FOIA Number: 2018-0756-F

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: National AIDS Policy Office

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Subseries:

OA/ID Number: 3772

FolderID:

Folder Title:
AIDS Action Council (John McCreight), November 24, 1993

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McCreight & Company, Inc.
Consultants to Management

9 Copper Beech Road, Greenwich, CT 06830
Voice 800 / 887 4242 Facsimile 203 / 622 8338

John A. McCreight, CMC
President

November 18, 1993

Ms. Kristine Gebbie
Office of National Aids Policy Coordinator
750 17th Street
Suite #1060
Washington, DC 20503

Dear Kristine:

Our November *Journal* is focused on reengineering in an attempt to balance the recent torrent of books, articles, headlines and speeches devoted to the subject. We are concerned, and believe much of the reengineering rhetoric is off-target, incomplete, misleading and untested.

Our perspective is based on over twenty-five years of practical experience designing and implementing large-scale change in partnership with hundreds of extraordinary executives and managers. In our experience:

- reengineering success rests primarily with management vision, courage and commitment
- competence and experience in reengineering and change management are essential; but, success depends on the hundreds of individuals who must respond and change the way they work hour-to-hour
- reengineering involves technology and engineering methodology, but the people issues are more complex

We are enthusiastic about reengineering and we believe it is vital for success. At the same time, we urge caution because the dangers and opportunities for disappointment are significant.

As always, we welcome your thoughts. Please telephone anytime.

Best regards, Kristine – Good luck in Boston. Jim looking forward to seeing you Nov 24TH

Attachment: *The McCreight Journal*; November 1993 —
"Reengineering: Rhetoric or Reality?"

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The McCreight Journal

NOVEMBER 1993

Reengineering: Rhetoric or Reality?

From Our Perspective

Reengineering is real and essential, but disappointments outnumber successes.

There is no "magic bullet" and no grand methodology for reengineering. There are tools, technologies and philosophies which need to be woven into the most effective approach for the management team involved. **The real key is executive leadership, vision and uncompromising project and change management.**

25 Years of Reengineering Lessons

Years of reengineering consulting have been valuable in terms of the lessons learned. For example:

- **Establish post-reengineering quantitative performance goals — before beginning the reengineering process.**
- Senior management should guide reengineering with a vision, optimism, creativity and caution — reengineering is extremely complex, particularly in situations where technology and information management transformation are critical.
- Senior management commitment is key — it is simpler to develop a reengineering "design" than to implement and sustain a reengineered process which meets or exceeds the pre-design quantitative performance goals.

Business Process Reengineering

The phrase "business process reengineering" (BPR to many) is new and consultant-authors typified by Mike Hammer, Jim Champy, Tom Davenport and Hank Johansson deserve a great deal of credit for championing the concept and encouraging management action.

We believe business process reengineering will soon be as commonplace as annual business and financial planning. We urge that successful, ongoing ("non-traumatic") business process reengineering be considered a factor in compensation for every executive.

Successful Reengineering

Reengineering success depends on people, not methodology:

- **Executive leadership** — today, each business unit head should be urged and expected to have an active program for Business Process Reengineering.
- **Project management** — your project leader (a valued manager, not a consultant) should have a clear, yet adaptable vision of the business following reengineering. The person must be, or learn to be, a skilled change manager.
- **Quantitative performance goals, up front** — before initiating reengineering, establish unequivocal and easily measured quantitative goals in terms of performance. For example:
  - time-to-market for new products
  - response time for customer services
  - inventory levels
  - margins
  - defective product returns
  - cost-of-sales
  - employee turnover
  - response time for internal decisions (i.e., special bids, pay increases, personnel recruiting or transfers, equipment purchases)
- **Optimism, aggressiveness, tenacity and caution** — successful, ongoing business process reengineering is demanding and time consuming. Nevertheless we believe it is an essential ingredient in sustainable competitive superiority.

(continued)

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Joseph E. Seagram & Sons, Inc.

