

# Balance Efficiency and Impact: Refocus on the Core to Maximize Efficiency and Productivity

To reshape and restructure an organization more effectively without sacrificing essential capabilities, an approach rooted in complexity management is essential



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The strategic imperative to dramatically improve performance and reduce costs is putting government executives under tremendous pressure to meet their mission with fewer resources—all while improving the quality of the service they provide. Unfortunately, overly aggressive cuts will doom agencies to underperformance, while insufficient action invites externally driven measures that will likely constrain organizational effectiveness. Senior government leaders today face a critical choice: proactively reshaping their organization or bracing for a future driven by external and unpredictable pressures.

## Avoid the pitfalls of taking indiscriminate actions

An across-the-board percentage budget cut—say 10% or 20%—may seem like a reasonable, defensible approach to cutting costs. Unfortunately, this approach assumes that every part of the organization contributes equally to creating value. The reality is that every organization is a complex system made up of “good” complexity and “bad” complexity. The good complexity is intentional, value-adding, and necessary to fulfill the mission. It often reflects the deliberate choices that senior leaders make to meet legal mandates, accommodate policy nuance, or serve widely varying public needs. Good complexity supports and enables outcomes, even if it comes at a cost.

Bad complexity, on the other hand, gets in the way of the mission. It slows things down, undermines decision-making, and results in overlapping mandates or unclear accountability. A major problem with across-the-board

cuts is they tend to disproportionately weaken the good services while leaving the low-impact programs largely untouched. They undermine the good complexity while strengthening the bad.

An example of this in action is the recent deferred resignation program (DRP), which many senior leaders feel has introduced significant mission execution risk to their organization. Many of those “taking the fork” through the DRP had the most to give and least to lose. Seasoned executives and subject matter experts who were approaching retirement are now leaving with no knowledge transfer. Other highly skilled civil servants delivering real value to the public have taken their skills to the private sector. The result is a dramatic, unplanned loss of knowledge and capabilities. The magnitude of what has been lost will not be fully understood until critical services go unmet.

To reshape and restructure an organization more effectively without sacrificing essential capabilities, an approach rooted in complexity management is essential. The first step is to ensure you have a clear and accepted definition of the organization’s mission and essential functions. This must align unequivocally with the organization’s statutory mandates and associated strategic priorities, and must not be filled with soft, ambiguous language that could mean anything to anyone. The mission and essential functions must be defensible, which means they must be well defined.

Next, to understand how the organization currently delivers its mission, lay out the end-to-end value stream for the organization. This exercise reveals non-obvious opportunities to reduce expenses and reallocate resources by exposing where complexity costs hide within the interconnections of programs, services, supporting processes, organizational structures, and

capital investments. Creating the value stream is simple—though not easy—but it is essential because it exposes waste and the significant impact of variety (e.g., non-standard processes and varying service delivery models) on your organization’s efficiency. By identifying where resources are tied up in non-value-added activities, it highlights dysfunctional information flows and handoffs.

The value stream view also clarifies which activities align with and support the core mission, and which do not. The core activities are the focus for efficiency gains and improvements, while non-aligned activities are opportunities to cut costs and refocus. To do what is essential with fewer resources, you must tackle the bad complexity in your organization. By taking this approach, you ensure your organization’s mission will be met by prioritizing the essential capabilities for required services.

## Realign focus by addressing mission creep and legacy activities

Once it is made clear what is required to meet the mission, you can focus on unwinding activities that no longer align with that core mission. These may have originated in response to past funding opportunities, priorities of prior leadership, or a lack of strategic clarity and discipline. Regardless of their source, the critical challenge is to systematically untangle these non-core activities from the essential service delivery functions, ensuring that the right capabilities are preserved while shedding the excess complexity. Left unchecked, these activities dilute mission impact, strain resources, and erode public trust. Three tactics to address the non-core activities are:

