November 2002

HIGHLIGHTS OF A GAO FORUM

Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies

GAO-03-293SP
There are a number of key practices that have consistently been found at the center of successful mergers, acquisitions, and transformations and can serve as a basis for subsequent consideration as federal agencies seek to transform their cultures in response to governance challenges. These practices include the following.

1. **Ensure top leadership drives the transformation.** Leadership must set the direction, pace, and tone and provide a clear, consistent rationale that brings everyone together behind a single mission.

2. **Establish a coherent mission and integrated strategic goals to guide the transformation.** Together the mission and goals define the culture and serve as a vehicle for employees to unite and rally around.

3. **Focus on a key set of principles and priorities at the outset of the transformation.** A clear set of principles and priorities serve as a framework to help the organization create a new culture and drive employee behaviors.

4. **Set implementation goals and a timeline to build momentum and show progress from day one.** Goals and a timeline are essential because the transformation could take years to complete.

5. **Dedicate an implementation team to manage the transformation process.** A strong and stable team is important to ensure that the transformation receives the needed attention to be sustained and successful.

6. **Use the performance management system to define responsibility and assure accountability for change.** A “line of sight” shows how team, unit, and individual performance can contribute to overall organizational results.

7. **Establish a communication strategy to create shared expectations and report related progress.** The strategy must reach out to employees, customers, and stakeholders and engage them in a two-way exchange.

8. **Involve employees to obtain their ideas and gain their ownership for the transformation.** Employee involvement strengthens the process and allows them to share their experiences and shape policies.

9. **Build a world-class organization.** Building on a vision of improved performance, the organization adopts the most efficient, effective, and economical personnel, system, and process changes and continually seeks to implement best practices.
November 14, 2002

Subject:  Highlights of a GAO Forum on Mergers and Transformation: Lessons Learned for a Department of Homeland Security and Other Federal Agencies

The early years of the 21st century are proving to be a period of profound transition for our world, our country, and our government. This transition is being driven by a number of key trends, including global interdependence; diverse, diffuse, and asymmetrical security threats; changes in the nature of the economy; rapidly evolving science and technologies; dramatic shifts in the age and composition of our population; important quality of life issues; and evolving government structures and concepts. Given the challenges these trends present, the federal government needs to engage in a comprehensive review, reassessment, reprioritization, and as appropriate, re-engineering of what the government does, how it does business, and in some cases, who does the government’s business. Leading public and private organizations in the United States and abroad have found that for organizations to successfully transform themselves, they must often fundamentally change their cultures so they are more results oriented, customer focused, and collaborative in nature.

The nation’s response to the September 11th terrorist attacks and the continuing consideration of how best to structure a new Department of Homeland Security (DHS) are manifestations of the transition and transformation under way in the federal government. The creation of DHS will represent an enormous management challenge. Over 170,000 federal employees from over 20 originating agencies or their components with differing missions, cultures, systems, and procedures will need to be efficiently and effectively integrated into a single department. While the events and issues surrounding the creation of DHS represent a major transformation challenge for the U.S. government, there are many other such challenges that also need to be addressed.

On September 24, 2002, GAO convened a forum to identify and discuss useful practices and lessons learned from major private and public sector organizational mergers, acquisitions, and transformations that federal agencies could implement to successfully transform their cultures and a DHS could use to merge its various originating components into a unified department. The invited participants were a cross section of leaders in the public and private sectors who have had experience managing large-scale organizational mergers, acquisitions, and transformations, as well as leading academics and others who have studied these efforts. As agreed with the participants, the purpose of the discussion was not to reach a consensus, but rather to engage in an open,
nonattribution-based dialogue. Therefore, appendix I of this letter summarizes the collective discussion and does not necessarily represent the views of any individual participant, including GAO.

Many major mergers and acquisitions in the private sector do not live up to their expectations or potential. In the short term, the experience of major private sector mergers and acquisitions is that productivity and effectiveness actually decline in the period immediately following a merger and acquisition. This happens for a number of reasons. For example, attention is concentrated on critical and immediate integration issues and diverted from longer-term mission issues. In addition, employees and managers inevitably worry about their place in the new organization. The key is to adopt practices that minimize the duration and the significance of the reduced productivity and effectiveness and ultimately create a new organization that is more than the “sum of its parts.”