EXECUTIVE OFFICES
375 PARK AVENUE • NEW YORK, NY 10152-0192

EXECUTIVE VICE PRESIDENT
CORPORATE POLICY AND
EXTERNAL AFFAIRS

October 6, 1993

Ms. Kristine Gebbie
AIDS Policy Coordinator
750 17th Street, NW
Suite 1060
Washington, DC

Dear Ms. Gebbie:

At our meeting scheduled for Wednesday, October 13 at 3:00 pm at your office, I would like to introduce to you Mr. John McCreight. As I mentioned last Thursday, we would like to discuss a process for developing a research strategy for AIDS.

I very much look forward to seeing you on Wednesday.

Best regards,

Stephen E. Herbits
Chair - Board of Directors
AIDS Action Council

SEH/lm

Discussion Guide:

Thoughts and Suggestions for Review with Kristine Gebbie, White House AIDS Coordinator

October 13, 1993

~~Client Confidential~~

McCreight & Company, Inc.
Consultants to Management

Discussion Outline:

- Our Commitment and Progress to Date
- Planned Next Steps and Suggested Additional Initiatives
- Our Perspective
- Our Continuing Commitment

Reference Materials:

- Discussion Guide — Improving DAIDS Effectiveness — From Assessment to Action, September 15, 1993
- Profile of Practice — McCreight & Company, Inc.
- Professional Profile — John A. McCreight, CMC

~~Client Confidential~~

Our Commitment and Progress to Date:

Pro bono — apply John McCreight's 10 years of industry experience in management analysis and change design and over 25 years as a consultant to senior management in government and *Fortune* 50 companies, supplemented by the time and talents of McCreight & Company's staff and several of our alliance partners to:

- *dramatically improve the effectiveness of our nation's struggle to understand, prevent, treat and cure AIDS*

Progress Summary:

1992 –

November — McCreight & Company established our 1993-to-1997 *pro bono* priority on AIDS and were fortunate to be introduced to Steve Herbits. He was generous in reviewing our interest, capability and commitment and he helped focus our involvement. Steve has continued to be a vital sounding board.

1993 –

January — Initial meeting with activists

February and March — Introduction to NIH, DAIDS leadership and staff, clinical trials management and a broader cross-section of activists. A follow-up meeting with Steve Herbits.

March through May — Collaboration and planning the internal and external assessment of DAIDS and beginning to assess DAIDS' vision and capacity for significant change

May through August — Collaboration and completion of DAIDS internal and external assessment, assessment analysis, planning change initiatives and continuing to enhance an environment conducive to change

August through tomorrow — Prioritizing change initiatives, continuing to enhance an environment conducive to change and structuring implementation teams and a change management process

~~Client Confidential~~

Planned Next Steps:

Assuming encouragement and the clear endorsement and mandate for change from Drs. Fauci and Varmus and, eventually, the new DAIDS Director —

- Continue to assist DAIDS leadership, most likely into mid-1994, in the detailed planning and implementation of the difficult management and operational changes required to significantly strengthen DAIDS' effectiveness
- Assist, if appropriate, in defining the competencies essential for the new DAIDS Director, Director candidate interviews and planning the new Director's orientation and early priorities

Suggested Additional Initiatives:

- Urge Ms. Gebbie's encouragement and involvement with NIH and DAIDS leadership in:
  - their ongoing assessment of NIH's mission, role, organization and resources focused on AIDS
  - the demanding work underway to implement the changes essential to significantly improve DAIDS effectiveness
- Recognize that DAIDS, at the highest possible level of effectiveness, will not alone be an adequate national response to the AIDS challenge — given DAIDS' mandate and resources
- Broaden the current analytical, diagnostic and change management work — establish a very small action planning team of competent professionals (we would be pleased to assist) to:
  - define and quantify all the significant ("80/20") AIDS work underway by government, not-for-profit and industry
  - establish, and begin to build, a consensus and focus on a sound, pragmatic Road Map for Action — **THE** *National AIDS Plan*
  - before March 31, 1994, articulate a Presidential mandate for action to implement the **THE** *National AIDS Plan*

~~Client Confidential~~

Our Perspective:

The National Commission on AIDS was, and continues to be, correct when it urged the creation of "...a simple plan for the nation to combat AIDS."