- **Scale down:** Minimally sustain activities that are no longer strategic priorities but have historical significance—here you must be very deliberate about what “minimal” sustainment means
- **Transition:** Transfer relevant, non-core services to more suitable agencies or private partners
- **Eliminate:** Divest entirely the non-core activities/functions that cannot be scaled down or transitioned, and ensure the freed-up resources are shifted to core mission activities

**Example application:** The Office of Financial Stability was established within the Treasury Department to manage the Troubled Asset Relief Program (TARP) during the 2008 financial crisis. In the ensuing years, the program prevented a broader financial collapse and yielded a financial profit on many government investments. This program might have been adapted to address similar, although smaller challenges, but in doing so would have crept away from its core crisis-response purpose, and into the territory of other more specialized entities, such as the Federal Reserve Board, which typically regulates financial institutions, or the Federal Deposit Insurance Corporation, which insures deposits at banks. Instead, the program was wound down in 2024. Through its closure, the Treasury Department captured remaining benefits (e.g., managing final TARP repayments) and freed up resources to serve other core Treasury functions.

## Enhance core mission delivery while finding efficiencies

Those activities that are fundamental to the organization’s mission that directly contribute to defined goals and objectives should be addressed next. These functions are often carried out by a highly specialized workforce and cannot be executed as efficiently or effectively by another entity, federal or otherwise. Resources and processes should be retooled to flow along the value stream map in the most direct path possible, improving execution and efficiency.

Much complexity exists in the interactions between the organization (the people, systems, infrastructure, etc.), the processes (how work gets done) and the services you provide. Tackling this complexity requires working along these dimensions—organization, process, and service—at the same time using an approach called concurrent actions. When you go after only one dimension, or try to address them in sequence, you only end up nibbling at the edges of cost management and do not expose the core structural issues. The big opportunities (savings, much better execution, transitioning to new capabilities/technologies) come from unlocking the interdependencies between the organization, processes and services.

**Example application:** In 2021, the U.S. Army Materiel Command (AMC) completely redesigned their supply chain management operating model in a transformation described as the largest change to Army logistics in the past quarter century. The old model was focused on managing each item individually with custom processes developed by hundreds of individual teams. This approach made training personnel extremely hard, limited the usefulness of enterprise resource planning systems, and confounded leadership's ability to see and understand the drivers of supply chain performance. By shifting to a functionally aligned operating model with standardized planning and execution processes, AMC was able to focus execution, training, and mission outcomes.

Within three months of implementing the new operating model, order processing time was reduced by 50%. Further, a multi-year effort had been underway to address suspended stock (stock that was owned, but not issuable and required disposition actions). The long-standing effort had yielded little result despite much effort. Under the new operating model, suspended stock was reduced by over \$1.3 billion in less than nine months. By tackling the complexity using concurrent actions, the Army was able to make these changes and see results much faster than expected. "What should have been a 6-to-8-year project was accomplished in 24 months," [said Dr. Dan Parker](#), AMC chief of supply chain integration.

## Streamline mission support

Finally, essential activities that support the organization but do not have direct mission ties can be refit to purpose. The complexity-driven approach highlights the value of these non-customer-facing functions, such as financial management, human resources, information technology, administrative services, and compliance, and enables senior leaders to make well-informed decisions about how to optimize them. With the future state of the organization clearly in view, mission support functions can be re-tooled to improve the services they provide at greater efficiency. Options to improve them include:

- **Consolidating:** Identify and reorganize redundant internal roles and departments created by past

growth (e.g., Higher-HQ, HQ and division-level, HR, IT, finance, and communications)

- **Outsourcing:** Leverage specialized skills at lower costs from other government agencies and private sector contractors to manage mission support functions

## The choice ahead is clear: Lead or be led

The current environment demands decisive leadership. With public trust in government at historic lows, and increasing concern for the stewardship of taxpayer dollars according to the [Pew Research Center](#), the stakes for government leaders are higher than ever. Sorting through top-down actions taken already in 2025, whether the DRP, agency closures, program rollbacks, and others, makes managing the transformation even more difficult. Leaders committed to taking the reins of transformation, rather than waiting for further top-down mandates, have the power to quickly shape their teams for a more efficient and impactful future mission execution.