The research suggests that the failure to adequately address—and often even consider—a wide variety of people and cultural issues is at the heart of unsuccessful mergers, acquisitions, and transformations. But this does not have to be the case. While there is no one right way to manage a successful merger, acquisition, or transformation, the experiences of both successful and unsuccessful efforts suggest that there are practices that are key to their success. These key practices, detailed in appendix I, can serve as a basis for subsequent consideration as federal agencies seek to transform their cultures in response to governance challenges. These practices include the following.

1. Ensure top leadership drives the transformation.
2. Establish a coherent mission and integrated strategic goals to guide the transformation.
3. Focus on a key set of principles and priorities at the outset of the transformation.
4. Set implementation goals and a timeline to build momentum and show progress from day one.
5. Dedicate an implementation team to manage the transformation process.
6. Use the performance management system to define responsibility and assure accountability for change.
7. Establish a communication strategy to create shared expectations and report related progress.
8. Involve employees to obtain their ideas and gain their ownership for the transformation.
9. Build a world-class organization.

A successful merger and acquisition in the private sector can be very difficult. In fact, successful merger and transformation efforts can be much more difficult to achieve in the public sector than in the private sector. Public sector efforts must contend with more stakeholders and power centers, less management flexibility, and greater transparency than in the private sector. Moreover, creating a successful DHS may be especially difficult because of the size, complexity, and importance of the effort.
The continuing discussion about how best to structure DHS has raised questions regarding how the Congress can best meet its oversight, authorizing, and appropriation responsibilities for the new department. As currently envisioned, DHS will be comprised of over 20 federal agencies or their components with numerous congressional committees of jurisdiction. Given this significant reorganization of the executive branch, the Congress should explore ways to facilitate conducting its responsibilities in a more consolidated and integrated manner. Whether or not the Congress does so could serve to have an impact on the effective implementation and oversight of DHS.

Moving forward, GAO will continue to play a professional, objective, and constructive role in assisting the Congress and the executive branch as agencies implement transformation initiatives and DHS is created and becomes operational. For example, working with a wide range of interested parties, we will seek to identify specific implementation steps along with illustrative private and public sector examples for the key practices raised at the forum.

Appendix I provides highlights of the discussion organized around the key practices forum participants identified, as well as subsequent comments we received from the participants on a draft summary of the forum discussion. Appendix II provides a list of the participants and observers.

For additional information on our work on federal agency transformation efforts and strategic human capital management, please contact J. Christopher Mihm, Director, Strategic Issues, on (202) 512-6806 or at mihmj@gao.gov.

I wish to thank each of the participants in the forum for taking the time to share their knowledge and to provide their insights and perspectives on the important matters this document discusses. I look forward to working with them on other important issues of mutual interest and concern in the future.

David M. Walker
Comptroller General
of the United States
Mergers and Transformation Forum: Lessons Learned for a Department of Homeland Security and Other Federal Agencies

Highlights of Forum Discussion

The forum’s overall purpose was to identify and discuss useful practices and lessons learned from major private and public sector organizational mergers, acquisitions, and transformations that federal agencies could implement to successfully transform their cultures and a Department of Homeland Security (DHS) could use to merge its various originating components into a unified department. The forum neither sought nor achieved consensus on all of the issues identified through the discussion. In fact, no two merger, acquisition, or transformation efforts are exactly alike and the “best” approach for any given effort therefore depends upon a variety of factors specific to each context. Nevertheless, there was general agreement on a number of key practices that have consistently been found at the center of successful mergers, acquisitions, and transformations. These key practices can serve as a basis for subsequent consideration as agencies transform their cultures to be prepared to address governance challenges. These practices include the following.