THE NEW YORK TIMES **NATIONAL** *TUESDAY, JUNE 29, 1993*

AIDS Panel, in Final Plea, Argues Again for Action

By PHILIP J. HILTS
Special to The New York Times

WASHINGTON, June 28 — After four years of work, the National Commission on AIDS officially ended its work today with a final report that repeats its plea for the Government to write a national plan to combat the epidemic.

At a news conference today, the commissioners said they hoped that the Clinton Administration would do better than earlier administrations in handling the epidemic, and they applauded the appointment of Kristine M. Gebbie last Friday as the White House AIDS Coordinator.

They also noted that the Administration had asked for a substantial increase in funds to combat AIDS — to $2.7 billion in the next budget from $2.1 billion — the largest increase requested by any President.

But the report says, "To date, no opportunity has yet been found to discuss recommendations sent to President Clinton upon his taking office."

The report adds: "Our nation has continued on its shortsighted course. Sadly, we must continue to report that America is still doing poorly."

The commission complained that its recommendations to the Bush Administration had been met with "complacent unresponsiveness."

Victor Zonana, a spokesman for the Secretary of Health and Human Services, Donna E. Shalala, said she had put AIDS issues high on her list of priorities and intended to reverse some of the failures of the past.

"The commission provided the road map for us," Mr. Zonana said, "and we are grateful."

Repeating the List

Today's report says the panel is standing by the recommendations it made two years ago. Most of those have not been followed, with some exceptions: the Government has expanded the criteria for full-blown AIDS to include some people who were previously classified only as infected by H.I.V., the virus that causes AIDS, and the White House has just appointed an "AIDS czar."

Two years ago, the commission recommended the following:

¶The Federal Government should devise a single plan for the nation to combat AIDS.

¶Treatment for drug abuse should be made available to all who need it.

¶Laws and regulations preventing drug users from getting clean needles, and bleach for cleaning them, should be abolished.

¶Medical coverage should be provided for all citizens, and the cost of prescription drugs should be covered.

Dr. Don C. Des Jarlais, a commission member, said that about 300,000 people in the United States had AIDS and that the number was increasing by about 50,000 each year.

...e criteria for ...
...s to include some people
...o were previously classified only as infected by H.I.V., the virus that causes AIDS, and the White House has just appointed an "AIDS czar."

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Our Perspective (continued):

The May 28, 1993 *Science* editorial was, and continues to be, correct when it urges challenging accepted dogma in the context of broad-based, trusting, creative collaboration toward effective action — and, possibly, a ***cure*** for AIDS — involving researchers, HIV-infected individuals, government and industry.

AIDS 1993: Unanswered Questions

No issue focusing on acquired immunodeficiency syndrome (AIDS) should begin without a reminder of the frightening power and magnitude of the disease. The World Health Organization estimates that roughly 13 million people have been infected with human immunodeficiency virus (HIV) and that by the year 2000, that number may triple. A fitting memorial for those who have died would be the knowledge that there was a cure or a vaccine at hand—that no one else would have to endure the inexorable suffering and death. But how close are we?

This issue attempts to clarify the state of the art and indicates some of the areas of uncertainty, both scientific and social, that will need to be faced. Robin A. Weiss in his article likens the investigation of how HIV causes AIDS to the group of blind men trying to identify an elephant by feeling the different parts. Everyone is focusing on a small piece of the puzzle but no one has yet been able to put it all together. In a special news section, Jon Cohen has asked prominent scientists to define the most important questions to be addressed in developing a cure or a vaccine. The range of responses indicates how many fundamental questions are still unanswered.

