

**The Testimony of
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To

**Committee on Government Reform
Congress of the United States
House of Representatives
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Mr. Chairman, Members of the Committee, distinguished guests, and Committee Staff Members, thank you for inviting me here today to share our views of the adoption of telework within the Federal government.

I am Dr. Jim Kane, President and CEO of the Software Productivity Consortium, or SPC. SPC was founded under the National Cooperative Research Act in 1985 to enable U.S. companies to collaborate, in a noncompetitive and nonproprietary way, on solutions to common challenges faced in building high-quality, reliable software systems. We are a nonprofit organization, and our membership of 80 companies, government agencies, and universities includes the eight largest federal prime contractors.

*About SPC
and the
Telework
Consortium*

Our focus on helping our members to implement best practices within their own, large companies around the country, along with our expertise in managing technology insertion and our position as a national “open forum” all dovetailed with the interests of the Honorable Frank Wolf, our Congressional representative, in the summer of 2001.

As we all know, Mr. Wolf has long been a champion of promoting telework within the federal government. In our conversations with Mr. Wolf three years ago, we recognized that SPC's focus on collaborative solutions for distributed workers and work teams aligned well with the federal telework mission. Mr. Wolf sponsored our formation of the Telework Consortium during the summer and early fall of 2001.

The terrorist attacks of September 11 occurred during our formation of this telework initiative, and served to make absolutely clear our pressing national need for a more distributed and secure workforce, able to continue the nation's business in the face of catastrophic disruptions.

Since its opening in October, 2001, the Telework Consortium has facilitated numerous pilot projects and demonstrations of technologies and business practices that enable high-bandwidth collaboration and information-sharing between workers, regardless of their physical location.

I hope that background helps explain why we're here today.

Mr. Chairman, thanks to the efforts of this Committee, its Subcommittees and staff, and your own personal efforts to further the cause of government reform, many government activities are fundamentally improved today over where they were eight to ten years ago. Legislation such as FARA (Federal Acquisition Reform Act) and FASA (Federal Acquisition Streamlining Act) has enabled the federal government to overcome long-standing obstacles and begin to procure productivity-enhancing information technology faster and at better prices. As the

*This
committee as
a force for
positive
change*

result of ITMRA (Information Technology Management Reform Act), information technology is now viewed throughout the federal government as an investment driven by a business case, rather than a cost element driven by technology. And as a result of the Electronic Government Act of 2002, citizens now routinely turn to the Internet to conduct millions of transactions with the federal government, from paying their taxes to reserving campsites at our national parks.

We salute you all for those successes. But we also believe that we face a fundamental choice today: we can continue to work hard to “solve a problem,” or we can work hard to “seize an opportunity.” While many employers and employees, citizens and taxpayers, have gained from the legislative initiatives I just mentioned, we believe that many government employees lag behind the private sector with respect to telework.

Government lags behind in telework

What we call “telework” is in fact a key enabler of where we -- as a nation-- need to go: toward the systematic deployment of highly distributed forms of collaboration, where the physical location of our workforce matters far less than it does today.

A broader view of telework

Last month I chaired a technology panel of leading experts from industry (Cisco), government (DoD, DARPA and TSA) and academia (Carnegie Mellon). At the end of the session I asked, “if we were to reconvene this panel three or four years from now, what would we be talking about that we didn’t discuss

today?”

The immediate response from the industry representative was, “location will be irrelevant”; the former CIO of the Department of Defense immediately said “collaboration”. Those comments indicate where the world – and more specifically the world of work – is going.

*Toward
distributed
government*

From your viewpoint on this Committee, this trend might translate into “Distributed Government.” How can we work in a world where the “place” in “workplace” is less relevant, where access to the information is the essence of worker productivity, and where collaboration among workers at multiple locations is the norm? Enabling that vision of how government operates is where this Committee can have a significant and lasting impact.

From our experience with our members in industry, we see three primary factors that can speed the adoption of the distributed, collaborative activity we call “telework”:

*Three factors
drive
adoption*

- A solid business case and adequacy of funding;
- An understanding and adoption of the business processes and technologies that enable collaboration among distributed workers; and
- Enlightened management policies that support and facilitate, rather than restrict and impede, this adoption.

As we consider how these three factors play out in the federal government space, we conclude that the first two don't represent insurmountable barriers to telework adoption. In terms of the business case and available funding, there is very positive news.

Enlightened business leaders are already realizing the benefits of distributed work and distributed operations for their companies. They are doing it because it makes good sense. They are able to attract and retain workers, operate in lower-cost areas, minimize the effect of any disruption in their operations, and increase productivity.

*Telework is
already
generating
savings*

Our research indicates that we can save up to \$2,800 per teleworker, per year in infrastructural costs¹, not counting the additional savings from a cleaner environment. And the same technology that reduces congestion and pollution in urban areas can be used to bring jobs to people in more rural locations.

You'll find more cost and benefit analysis of telework in our supporting materials—but suffice it to say that the business case for telework is quite solid. Likewise, current government funding also represents good news. The current OMB forecast for spending on information technology for GFY 2004 is \$59.1 billion¹. Agencies typically allocate at least 30-40 percent of their information technology funds for infrastructure, as opposed to direct support of specific mission areas and programs. This level of spending for computing and network infrastructure would seem sufficient to support employee remote work initiatives

¹ The *Budget of the United States Government Fiscal Year 2005*, is available on OMB's website at <http://www.whitehouse.gov/omb/budget/fy2005/>. These figures are taken directly from the supporting document entitled, *Report on Information Technology (IT) Spending for the Federal Government*.

that reduce commuter traffic and help ensure continuity of operations for agencies.

