Challenges to Reduce Costs and Identify Efficiencies

Advisory Committee for Business and Operations

May 8, 2012
Federal Efficiencies Landscape

- A very comprehensive, complicated, far-reaching and somewhat confusing initiative ... that continues to evolve

EO 13589
Promoting Efficient Spending (Nov 2011)

20% Reduction Goal: $18.9M (FY 2013)

EO 13576
Campaign to Cut Waste (June 2011)

Reduction Goal: $17.0M (FY 2012)
NSF Promoting Efficient Spending Reduction Goal

• NSF Reduction Goal:
  – By end of FY 2013, reduce spending $18.9 million below actual FY 2010 levels in these categories:
    • Travel, Printing, IT Devices, Contract Services, Real Property, Executive Fleet, SWAG, Supplies, Transportation

• Mid-Year FY 2012 Status:
  – NSF obligations are down $1.2 million in travel ($900,000) and supplies ($300,000)
  – Obligations in all other areas are flat or slightly up
  – Many activities underway to achieve administrative and operating cost efficiencies
Efficiency Initiatives

• Travel
  – Implemented Travel Targets to improve awareness and reduce costs
  – Increasing use of non-refundable airfare
  – Expanding number of virtual panelists

• Real Property
  – Scheduled energy audits for 18 buildings in FY 2012
  – Reduced NSF footprint
  – Achieving energy savings (Wind Farm Facility at McMurdo Station Antarctica)
Potential Efficiency Opportunities

• IT Devices
  – Limit number of mobile communications devices per person
  – Improve management of wireless services
  – Revise policy for desktop/laptop computer refresh cycles

• Contracting
  – Achieve savings through consolidation of requirements, strategic sourcing, and resulting volume discounts

• Printing
  – Reduce paper use and number of copies printed
  – Shift printing to more cost-efficient solutions
Challenge: Change Management

- Finding the appropriate balance between
  - Rules and policies
  - Customs and norms
  - Rewards and recognition

- Identifying key motivational drivers for NSF culture
  - Sustainability
  - Reduced workload
  - Redirection of cost savings

- Achieving lasting and meaningful change
Panel / Discussant Feedback

• What has worked and not worked implementing cost-cutting and efficiency measures in your organizations?
• What best practices/war stories can you share?
• What change management issues have you encountered and addressed?
• What techniques have you used to mitigate adverse effects on staff morale?