In vaccine research, a key question is, "What kind of immune response represents a successful battle against the disease?" As reviewed by Barton F. Haynes, candidate immunogens are being developed that will induce some or all of the immune responses that could be efficacious. Different approaches to successful protection can be found in the Reports and Perspectives sections. The testing of candidate vaccines that may not be 100% effective raises social issues that must also be addressed.

Right now the best approach to preventing AIDS lies in behavior modification, a necessary but less-than-perfect strategy. Michael H. Merson discusses the different mechanisms for promoting safer behavior, ranging from repeated educational messages about AIDS to spermicides with antiviral capacity that can help empower women worldwide. The need for more effective education must not be ignored. Currently, condoms can be an effective, prophylactic vaccine. Therefore, in order to protect our teenagers, a major component of our AIDS strategy should be an intelligent program of sex education in the schools.

Although many stages in the viral life cycle are being probed as possible targets for therapeutic agents and many different drug design approaches are being explored (as discussed by Margaret I. Johnston and Daniel F. Hoth), we are still a long way from having something that will stop progression to AIDS. There is still no certainty even that the best surrogate markers have been found to evaluate effectiveness of therapeutic agents or that the peripheral blood is the most physiologically relevant place to look. Viral variation and the rapid development of drug resistance are still enormous hurdles.

This issue contains two perspectives that are sure to provoke debate. Jonas Salk and colleagues present their view that AIDS, like such diseases as leishmaniasis and tuberculosis, can only be controlled by the early "locking-in" of cell-mediated immunity, specifically through T helper 1 (T_H1) cells. They raise the spector that the development of an antibody response signals a loss of protective capability and also present several strategies that could push the immune system toward a T_H1 response. Marie-Lise Gougeon and Luc Montagnier discuss their view that apoptosis is the cause of CD4 depletion and the therapeutic consequences of that model.

The rate of scientific progress in identifying HIV and understanding its life cycle and molecular biology are unprecedented in the history of biology. Significant advances have been made in fighting the opportunistic infections associated with AIDS, such as *Pneumocystis carinii*. However, we are not yet at the refinement stage in our fight against the virus; optimization of a treatment protocol with a proven antiviral agent or vaccine is a distant goal.

The importance of basic research in answering the fundamental questions that remain cannot be minimized. A cure may very well come from an approach that has not been considered yet. Finding such an approach will require open-mindedness, a willingness to challenge accepted dogma, and a high degree of trust and collaboration among researchers from many disciplines, HIV-infected individuals, government, and industry.

Barbara R. Jasny

Our Continuing Commitment:

We would be pleased to expand our *pro bono* management consulting assistance to help create the *National AIDS Plan* or other new, pragmatic and high-impact initiatives focused on significantly enhancing the prospects for conquering AIDS.

~~Client Confidential~~

Reference Materials:

- Discussion Guide — Improving DAIDS Effectiveness — From Assessment to Action, September 15, 1993
- Profile of Practice — McCreight & Company, Inc.
- Professional Profile — John A. McCreight, CMC

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Improving DAIDS' Effectiveness — From Assessment to Action

Focus Today:

- Highlights from Internal Assessment and September 8, 1993 Focus Groups
- Highlights from External Assessment
- Opportunities for Action to Improve DAIDS' Effectiveness
- Change Management Process and Timetable
- Next Steps

September 15, 1993

~~Client Confidential~~

McCreight & Company, Inc.
Consultants to Management

Consultant's Comments:

DAIDS management and staff are committed to strengthening the Division's effectiveness. To that end, they are currently prioritizing change initiatives and resources and assigning accountability for change management within DAIDS.

The previous page represents the cover of a twenty-page Discussion Guide that outlined a recommended change program. It was reviewed in detail with DAIDS leadership on September 15, 1993. The outline represents work-in-process and we urge that it be treated confidentially until DAIDS management has announced their approved plan for change.