1. Ensure top leadership drives the transformation

There was widespread agreement that strong, inspirational leadership is indispensable to successful transformations. Leadership must set the direction, pace, and tone for the transformation and is essential to provide a clear, consistent rationale that brings together the originating components behind a single mission to guide the transformation. By its very nature, the transformation process entails fundamental change. Top leadership that is clearly and personally leading the change presents stability and provides an identifiable source for employees to rally around during tumultuous times. Consistent leadership helps the process stay the course and can help bridge the differences in leadership and management styles among the originating components. This view is consistent with the views of participants at a recent GAO-sponsored roundtable where they agreed that it was important to elevate, integrate, and institutionalize responsibility for transformation and management issues in agencies across the federal government.¹

While the indispensable role of top leadership was cited (in the federal context, the agency Secretary, Deputy Secretary, and other high-level political appointees), it was also noted that it is important to have a cadre of champions (such as political and career executives) from within the organization to work with top leadership to ensure changes are thoroughly implemented and sustained over time. For example, one participant mentioned a senior executive council that was particularly useful in developing leadership’s direction and communicating its position.

The participants also stressed that while fundamental change in organizations can take years, it is important to move quickly to both “make a statement” about the importance of change and top leadership’s conviction to making it, as well as provide early successes. Thus, participants agreed that speed is critically important and decisions about matters such as the basic processes and systems to adopt for the new organization need to be made quickly. For example, an “80/20 approach” was mentioned as a general guide in quickly making decisions. That is, it is more important to take prudent, managed risks and make decisions quickly with the expectation that 80 percent of them will prove to have been the right decision over time, rather than delay decisions in order to get 100 percent of them right. Thus, while making decisions naturally entails risk to the organization, the benefits of acting quickly outweigh those of waiting for the “perfect solution.” The participants also noted that top leadership needs to set clear priorities and spend the bulk of its time addressing the most critical issues. Too often, it was noted, top leadership tends to expend unnecessary time and effort on easy and mundane aspects of the integration rather than directly tackle the difficult cultural issues that will ultimately determine if the integration is successful.

On the other hand, a successful merger, acquisition, and transformation process will take years and the pace cannot be forced. (Prior GAO work has noted that the experiences of successful major change management initiatives in large private and public sector organizations suggest it can often take at least 5 to 7 years until such initiatives are fully implemented and the related cultures are transformed in a sustainable manner.) One participant noted that the speed of the transformation process is an important difference between the public and private sectors. The private sector is typically thought to be able to implement change more quickly because there are fewer issues with public policy implications that arise during the merger, acquisition, or transformation; fewer legal and political constraints to be addressed; and less transparency to outside parties. Nevertheless, the public sector needs to find ways to act quickly and better manage risk.

2. Establish a coherent mission and integrated strategic goals to guide the transformation

The participants agreed that the mission and strategic goals of a transformed organization must become the focus of the transformation, define the culture, and serve as a vehicle for employees to unite and rally around. Mission clarity is especially essential to define the purpose of the transformation to employees, customers, and stakeholders. In addition, the strategic goals must align with and support the mission and serve as the continuing, visible guideposts for decisionmaking.

The mission and strategic goals must be clear to employees, customers, and stakeholders and be seen as the driving force of the changes that are being made. A well-defined mission and strategic goals also are essential to helping the new organization and its customers and stakeholders make intelligent trade-offs among short- and long-term wants, needs, and affordability and to ensuring that program and resource commitments made early in the transformation process are sustainable over the long run. The mission and strategic goals are also important because affected organizations and employees may not at first see a direct personal connection to the transformation or may have other
responsibilities separate from the purpose of the transformation. In successful transformation efforts, developing, communicating, and constantly reinforcing the mission and strategic goals give employees a sense of what the organization intends to accomplish, as well as help employees figure out how their positions fit in with the new organization and what they need to do differently to help the new organization be successful.

Participants noted that in the public sector, the potential of the mission and strategic goals to unite and motivate the workforce is extraordinary. Patriotism can be an especially powerful unifying theme for public sector employees. In particular, new DHS employees can be shown the direct connection between their work and protecting the security of the American people, making a difference in people’s lives, and being a part of history.

3. Focus on a key set of principles and priorities at the outset of the transformation

In bringing together the originating components, the new organization must have a clear set of principles and priorities that serve as a framework to help the organization create a new culture and drive employee behaviors. Leadership identifies these principles and priorities at the outset of the transformation. These principles and priorities range from the core values that are fundamental to the organization to the color of any uniforms.

