enables the exploitation of resources from a variety of bureaucracies while coordinating cross-bureaucracy policies.
- Limit additional burden on deputies, and integrate this committee into the policy formulation process, to avoid competition for buy-in.

Four Options:

Add foresight function to the existing Deputies' committees

Create a new Deputies' Committee dedicated to long-range strategy

Occasional Deputies' retreat to focus on long-range issues in an outside environment (e.g., Camp David)

Include a "foresight broker" at Deputies' meetings to contextualize daily issues and decisions (e.g., from the NIC)

- Bring crucial decision points back to a standing foresight body for foresight analysis
- Bring that analysis back to the next Deputies' meeting

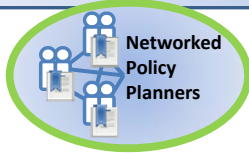
Guiding Questions:

- What staffing support would any of these new arrangements require?
- How to insert the stream of information it would generate?
- How to limit additional burden on deputies and avoid a competition with the existing deputies' arrangement?
- Can you come up with a fictional illustration of how any (or all) of these arrangements would work as applied to the complex priority (cyber)?



[B-3] Networked Policy Planners

**Managing to Mission
[Group B]**



- Each executive branch agency has a policy planning division
- These offices are not in systematic communication with each other or the White House
- The policy planning staffs could be networked and/or cross-linked to the White House, so that strategy formulation and execution can become a whole-of-governance process

Guiding Questions:

- How would this arrangement match up against the Policy Planners' existing responsibilities?
- How would this arrangement work on a day-to-day basis? How would it be coordinated?
- How would it work against the complex priority (cyber)?

[B-4] Mission-Based Teams of “Czars”

Managing to Mission [Group B]



- Organize system coordinators (e.g., so-called “Czars”) into strategic groupings (e.g., heads of interagency task forces).
- Integrators connect top-of-system awareness to political authority.
- Creates a venue which brings this integrators together for systematic consultation and cross fertilization.
- Creates a network of existing officials, with a collective responsibility, focused on national priorities.
- Would not threaten oversight of congress, since Senate-confirmed officials retain policy-*execution* authority
- Not a substitute, but augments existing process by adding ability to visualize policy formation and execution in relation to *mission*, as opposed to *bureaucratic jurisdiction*.
- Identify an authority to coordinate the groupings
- Establish means by which the groupings morph as the problem morphs

Guiding Questions:

- What would be the likely specific contribution to the overall process?
- How would the information streams they produce be integrated at the final levels of policy execution?
- How would groupings be coordinated in a formal process? How would the groupings morph as the problem morphs?
- How would this arrangement work on a day-to-day basis? as applied to the complex priority (cyber)?



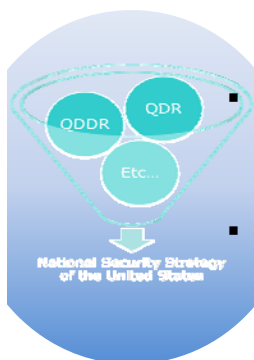
[B-5] Synchronized Strategy Documents

**Managing to Mission
[Group B]**



Synchronized
Strategy
Documents

Congress has mandated an array of reports on national strategy (QDR, QHSR, QICR, NSS, etc., plus the QDDR initiated by the Secretary of State). These reports are asynchronous, syncopated and disjointed from one another.

