

their own decisions. At the Mark Twain National Forest, for instance, the time needed to grant a grazing permit had shrunk for 30 days to a few hours—because employees could grant permits themselves rather than process them through headquarters.¹¹

We discovered that several other governments were also reinventing themselves, from Australia to Great Britain, Singapore to Sweden, the Netherlands to New Zealand. Throughout the developed world, the needs of information-age societies were colliding with the limits of industrial-era government. Regardless of party, regardless of ideology, these governments were responding. In Great Britain, conservatives led the way. In New Zealand, the Labor Party revolutionized government. In Australia and Sweden, both conservative and liberal parties embraced fundamental change.

In the United States, we found the same phenomenon at the state and local levels. The movement to reinvent government is as bipartisan as it is widespread. It is driven not by political ideology, but by absolute necessity. Governors, mayors, and legislators of both parties have reached the same conclusion: Government is broken, and it is time to fix it.

Where we found success, we found many common characteristics. Early on, we articulated these in a one-page statement of our commitment. In organizing this report, we have boiled these characteristics down to four key principles.

1. Cutting Red Tape Effective, entrepreneurial governments cast aside red tape, shifting from systems in which people are accountable for following rules to systems in which they are accountable for achieving results. They streamline their budget, personnel, and procurement systems—liberating organizations to pursue their missions. They reorient their control systems to prevent problems rather than simply punish those who make mistakes. They strip away unnecessary layers of regulation that stifle innovation. And they deregulate organizations that depend upon them for funding, such as lower levels of government.

2. Putting Customers First Effective, entrepreneurial governments insist on customer satisfaction. They listen carefully to their

customers—using surveys, focus groups, and the like. They restructure their basic operations to meet customers' needs. And they use market dynamics such as competition and customer choice to create incentives that drive their employees to put customers first.

By "customer," we do not mean "citizen." A citizen can participate in democratic decision-making; a customer receives benefits from a specific service. All Americans are citizens. Most are also customers: of the U.S. Postal Service, the Social Security Administration, the Department of Veterans Affairs, the National Park Service, and scores of other federal organizations.

In a democracy, citizens and customers both matter. But when they vote, citizens seldom have much chance to influence the behavior of public institutions that directly affect their lives: schools, hospitals, farm service agencies, social security offices. It is a sad irony: citizens own their government, but private businesses they do not own work much harder to cater to their needs.

3. Empowering Employees to Get Results Effective, entrepreneurial governments transform their cultures by decentralizing authority. They empower those who work on the front lines to make more of their own decisions and solve more of their own problems. They embrace labor-management cooperation, provide training and other tools employees need to be effective, and humanize the workplace. While stripping away layers and empowering front-line employees, they hold organizations accountable for producing results.

4. Cutting Back to Basics: Producing Better Government for Less Effective, entrepreneurial governments constantly find ways to make government work better and cost less—reengineering how they do their work and reexamining programs and processes. They abandon the obsolete, eliminate duplication, and end special interest privileges. They invest in greater productivity, through loan funds and long-term capital investments. And they embrace advanced technologies to cut costs.

These are the bedrock principles on which the reinvention of the federal bureaucracy must build—and the principles around which we