Principles are the core values of the new organization and they define the attributes that are intrinsically important to what the new organization does and how it will do it. They represent institutional beliefs and boundaries. A set of core values becomes embedded in every aspect of the organization and, like the mission and strategic goals, can serve as an anchor that remains valid and enduring while organizations, personnel, programs, and processes may change. For example, a participant cited “success of our customers” as a core value in a recent merger and acquisition and this value was reflected in the employees’ work and the culture of the new organization.

In developing priorities, leadership should engage employees to learn about what is important to them and what should be included in the new organization. For example, leadership should learn about the symbols that are important to employees. One participant mentioned that employees might want to retain a style or color of a uniform that is based on long-standing tradition, but would be willing to accept the new organization’s badge for all employees to wear.

4. Set implementation goals and a timeline to build momentum and show progress from day one

The participants stressed that the merger, acquisition, and transformation process is a substantial commitment that could take years before it is completed and must be carefully and closely managed. As a result, it is essential to establish over the long term action-oriented implementation goals and a timeline with milestone dates to track the organization’s progress towards its intermediate and long-term transformation goals. By
demonstrating progress towards these transformation goals, the organization builds momentum and demonstrates that real progress is being made. In addition, having implementation goals and milestone dates helps pinpoint performance shortfalls and gaps and suggests midcourse corrections, including any needed adjustments to the organization’s future goals and milestones.

The participants also agreed that as part of developing the implementation goals and the timeline, it was helpful to think in terms of multiple “Day Ones” for the entire transformation process. The point of thinking in terms of multiple Day Ones is to determine—and focus attention squarely on—critical phases and the essential activities that need to be completed by and on any given date. This is especially true for every major, publicly evident milestone. For example, on the first day of operation—the most prominent public milestone—such activities include determining who will speak for the organization, what information will be provided, and how questions will be addressed. One participant noted that in the private sector, leadership does not begin a merger and acquisition until they know clearly how to launch it and have set a timeline for what they want to accomplish and by when. For private sector mergers and acquisitions, the first Day One is in the early due diligence stage and subsequent Day Ones include the public announcement of a planned merger and acquisition, the ratification of a formal agreement and its effective date, as well as dates that map the key implementation milestones. At a minimum, successful mergers and acquisitions have careful and thorough 30-, 60-, and 90-day plans in place well before the effective implementation date.

Thinking in terms of multiple Day Ones may prove a challenge for the federal government, where Day One is usually defined as the effective date of the new organization as specified in statute. While participants offered different perspectives on what is needed to be accomplished by that Day One—ranging from establishing the leadership and infrastructure for the organization to installing uniform telephone, E-mail, and computer systems—there was consensus that the first step is defining the mission of the transformed organization to communicate a common sense of purpose.

5. Dedicate an implementation team to manage the transformation process

There was widespread acknowledgment among participants that dedicating a strong and stable implementation team that will be responsible for the transformation’s day-to-day management is important to ensuring that it receives the focused, full-time attention needed to be sustained and successful. A key responsibility of the team is to be able to answer questions from employees and other stakeholders on the transformation process. The implementation team is also important to ensuring that various change initiatives are sequenced and implemented in a coherent and integrated way. Because a transformation process is a massive undertaking, the team must have direct access and be accountable to top leadership. In turn, top leadership must vest the team with the necessary authority and resources to set priorities, make timely decisions, and move quickly to implement top leadership’s decisions regarding the transformation. The team leader is a full-time job and should be dedicated for the duration of the transformation process.
The size of the implementation team needs to be scaled to the size of the merger, acquisition, or transformation effort. For example, a participant from the private sector noted that a small merger might require only 20 to 30 team members to implement whereas a merger of two major corporations might require over 2,000 individuals to be involved at various points. The composition of the implementation team is also important because of the visual sign it communicates regarding which components are dominant and subordinate or whether the new organization is a “merger of equals.” In this latter case, the team should consist of a balance of employees from the various components, rather than just one. This is important to help employees see that they are being represented and that their views are being considered in the decision-making process. An implementation team that has a disproportionate number of members from one of the originating components could convey the unintended impression that that component is dominating the process. The implementation team is also a visible sign that top leadership considers team building in itself to be important and values this approach to carrying out the transformation process and to conducting future business.