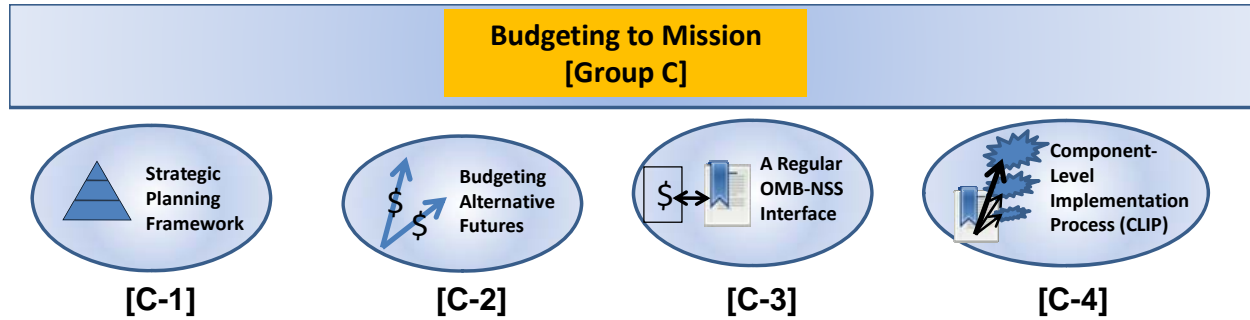


- Strategy documents should have a cumulative impact toward a common goal, understood in common terms. These reports should have direct relevance to each other and be treated as if “nested” one within the other.
- Insert parallel requirements for long-range analysis in each of these reports to establish the link between the national strategy and longer range foresight.
- Reports should have a clear progression from broad strategy as seen at the Presidential level, through Executive agency level, down to programmatic detail
- Due dates should be aligned to promote a strategic progression. The planning process should allow time for planning and reflection. Time is needed to do workmanship, to synchronize strategies. It is an iterative process where the parts take time to gel.
- Each one of these documents should be readily convertible into budgetary implications (as a part of a “Strategic Planning Framework”)

Guiding Questions:

- Implications of the GRPA Modernization Act: Is there a pending shift in publication order? Of what kind? Will it achieve inter-linkage and coherence?
- Is there a process for linking these documents to the budget planning process at the White House?
- How might these documents be used as the basis for a new dialog with Congress, in which strategy statements, cross-matched to the budget, become a basis for (a) debating the budget; and (b) oversight?
- If this was done a layer down in the process, where goals meet means (as opposed to in the national strategy documents, which are focused on policy and capabilities), how could they cross-synchronize?
- **Can you come up with a fictional table of contents and due dates illustrating how a set of these strategy documents would be aligned and cross-linked?**

Group C: Budgeting to Mission



Your goal is to test the feasibility of various approaches to budgeting to mission in relation to the existing system.

- Think about operationalizing the proposals, identifying new questions that would apply across the board.
- Come out with a view of one way (or and handful of alternative ways) that the proposals could work as a system grafted onto the existing process. The output might look like a flow chart, or an org chart, etc.
- Consider how the proposals -- or a system of proposals -- could handle the special requirements of a complex challenge, or multiple concurrent complex challenges. For this we will use cyber security as an example.

[C-1] Strategic Planning Framework

Budgeting to Mission
[Group C]

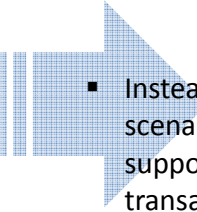


- Institute a Strategic Planning Framework across agencies so they can talk to each other in a way that integrates **strategy** (what you want to do) to **capabilities** (what you need to do it) to **resources** (how you'll pay for it)
- The President has the authority make this a priority within the administration for internal use
- Would not impact on the way in which policy plans are communicated to the Congress (i.e., stove-piped by committees)

Guiding Questions:

- To what extent does this concept exist as an element already present in the GPRA Modernization Act? Does this mandate extend to the White House level?
- Can you come up with a rough sketch of a fictional strategic planning framework, using the complex priority (cyber)?



- There are many possible futures; why do we have one budget?
 - If our budgets really do address the fiscal crisis, alternative approaches are going to mean alternative futures for how we live in the US and how the US relates to the international system.
 - In its present form, the budget is a succession of single-image views of budget cuts and taxes.
 - OMB already requires alternative budget proposals, but emphasis is on *alternative decrements*, without considering alternative priorities or their long-term consequences
- 
- Instead, we could have a set of scenarios that show where we are supposed to end up after these transactions
 - The effect would be to underscore choices about whether to “buy into” or “buy out of” alternative visions of where we want to be.
 - Developing alternative budgets based on alternative national strategies and their resource requirements
 - Alternative budgets should be used to model the effects of different decisions about strategic national priorities

Guiding Questions:

- What would a budget with alternative priorities look like? How would it be structured?
- Who would set and consider alternative priorities?
- What is being done already in this regard?
- Does the GPRA Modernization Act contain any language to support this approach to budgeting?