As regards the availability of telework-enabling technology, we believe that most of what we need is largely in place, or quickly becoming so. As one example, Mr. Wolf has developed and supported the GSA Telework Centers and numerous work-from-home initiatives for years. The Telework Consortium has worked with leading technology suppliers to enable employees to work *and collaborate* from the home. The results are in: appropriate, cost-effective technology is here today.

The technology is here now

The telecommunications industry has made huge investments to provide high-speed access to the Internet. Desktop applications provide workers with all they need to get access to information, jointly work on the same document, see one another, and expedite routine workflow.

NBC 4 recently filmed a story at the Telework Consortium that illustrated the availability of this technology. I witnessed a totally unscripted interchange among participants in Leesburg, Herndon, and Sweden about how they work. It was all done over the public Internet with the conversation and visual presentation of information as if we were all in the same location.

So, with a solid business case, ample funding, and available technology, what obstacles remain to impede the adoption of distributed work within government? From our view, it's the third factor in the equation I mentioned earlier: the lack of management understanding and support.

Policies and practices are the disabling factor

I believe other speakers this morning are highlighting current policies and management practices, and their effects upon the broader adoption of distributed work. As the Committee evaluates this input, I'm certain it will be attentive to current federal policy that reflects more of an "industrial-era" mindset rather than an "information age" one.

Throughout our history, our government has adopted appropriate laws, policies, and regulations to help our economy move from the field, to the factory, to the office. Now, as "people and information" have replaced "plant and equipment" as our most important assets, government can also help to facilitate our continued transformation to an economy where work has precedence over place; where the *concentration* of operations doesn't jeopardize their *continuity*; and where our nation attains the financial benefits of distributed business through improved productivity, higher employee satisfaction, and lower space costs.

We believe that a contributing factor to low teleworking in government follows from various agency interpretations of promulgated OPM policies, which themselves tend to limit agency options in implementing telework solutions.

*Limits of
current
federal policy*

As one example, the language of PL 106-346, the enabling legislation for current OPM telework policy guidelines, states that agencies "may participate in telecommuting to the maximum extent possible ***without diminishing employee performance.***" This flies in the face of telework experience indicating that worker productivity and employer cost savings actually increase with telework.

As another example, OPM policy guidelines state that “telework is a management option, not an employee benefit.” This statement misses the true “win-win-win” nature of telework: agencies, their employees, and taxpayers all benefit from increased productivity, reduced traffic, and more effective agency operations.

Other OPM guidelines governing the “duty hours” of teleworkers are similarly counterproductive, focusing on superficial or misleading work metrics such as time and attendance, rather than true work performance results.

It is our view that a more supportive government policy that reflects current technologies and is adaptable to changing business and security conditions can help us achieve the substantial benefits of a distributed government.

*Toward new
federal policy*

We would recommend that new federal telework policies be modeled after proven successes already in place. At the Department of the Treasury’s Inspector General office, for one example, 97% of all employees are teleworking, on average, 37% of the time.

*Seize the
opportunity
for change*

As I said earlier, our choice is to either solve a problem or seize an opportunity. The changes we are experiencing in information technology, telecommunications, and the security of our working environment are continuing to change our lives at an increasingly faster pace. We encourage the Committee to consider a new model of government operations that responds to today’s realities and enables the economic benefits, operational efficiency, managerial flexibility, and enhanced security of effective teleworking. The time is right to

implement a fundamental change in how and where we work.

Toward this end, we propose the following three steps for your consideration:

First: Significantly Revise Current OPM Telework policy.

*Policy
Recommendations*

We recommend a federal policy that provides a more effective way for agencies to promote a distributed workforce, and encourages agencies to optimize telework implementations to more fully attain their agency mission. New federal policy should also raise the bar on our teleworking goals: with current technologies, virtually *all* federal employees are eligible for telework.

Second: Explicitly Account for Federal Expenditures that Promote Distributed Government.

As we tell our member companies, “you can only manage what you measure.”

We believe the Committee would be well served by knowing how much annual funding actually goes to support “*Distributed Work*.”

*Accounting
Recommendations*

The OMB currently accounts for IT spending in numerous categories — “Development, Modernization and Enhancement” vs. “Steady State”; “Infrastructure” vs. “Mission Support”; and so on. We could all benefit from a similar view of how much the government invests in telework solutions.

Third, Promote National Awareness and Use of “Distributed Work” Best Practices.

*Research &
Development
Recommendations*

The potential benefits of government-wide adoption of teleworking are significant. Even with the small staff, modest budget and limited charter of the Telework Consortium, we have already demonstrated impressive

accomplishments. We have also developed a robust glimpse of our near-term potential.

If government, industry and society as a whole can more quickly adopt workforce strategies where “place” is less relevant, and where a secure, high-capacity communications infrastructure is ubiquitous, our nation will benefit as a whole.

In our work over the past few years, we have seen government and industry struggling with the transformation from centralized, hierarchical, “place-specific” operations to a distributed, horizontal and “place-independent” enterprise. As I have described, most of this struggle occurs at the management level—yes, there are technological challenges, but management awareness, understanding and adoption of telework solutions remains our largest hurdle.

We believe this national challenge merits a national initiative in response. Our third recommendation to the Committee is to consider the establishment of a “National Institute for Distributed Work” where promising approaches can be developed, best practices and lessons learned can be shared, where experts with diverse backgrounds in government and industry can help keep us ahead of the curve, and where we as a nation can benefit from an increasingly safe and productive national working environment.

In closing, I thank you again, Mr. Chairman, the entire Committee, and your staff members for allowing us to speak with you today.

Respectfully Submitted:

James A. Kane Ph.D.
July 8th, 2004