Inquiries related to DAIDS plans for change should be addressed to:

Dr. Jack Killen
Acting Director, DAIDS
Division of AIDS
6003 Executive Boulevard
Solar Building
Room 2A18
Rockville, MD 20852

~~Client Confidential~~

Reference Materials:

- Discussion Guide — Improving DAIDS Effectiveness — From Assessment to Action, September 15, 1993
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Our Focus...
Superior Organization Effectiveness

McCreight & Company
Consultants to Management

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John A. McCreight, CMC — Professional Profile

FOCUS:

Mr. McCreight has been a management consultant in public practice for more than 25 years. His practice has focused on assisting senior management responsible for global, technology-oriented enterprises including:

American Express	Citicorp	NYNEX
AT&T	Deutsche Bank	Okidata
AVIS	Eastman Kodak	TransAmerica
Boeing	IBM	United Technologies
Chase Manhattan Bank	New York Times	Wharton School
Chrysler		

Mr. McCreight's personal consulting, ***implementing*** **business strategy**, focuses on the management-issues which energize or constrain strategic change:

- organization structure
- management competence
- management compensation
- executive job design
- management process
- change management

Mr. McCreight's client-focused diagnoses, design, and implementation consulting is based on a rigorous analysis of the strategy, opinions and needs of our clients':

- customers
- global competitors
- board members
- critical suppliers
- alliance partners and merger candidates
- investors and consultants
- and, most importantly, our clients' senior executives and staff at all levels

BACKGROUND:

Prior to consulting, Mr. McCreight was a senior computer systems manager with two *Fortune*-listed aerospace and defense companies. Mr. McCreight was the full-time member of a Presidential Commission established to strengthen the organization effectiveness of the U.S. Navy. He is a Certified Management Consultant (CMC) and a former officer of the Institute of Management Consultants.

He is currently an advisor to the National Institutes of Health; a member of the American Association for the Advancement of Science; the New York Academy of Sciences; the Ireland United States Council for Commerce and Industry; and Chairman of the Board, Marine Environmental Research Institute. Mr. McCreight holds a Bachelor of Science in management sciences from Northeastern University.

CAREER HIGHLIGHTS:

Over 25 Years' Experience in Public Practice as a Management Consultant:

McCreight & Company	President
HayGroup	Managing Director
Hayes Hill & Company	Managing Director
Touche Ross & Company	Partner and National Director

Over 10 Years' Experience in Industry:

AVCO Corporation, Space and Missile Systems Division; Section Chief, Computer and Management Systems Development

Two *Fortune*-listed Companies; Computer and Management System Development Professional

Improving DAIDS' Effectiveness — From Assessment to Action

Focus Today:

- Highlights from Internal Assessment and September 8, 1993 Focus Groups
- Highlights from External Assessment
- Opportunities for Action to Improve DAIDS' Effectiveness
- Change Management Process and Timetable
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September 15, 1993

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McCreight & Company, Inc.
Consultants to Management

Discussion Guide

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Highlights from Internal Assessment and September 8, 1993 Focus Groups

- Quotes, issues, concerns and opportunities from the questionnaire responses were reviewed, as they linked to our attempt to define DAIDS' change priorities, benefits and risks.

- From our perspective — the participants were articulate, thoughtful, constructive and impatient, and very concerned about DAIDS' performance and atmosphere, (today and for the future). DAIDS people who are involved in the focus groups are ready for change, they have a vision of a much-improved DAIDS and they seem ready for the challenge inherent in significant change.