[C-3] A Regular OMB-NSS Interface

Budgeting to Mission
[Group C]



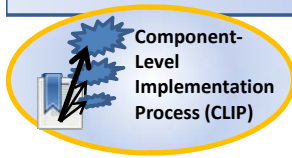
- OMB as an active party to strategic planning and coordinating resources
- Regular meetings between OMB and NSS to translate strategies into budget implications
- Provide brokering function to translate strategy to resources
- Distill strategic priorities and translate to budget priorities
- Regularly have representatives from OMB present at NSS meetings to shed light on the budgetary implications of strategy,
- Have representatives of NSS present to shed light on the strategic implications of budget decisions

Guiding Questions:

- How would this arrangement work on a day-to-day basis? How would it be coordinated?
- How would it work for the complex priority?
- Does the GPRA Modernization Act already contain any language to support this arrangement?

[C-4] Component-Level Implementation Process

Budgeting to Mission
[Group C]

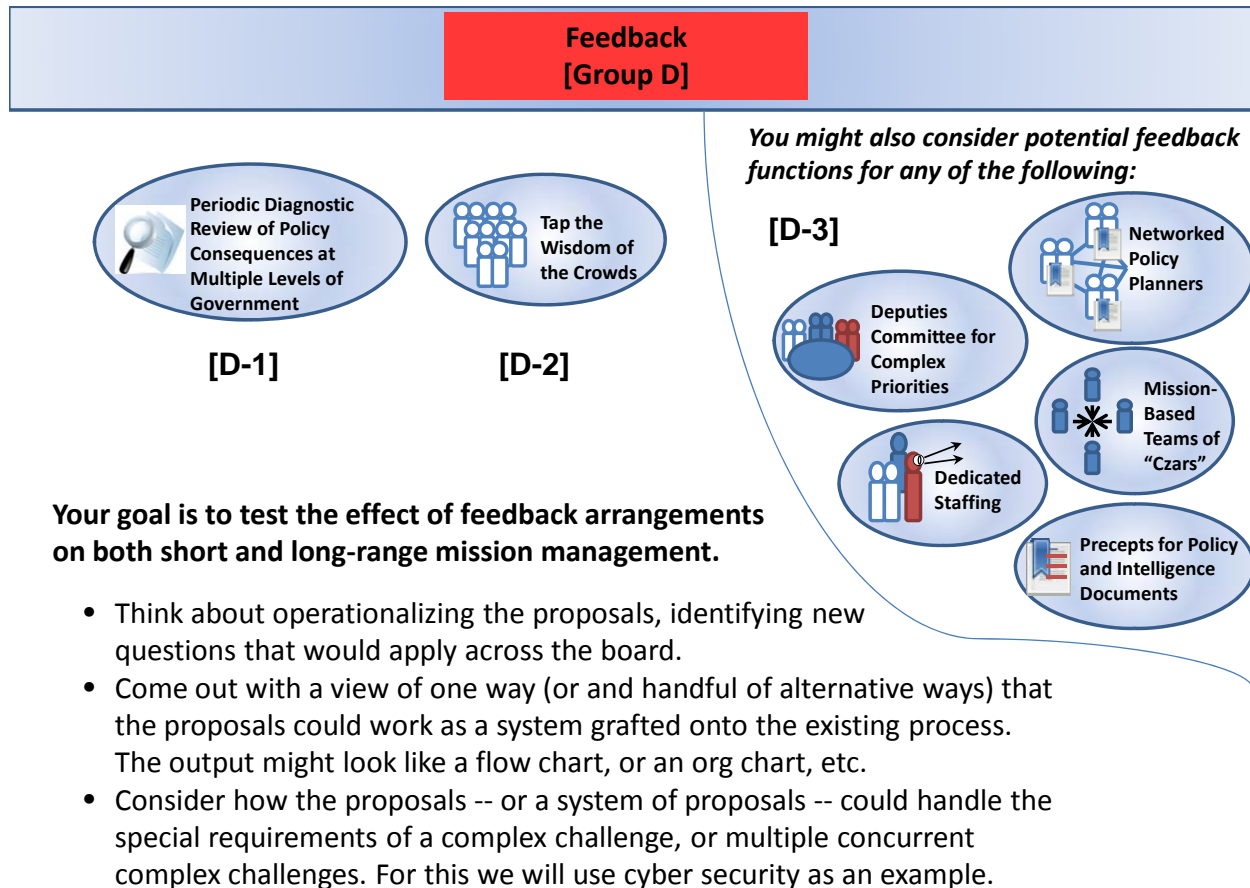


- “Component-Level Implementation Process” (CLIP) is a way to break down the budgetary implications of long-range policy in terms that are in sync with Congressional cycles.
- Proposals for large projects could be broken down into successive short-term legislative chunks which offer substantial stand-alone benefits that are independently valuable but which are collectively aligned toward a larger goal.
- Each component is valuable in its own right and can stand on its own so that benefits are achieved regardless of whether or not the final goal is achieved.
- Success depends on describing a desired long-term end state and developing a series of short-term steps to achieve it.
- Helps bridge the gap between short cycle budget action by the Congress and long-term policy objectives

Guiding Questions:

- Can congress actually agree to such a process without a basic change of its rules?
- Can this be done in a way that is compatible with the existing committee system?
- Can you come up with a fictional account of a CLIP for the complex priority?

Group D: Feedback



[D-1] Diagnostic Review of Policy Consequences

Feedback
[Group D]



Periodic Diagnostic
Review of Policy
Consequences at
Multiple Levels of
Government

Ongoing monitoring, evaluation, reassessment and recalibration of policies and programs.

System-awareness gained from feedback can serve as a basis for pro-active, instead of reactive, policy adjustments.

Elements of this process:

- Monitoring and Data Collection
- Detection of error
- Correction of error
- Informing Strategy

Basic Functions of feedback as applied to policy:

1. Monitoring and Adjusting Policy
2. Accountability, Control and Self-Synchronization
3. Learning and Evolution

Every policy sent to a senior decision-maker should include the following precepts, in explicit terms:

- Statement of key assumptions on the basis of which the recommendation has been made
- Definition of success, including overall definition of success as well as specific key objectives
- Information streams to be monitored on an ongoing basis