In the private sector, an implementation team in some form is ideally already in place and fully operating well before a merger and acquisition is publicly announced. This team has a key role in overseeing the due diligence that is part of a successful merger and acquisition. The due diligence should include not only the key financial matters that are central to any transaction, but also important organizational and cultural matters that indicate the forthcoming integration challenges and opportunities.

6. Use the performance management system to define responsibility and assure accountability for change

Participants agreed that the new organization’s performance management system must create a “line of sight” showing how team, unit, and individual performance can contribute to overall organizational results. The performance management system can help manage and direct the transformation process. The system serves as the basis for setting expectations for employees’ roles in the transformation process. It also evaluates individual performance and contributions to the success of the transformation process and ultimately, organizational results.

To be successful, transformation efforts must have leaders, managers, and employees who have the individual competencies to integrate and create synergy among the multiple organizations involved in the transformation effort. These successful efforts measure individual performance and contributions on competencies such as change management, cultural sensitivity, teamwork and collaboration, and information sharing. Leaders, managers, and employees who demonstrate these competencies are rewarded for their success in contributing to the achievement of the transformation process.

In this regard, GAO has reported that agencies in other countries use performance agreements that articulate specific competencies as a tool to link employees’ roles and responsibilities to specific organizational initiatives and desired outcomes and then
evaluate employee contributions to those initiatives. For example, in the United Kingdom, executives in the Senior Civil Service are evaluated on and rewarded for their demonstration of competencies such as “adopting a leadership style to suit different people, cultures, and situations.” In the Province of Ontario, Canada, senior executives and some managers link commitments contained in their individual performance plans to key provincial priorities such as fostering a culture of innovation.

In the United States, GAO has found that there are significant opportunities to use the performance management system to explicitly link senior executive expectations for performance to results-oriented organizational goals. There is a need to hold senior executives accountable for demonstrating competencies in leading and facilitating change and fostering collaboration both within and across organizational boundaries to achieve results. Expectations such as these will be critical to achieving transformation changes.

7. Establish a communication strategy to create shared expectations and report related progress

There was consensus that having an effective and ongoing internal and external communication strategy is essential to making transformation happen. In fact, given the importance of an effective communication effort, one participant observed that a successful communication effort will require twice the time and effort that was at first planned—no matter how ambitious the original plan was. Communication is most effective when done early, clearly, often, and is downward, upward, and lateral. Participants noted that the organization must develop a comprehensive communication strategy that reaches out to employees, customers, and stakeholders and seeks to genuinely engage them in the transformation process. Communication is not about just “pushing the message out,” but it should facilitate a two-way honest exchange with and allow for feedback from the employees, customers, and stakeholders. This communication is central to forming the effective internal and external partnerships that are vital to the success of any organization.

Communicating with employees must include topics such as the new organization’s strategic goals, customer service, and in particular, employee concerns. It is important to help employees understand how the changes from the transformation process will affect them and to address the immediate and natural question: “What’s in it for me?” Employees will be concerned about whether their jobs will be affected, what their rights and protections will be, or how their responsibilities might change with the new organization. According to one participant, private sector experience with mergers and acquisitions suggests that over 40 percent of executives in acquired companies leave within the first year and 75 percent within the first 3 years. While some turnover is to be expected and is appropriate, the new organization must “re-recruit” its key talent to limit

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the loss of needed individuals who leave because they do not see their place in the new organization.

Communicating with customers and stakeholders should also be a top priority and is central to forming the partnerships that are needed to develop and implement the organization’s strategies. Participants suggested ways to keep customers and stakeholders informed and engaged in the transformation process through satellite broadcasts, town hall meetings, Internet sites, and newsletters sent out via E-mail to explain the reasons behind the changes occurring with the transformation. Importantly, if the organization makes the commitment to communicate with employees, customers, and stakeholders from the beginning, it must continue to do so or risk losing internal and external credibility.

A communication strategy is especially crucial in the public sector where policymaking and program management demands transparency and a full range of stakeholders and interested parties are concerned not only with what results are to be achieved, but also which processes are to be used to achieve those results. This demand for transparency is a fact that needs to be accepted in any public sector transformation.