~~Client Confidential~~

Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- **New thoughts and quotes surfaced which we believe are important. For example:**
  - "Don't be simplistic...we must stop our 'Black Box' approach to management, e.g. budgets and policy memoranda that seem to go into 'black space'."
  - "Trust us, respect us, listen to us...communicate with us. Respect us enough to avoid overwhelming us."
  - "The level of anger and stress in DAIDS is debilitating and dangerous."
  - "We see the present and future — we are ineffective today and we are not ready for tomorrow. We have no excuses...other Federal agencies deal in crisis situations and they are much more effective and their staffs are proud, mobilized, focused and clear about their mission."
  - "I am respected outside DAIDS and NIH — why am I ignored within DAIDS?"
  - "Set objectives...then inform and empower competent Branch Chiefs — expect results and ensure individuals develop and deliver — eliminate our management bureaucracy."
  - We don't need hierarchy and we should stop functioning daily in a crisis, siege environment...we are professionals who can and who want to produce — lead us, manage us...."
  - "Give us 1990s tools — fax machines, voice mail, copy capability, 386 computer power with printers."

~~Client Confidential~~

Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- "Stop losing good people and, instead, invest aggressively in their education and development — from secretaries to management...start building our people and stop burning them out."
- "Respect me as an individual and a professional — I will be able to recognize when I am respected and I will perform more effectively."
- "Change the organization to one which improves individual and team effectiveness — that is centered on trust, respect, shared vision, clear priorities, open and effective communications,"minimum hierarchy, bureaucracy and 'OD'...engage line managers (e.g., Branch Chiefs and team/project leaders) and hold individuals and teams accountable for quality and timely results — manage and lead, don't micromanage."
- "Involve Building 31! Stop our current approach of attempting to manage at arm's length — collaborate — stop '20 Questions Management.'"
- "Create a 'stop work' list of redundant and unnecessary activities and stop work! For example: Data Management related to ACTG, PPR, Biannual Report, Research Agenda."
- "Create an integrated, readable, frequently updated ***DAIDS PLAN FOR SCIENCE AND MANAGEMENT***...a forward look, which represents the real operational focus for DAIDS — a document which represents DAIDS management voice, perspective and plans based on input from all Branch Chiefs and project leaders and endorsed by the DAIDS and NIH leadership group."
- "Solve the DEA problem."
- "Move $40 million from Trials to Vaccines."

~~Client Confidential~~

Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- "Staff being overlooked; their ideas not receiving proper attention; staff has responsibility but lacks authority (applies to Branch Chiefs as well)."
- "Real power in hands of few people who mete out very little in terms of communication and input."
- "Something is seriously wrong with our use of E-mail when it frequently overwhelms, seldom enables and weakens the effectiveness of some talented professionals."
- "Need to improve communication and foster intra-divisional collaboration; must empower staff."
- "No clear mission or direction; no clear communication of what is needed or required; generally communication concerns what the employee did wrong, rather than engaging in a dialogue to clarify assignments and needs."
- 'Top heavy; top echelon out of synch with 'bottom' of organizational pyramid; middle management positions created and perpetuated with no real need, or after need is long gone; excessive middle management widens gap between staff and individuals at decision making levels."
- "Division is operating (and thriving...) on crises; input and scientific predictions from professional experts within the division itself are ignored; action most often taken when the pressure from outside is imposed; division's professionals who have the vision do not have the audience and the authority to bring to fruition; again, middle management hurdles; dilution of facts in process of transmitting the information across channels."

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Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- "Division more often than not does not acknowledge or have the respect for scientific acumen; this is diametrically opposite to scientific recognition and respect of the professional staff in the general scientific community *outside* the division."
- "'Political liability'; division is doing what is politically correct rather than what is scientifically needed."
- "Political savvy more important, has a better payoff, and is better rewarded than professional expertise, contributions, accomplishments, or getting closer to the goals."
- "Trust is often broken because of incompetence (reference to DEA and TB) of division and institute directors."
- "Leadership — without a responsive leader [it] will be impossible to implement urgently needed and drastic changes."
- "Issues:
  - -- trust
  - -- incompetence
  - -- communication
  - -- turnover (due to lack of authority, lack of recognition, need to report to a person that cannot make the scientific decision)
  - -- crisis mentality as *modus operandi*"