- Performance indicators that would automatically trigger a review of the policy
- Points of responsibility and accountability in the system for collecting and applying such information
- Periodic “audits” of performance by teams that will independently report their conclusions to higher levels of consideration
- Provisional date for an audit of the policy and its performance, to occur even in the absence of a trigger said date to be built into the WH calendar

Guiding Questions:

- What kind of information streams would be tracked? How / by whom?
- How do these guidelines compare with existing guidelines for policy and intelligence documents in the various agencies?
- How would feedback information be introduced into the foresight/policy venue?
- How would it be introduced into the networked management system?
- **How does this system element look when run against the complex priority? How does it take on multiple, concurrent challenges?**
- **Design one example policy document using these guidelines to address the complex priority (cyber).**

[D-2] Tap the Wisdom of the Crowds

Feedback
[Group D]



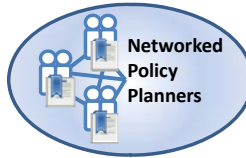
- Information collection and integration systems
- Tapping social networks and social media to track policy outcomes and changes in the environment
- Soliciting advice and opinion from circles beyond the “experts”
- Continuous scanning for faint signals of important but subtle changes
- Integrating this information in a feedback and adjustment cycle

Guiding Questions:

- What kind of processes would perform this function? How would it work?
- How would such information be used to augment other streams of information for purposes of generating actionable foresight?
- How to avoid any “big brother” perception (or reality) while tapping into public wisdom for shaping smarter outcomes?
- Does the government have a system in place for evaluating the utility of experimental approaches such as this, for real world / high-stakes application?

[D-3] Feedback Applied to Other Proposals

Feedback [Group D]



Guiding Questions:

- How can feedback be folded into the business of any or all of these proposals?
- How, specifically, would feedback function as part of that proposal?
- What kind of feedback?
 - a. Monitoring policy execution
 - b. Accountability in a networked system
 - c. System learning



The Project on Forward Engagement is based at the George Washington University and operated at the National Defense University. Funding for the Project is provided by the John D. and Catherine T. MacArthur Foundation and the National Defense University. Analysis, opinions and proposals contained herein reflect the views of Leon Fuerth, Distinguished Research Fellow, National Defense University, and Research Professor of International Affairs, Elliott School of International Affairs, the George Washington University. They do not represent the views or opinions of the George Washington University, the John D. and Catherine T. MacArthur Foundation, or the National Defense University.

The Project on Forward Engagement © All Rights Reserved.