Leadership can lead by example by creating transparency and engaging in open and two-way communication. One federal participant said that during the transformation he was leading, he fostered open communication by widely disseminating information on his plans when still in draft form. This openness gave employees and other stakeholders an opportunity to provide early input and shape transformation efforts. In addition, employee anxiety about what changes were occurring and why was reduced. Finally, this openness helped top leadership provide a context for its plans rather than having that context be framed by rumors and partial information.

8. Involve employees to obtain their ideas and gain their ownership for the transformation

There was a general consensus among the participants that the new organization must involve employees in the merger, acquisition, or transformation process from the beginning to achieve their ownership for the changes that are occurring in the organization. Moreover, employee involvement strengthens the transformation process by including frontline perspectives and experiences. By participating in transformation task teams, employees have additional opportunities to share their experiences and shape policies and procedures as they are being developed. While it is an important investment to involve employees in the transformation process, there are cautions. Day-to-day operations, service quality, and mission accomplishment must continue to take first priority. Organizations and their employees must guard against being so involved in implementing their transformation initiatives that they lose sight of the fundamental reason for the transformation—improved results.

In addition, there tends to be a relatively small group of employees in every organization who will resist any meaningful change and will not or cannot buy into the transformation no matter how compelling the case for change may be. This group of employees may try
to “wait out” the transformation and think that it will pass without taking hold. Ultimately, these employees either must accept the changes under way or be helped to move elsewhere within the organization or out of it. Finally, especially while in the midst of the transformation process, the organization should not ignore valuable traditional activities, events, and rituals that are important to employees, such as employee recognition ceremonies. These activities help to provide a sense that the new organization, while becoming fundamentally different from what it once was, will nonetheless retain positive elements of the old organization.

9. Build a world-class organization

Successful change efforts start with a vision of radically improved performance and the relentless organizationwide pursuit of that vision. Fundamentally, a change of culture is at the heart of a successful merger, acquisition, and transformation. The importance of redefining the organizational culture should be not avoided, but rather must be aggressively addressed at the outset and throughout the transformation process. In addition, successful mergers, acquisitions, and transformations require enormous investments in time, leadership commitment, energy, and resources. Participants agreed that it is therefore critical that the organization not suboptimize in making any needed personnel, systems, and process changes.

The private sector experience with mergers and acquisitions suggests that success is more likely when the best individuals are selected for each position based on their competencies rather than the originating component where they worked. That is, the new organization needs to avoid a situation where key personnel selections are made on a basis of an understanding that each of the originating components gets its “turn” in the selection process. Such an approach not only undermines the quality of the selections, but also raises questions about top leadership’s ability and commitment to creating a new, integrated organization.

The participants made a similar point with regard to systems and processes. Successful private sector mergers and acquisitions determine at the earliest opportunity the essential systems and processes that will need to be consistent across the organization and those that, at least initially, can differ across the organization. These decisions, the participants stressed, are based not only on what is necessary from the standpoint of operational efficiency and effectiveness, but also on what messages are to be sent to employees and customers. For example, the decision to use an organizationwide convention for E-mail addresses on the first day of operation can send a powerful message about the seriousness of the effort to create a coherent organization and the speed at which that effort will take place.

The participants also noted that successful mergers and acquisitions seek to implement best practices in the systems and processes wherever they may be found and guard against automatically adopting the approaches used by the largest or acquiring component. The risk is that the new organization may migrate less than fully efficient and effective systems and processes merely because those systems and processes are most often used. Over the longer term, successful mergers and acquisitions, like
successful organizations generally, seek to learn from best practices and create a set of systems and processes that are tailored to the specific needs and circumstances of the new organization.

In the federal context, this means that agencies need to ensure that they are maximizing their use of existing authorities and flexibilities and, as appropriate, making a business case for targeted additional legislative changes. Any additional changes should provide reasonable flexibility to help integrate and optimize the economy, efficiency, and effectiveness of the organization while incorporating appropriate transparency mechanisms and safeguards to prevent abuse of employees. Further, several participants observed that the Congress needs to take steps to assure that it can conduct its oversight, authorizing, and appropriation responsibilities for a new DHS in an efficient and effective manner. As currently envisioned, DHS would be comprised of over 20 federal agencies or their components with numerous congressional committees of jurisdiction. Given this significant reorganization of the executive branch, participants commented that the Congress should be strongly encouraged to explore ways to facilitate conducting its responsibilities in a more consolidated and integrated manner. Whether or not the Congress does so will likely have an impact on the timeliness and effectiveness of DHS’ implementation efforts.