~~Client Confidential~~

Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- "DAIDS not ready for the future dealing with the epidemic at its current state — urgent need for change."
- "Unless top management wants to implement changes, nothing will come out of this DAIDS assessment project. Risk that staff will lose whatever little trust they have in top management."
- "Supervision ranges from absolute neglect to micro-managing, partly depending on whether or not the task at hand is 'hot.' As a result, employees feel there is no continuing, predictable standard of what is expected of them."
- "Communication similarly is simultaneously absent yet ubiquitous. Employees feel ill-informed of recent and emerging policy matters or other relevant items until they learn it in the restrooms, while at the same time, messages abound randomly, making employees aware of numerous items which don't relate to them — hence part of the complaint about E-mail."
- "Lack of task closure. Assignments are completed and sent forward, and the employee doesn't have any idea what might happen to it. Completed work is subject to inordinate, prolonged scrutiny, even from sources who lack primary interest in the task at hand. There seems to be a willingness to keep things open and in process rather than to arrive at a timely conclusion. The effect of this is that employees have little confidence that their initial efforts have any real value in the scheme of things, and along with this, an understandable diminution of self-worth."
- "Dysfunctional status system exists whereby the M.D.s and PH.D.s lord it over the M.S.s and those below in the pecking order. Then again, when the phone rings, everyone jumps, advanced degrees notwithstanding."

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Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- "Employee development is virtually non-existent. This includes a cap on travel funds which works disproportionately against mid-level professionals, absence of an official orientation, no in-house training to speak of for secretarial and clerical personnel (which reduces promotional opportunities), no brown-bag lunches for peer discussions of mutual problems and processes."
- "Restate DAIDS mission and be certain everyone concerned in 'Building 31' and DAIDS understands it, can communicate it to others and can focus on it in their day-to-day work.

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Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

Several mission statements were offered (i.e., no need to develop a 'DAIDS Job Description' from scratch):

Option #1

"DAIDS mission is simple:

- understand 'it'
- prevent 'it'
- treat 'it'"

Option #2

"The mission of the DAIDS should be to provide unique support for the development of effective treatments and vaccines through basic and applied research. The difference between this and the current mission, is that the DAIDS should focus its mission on those unique areas where government can use its power to make things happen that wouldn't otherwise, e.g. combination therapeutics involving products from competing manufacturers, comparative drug/vaccine studies, funding for novel ideas from new investigators...."

Option #3

"What the world needs now is a DAIDS that recognizes its place in the large picture of AIDS research and responsibly assumes its role to do that important work which would not be done otherwise."

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Highlights from Internal Assessment and September 8, 1993 Focus Groups (continued)

- **In terms of organization alternatives:**

  "Develop flexible (easily modified) project teams from each Program as needed to monitor (champion) progress. For example, project teams could be responsible for a particular drug target or drug, for a vaccine candidate or strategy, or for a critical area of pathogenesis inquiry."

  "The flexibility of the teams and the interaction of individuals on multiple teams composed of different members should decrease turf barriers and lead to increased communication and cross-Branch teamwork."

  "In organizations utilizing this approach, individuals have the opportunity to be leaders on one team and followers on another, independent of rank."

From Our Perspective As Your Management Consultants —

DAIDS views on priority changes are critical. However, your internal priorities may be tempered by the views, opinions and perspectives outside DAIDS. For example:

- NIH
- PI's
- Congress
- The Administration
- AIDS Activists
- Industry and Research Partners

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Discussion Guide

- Highlights from Internal Assessment and September 8, 1993 Focus Groups
- Review Highlights from External Assessment
- Opportunities for Action to Improve DAIDS' Effectiveness
- Change Management Process and Timetable
- Next Steps

~~Client Confidential~~

Highlights from External Assessment

To be articulated — based on outside interviews conducted by DAIDS management

~~Client Confidential~~

Discussion Guide

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~~Client Confidential~~

Opportunities for Action to Improve DAIDS' Effectiveness

Subject to possibly significant revision which may be appropriate following an analysis of the perspectives of key stakeholders outside DAIDS, we believe action can be quickly initiated to strengthen DAIDS effectiveness in the following areas:

