

**Executive Summary:**

- Establish incentives for process simplification, reduction of paperwork and reporting burdens, and “bureaucracy busting” activities
- Leaders need to compensate for the natural inertial pressure of large organizations to proliferate barriers and processes by constantly repeating a mantra of simplification;

**Full Recommendation 11:**

**Proposal:** Establish incentives for process simplification, reduction of paperwork and reporting burdens, and “bureaucracy busting” activities such as a prize for proposals that simplify existing processes, increase performance or efficiency, save time or money, or reduce impediments to the mission. To the extent consistent with necessary constraints, use and publicize an organizing principle for innovation and creativity: “make it easier.” Leaders need to compensate for the natural inertial pressure of large organizations by constantly repeating a mantra of simplification.

**Comment:** Many of DoD's process are far too complex, with multiple levels of review, and with excessive administrative burdens. Much of this is necessary and appropriate, of course, but some of it is not. Simpler may be better. There should be a dedicated effort to reduce centralization and layers of review, and to remove obstacles to new thinking. In many institutions, creativity has been spurred by eliminating paperwork and reporting burdens and by adopting “make it easy” as an orienting theme. DoD should move rapidly in that direction.

That effort is best undertaken, in large part, by DoD personnel themselves who are now subject to the requirements and processes that are sapping productivity and morale. One way to do that is to take account of dispersed knowledge within DoD and to give employees an opportunity to exercise their own creativity. Sometimes those who have good ideas, or could develop them if asked, do not speak out, because they think that it would be fruitless to do so, and who fear that creativity on their part might be deemed inappropriate, especially if it is directed against longstanding requirements. Incentives should be created to reward good ideas. There should be a process for recognizing those who come up with them.

**Background:** Large organizations, both private and public, often suffer from undue complexity. Layers of review are increased rather than decreased, and that can stifle creativity. Caution becomes the watchword, and the desire to try new approaches is sapped. The Board repeatedly observed this stifling influence in the Department.

In the private sector, “bureaucracy busting” is often the very reason that new companies are born, as many innovators who find new and faster ways of doing business found startups to do precisely that. Irrespective of a company's origins, however, bureaucracy is inevitably present, even among the most innovative companies in the world. Their goal is not necessarily to stamp it out entirely, but to manage it in a way that enables the company to remain agile in important aspects and empowers employees to find ways to make the company even more agile. The White House, Office of Management and Budget, Office of Personnel Management, and a variety of federal agencies have offered cost saving awards; DoD has as well, to a limited degree relative to its size. Walmart and Sprint reward employees for cutting waste within their companies. Under the auspices of Management Innovation eXchange (MIX), Harvard Business Review and McKinsey have teamed up to sponsor several challenges around innovative approaches to management.

Past winners or finalists include GE, Microsoft, Statoil, Electronic Arts, Vodafone, and Genentech.

Rather than simply cost-saving awards, time-saving awards should be equally valued. DoD should build on these practices here. A good first step would be to canvas DoD employees in a dedicated effort to catalogue layers of complexity and review what seem redundant or duplicative, or what weakens incentives to innovate. Respondents should be rewarded for ideas that seem especially promising or are implemented.