In summary, as the news in the business press shows each day, the private sector experience with mergers and acquisitions is mixed. That experience, which suggests that attention to people and cultural issues is the key to success, provides a valuable set of lessons for the federal government. In that regard, the participants at the forum identified a set of broad practices that have been shown to be essential to a successful merger, acquisition, or transformation effort. Most immediately, the practices provide a starting point for the Congress and the executive branch in ensuring that a new DHS will be effectively implemented as quickly as possible. These practices also provide a general framework that can be used to help other federal government entities transform themselves to meet the challenges of the 21st century.
## Mergers and Transformation Forum: Lessons Learned for a Department of Homeland Security and Other Federal Agencies

### Facilitator

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<tr>
<th>Name</th>
<th>Title and Organization</th>
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<tbody>
<tr>
<td>David M. Walker</td>
<td>Comptroller General of the United States</td>
</tr>
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<td></td>
<td>U.S. General Accounting Office (GAO)</td>
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### Participants

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<thead>
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<th>Name</th>
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<tbody>
<tr>
<td>Margot Bester</td>
<td>Attorney-Advisor, Transportation Security Administration</td>
</tr>
<tr>
<td>Jay Bourgeois</td>
<td>Professor, Darden Graduate School of Business Administration</td>
</tr>
<tr>
<td></td>
<td>University of Virginia</td>
</tr>
<tr>
<td>Anthony Calenda</td>
<td>Director of Strategy and Business Development</td>
</tr>
<tr>
<td></td>
<td>Citigroup, Inc.</td>
</tr>
<tr>
<td>Jay Connor</td>
<td>Vice President of Strategies and Marketing, Consulting and Integration</td>
</tr>
<tr>
<td></td>
<td>Hewlett-Packard Company</td>
</tr>
<tr>
<td>Amy Donahue</td>
<td>Special Assistant to the Administrator on Homeland Security</td>
</tr>
<tr>
<td></td>
<td>National Aeronautics and Space Administration</td>
</tr>
<tr>
<td>John Hamre</td>
<td>President and Chief Executive Officer</td>
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<tr>
<td></td>
<td>Center for Strategic and International Studies</td>
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<tr>
<td>Colleen M. Kelley</td>
<td>President</td>
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<td></td>
<td>National Treasury Employees Union</td>
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<tr>
<td>Paula Larkin</td>
<td>Managing Director, Business Resiliency and Crisis Management</td>
</tr>
<tr>
<td></td>
<td>J.P. Morgan Chase</td>
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<tr>
<td>Wilson Lowery, Jr.</td>
<td>Executive Assistant Director for FBI Administration</td>
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<tr>
<td></td>
<td>Federal Bureau of Investigation</td>
</tr>
<tr>
<td>Marcia Marsh</td>
<td>Vice President, Strategic Human Resources Planning</td>
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<td>Partnership for Public Service</td>
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<tr>
<td>Patricia McGinnis</td>
<td>President and Chief Executive Officer</td>
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<td>Council for Excellence in Government</td>
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Appendix II

Bob O’Neill  
President  
National Academy of Public Administration

Donna Richbourg  
Director of Acquisition Initiatives  
Office of the Under Secretary of Defense  
Department of Defense

Charles O. Rossotti  
Commissioner  
Internal Revenue Service

Larry Schein  
Senior Fellow (retired)  
The Conference Board

Jeff Shuman  
Vice President of Human Resources, Information Technology  
Northrup Grumman

A.W. Pete Smith  
President and Chief Executive Officer  
Private Sector Council

Max Stier  
President and Chief Executive Officer  
Partnership for Public Service

Molly Tschang  
Senior Director, Business Development Integration Group  
Cisco Systems, Inc.

Kevin P. Varney  
Director, New Threats Program  
Business Executives for National Security

Paul Yingling  
Director, Finance and Restructuring  
Lockheed Martin Corporation

Observers

Mitchell E. Daniels, Jr.  
Director  
Office of Management and Budget

Mark W. Everson  
Deputy Director for Management  
Office of Management and Budget