- People
- Policies
- Processes
- Priorities and Quantitative Goals
- Tools and Technology
- Culture and Values

~~Client Confidential~~

Opportunities for Action to Improve DAIDS' Effectiveness

People:

1. Insist that every member of DAIDS maintains a one-page personal/professional development plan, approved by their supervisor, which articulates their 18-month view of their education and development needs and action plans — includes the DAIDS Director and the newest scientist or secretary.
2. Ensure that each employee can define their job and performance goals, in quantitative terms.
3. Ensure that new DAIDS Director has the competence and vision to manage and lead DAIDS as a professional, focused, best-in-class team.

Policies:

1. Restate DAIDS' mission with clear articulation of new work and work to be reassigned or discontinued and ensure that "Building 31" is comfortable.
2. Solve "the problem" with DEA.
3. Establish a semiannual 360° performance evaluation process for 100% of DAIDS.

Processes:

1. Establish project or team leaders for DAIDS' five or ten highest priority initiative and have the project or team leaders join the DAIDS management team as direct reports to the Director, with commensurate status. Recognize that leaders will join and leave the senior management team as their projects are reflected in DAIDS' "Top 10."
2. Designate monthly SWAT Team, a special issues/"fire department" with representation on call from every branch — to help with immediate response to important issues and buffer primary DAIDS staff.
3. Establish rational and effective process for communication with 100% of DAIDS.

Priorities and Quantitative Goals:

1. Combine existing plans and expand — to produce a DAIDS Plan for SCIENCE AND MANAGEMENT, updated regularly, which articulates DAIDS' view of their mission, contingencies, major initiatives, branch and program project commitments — the Plan should be produced by Branch and Program officers and endorsed through a peer review process involving all Branches and Programs.
2. Inventory all DAIDS work and resources employed and establish priorities, process, resources and timetable.

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Tools and Technology:

1. Phones and E-mail currently contribute to the crisis atmosphere and they distract individuals from the planned work of the day. Change the "contact process" building on the outcome of a 30-day technical design. For example:
   - Phone — two rings pick up with voice mail at DAIDS employee option, three rings to control receptionist if more effective than voice mail
   - Assign pagers to critical "duty officers"; eliminate E-mail for all urgent information — use voice mail; assign E mail to a coverage "partner" during vacations; purge E-mail when message is over three days old
2. Complete independent technical review of existing and necessary copy facilities and install equipment necessary to eliminate wait queues and "grazing searches: for a machine.
3. Upgrade DAIDS' computer capability (to 386s plus laser printers) to ensure that DAIDS is on par with or exceeds computer power of NIH or outside partners.

Culture:

1. Eliminate crisis atmosphere including profanity, and replace with calm professionalism and mutual respect for all concerned, regardless of degrees or organization status.

Discussion Guide

- Highlights from Internal Assessment and September 8, 1993 Focus Groups
- Highlights from External Assessment
- Opportunities for Action to Improve DAIDS' Effectiveness
- Change Management Process and Timetable
- Next Steps

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Change Management Process and Timetable

1. Defer "reorganizing" branches or programs until new Director has had an opportunity to access the needs and alternatives
2. Establish change priorities, including the restructuring work related to ACTG, and invest working days through October 29, 1993, to scope the priority changes in more detail, establish a change management team and leader and launch priority change initiatives when change can be "in place" before February 25, 1994
3. Agree to an integrated family of highest priority changes on October 29, 1993, target full implementation no later than February 1994 and establish a full-time change manager and full-time team participants with full responsibility for each of the priority change initiatives
4. Communicate change direction, process, priorities, and DAIDS change manager to 100% of DAIDS staff before September 30 — following tentative approval from Building 31

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Next Steps

To Be Developed September 15, 1993

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