TOWARD MORE EFFECTIVE

AND

EFFICIENT PROGRAMS

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THE CHALLENGE

In order to maintain public confidence and support, governments must produce results that are valued by their citizens. While sound policies and the responsible allocation of resources are important, they are not enough. Good results also depend on effective implementation of often complex programs and services.

State and local governments have long grappled with ways to improve the delivery of human services. Whether spurred by legislation reform, increased demand for accountability and collaboration, or by the need to keep pace with the new economy, human service delivery systems frequently need to be changed to some degree in order to produce better outcomes.

THE OPPORTUNITY

Many human service delivery systems are overly complex and too many rely on outdated technologies. They are often interdependent webs made up of multi-layered processes, agents and structures. Funding sources are highly fragmented and customers often need to interact with a number of largely uncoordinated delivery systems and service providers. Thus, any initiative that intends to change a human service delivery system must be able to address its intricacies.

Addressing these issues is clearly a formidable task. However, rapidly emerging new technologies, modern management practices and the cutting edge experience of innovative service providers in both the public and private sectors provide ample evidence that a renewed focus on service delivery processes and management systems can lead to more effective and efficient delivery. Elected and appointed public sector officials have a unique opportunity to provide the leadership necessary to make changes in human service delivery systems a reality. The challenge is to move beyond rhetoric to a real change process.

PURPOSE OF THE PAPER

This paper highlights the importance of improving delivery systems and processes as a way to enhance public human services. It assists decision makers by providing a framework of the change process and by introducing some of the tools that may be needed by those that are sponsoring and facilitating change.

The body of the paper serves as an executive summary, highlighting lessons learned from case studies, the key phases of a change process and critical factors for success. The appendices expand on these elements by providing more substantive information gathered during The Finance Project's (TFP) study.

THE NEED FOR SERVICE DELIVERY AND MANAGEMENT SYSTEMS CHANGE

The public has high expectation for government services. While public attitudes change from time to time, a significant segment of the public consistently believes that government is not working up to its expectations. Some reasons for this less than favorable public opinion may include: Government service outcomes often take long periods of time to achieve; public

services are at times seen as rigid and unresponsive; and government costs escalate as the demand for services increases.

Clearly, there is a continuing need to review public policies and programs to determine whether specific components can be improved. Yet to truly promote public support and confidence in government services, there is an even greater necessity to focus new attention on the systems and processes that underlie the implementation of programs. The following three basic categories summarize areas that appear to need the greatest attention:

First, current service delivery approaches are often rigid and office-based. As such, they do not adequately meet customer needs and fail to take advantage of new technologies and methods to client-focused service. For example, current approaches may:

- provide little automated help to a customer seeking advice and guidance;
- fail to provide direct access to services and require the intervention of a worker; and
- inadequately serve the needs of the growing number of employed clients who need access to human services.

Second, current delivery systems often fail to recognize and accommodate the changing nature of a wide variety of public and private partners in the human service field. For example, these systems may not:

- adequately support the integration of fragmented financing and administrative systems;
- provide support for nongovernmental service providers, whether nonprofit or for-profit; and
- support local governments and communities that are seeking to create comprehensive services.

Third, current management systems tend to discourage innovation and flexibility. For example:

- budgeting, personnel and other resource management systems may not adapt themselves so that they provide the supports needed to sustain positive changes;
- strategic planning, budgeting and information systems management may not coordinate and integrate their efforts to establish, maintain and use performance measurement systems to evaluate the impact of programs and financial investments; and
- information technologies may have locked into place work practices and organizational structures to form a barrier to new approaches and collaborative efforts.

LESSONS LEARNED

In developing this paper in early 2000, The Finance Project reviewed the literature and interviewed leaders and practitioners involved in major systems reforms in a variety of

government settings, including:

- District of Columbia, Department of Motor Vehicles
- Federal Emergency Management Agency
- Province of Manitoba
- State of Missouri, Division of Family Services
- State of Montana, Department of Revenue
- State of Texas, Texas Integrated Eligibility System
- State of Washington, Department of Labor and Industries
- U.S. Department of Labor, Occupational Safety and Health Administration
- U.S. Social Security Administration, Disability Determination Process

Case studies of three of these projects (Occupational Safety and Health Administration, Social Security Administration, and the Missouri Division of Family Services) were prepared (See Appendices 3 to 5.).

Interviews and analyses were also performed with commercial consulting organizations so that an understanding could be gained about their use of business process reengineering (BPR) and other approaches to delivery systems change. In addition, an extensive literature review was conducted to identify analytical approaches and tools that could help in understanding and managing the change process.

This project began initially with a focus on business process reengineering. However, it soon became clear that the private sector, governments and their consultants were approaching delivery system changes using a variety of tools and approaches. While these tools and approaches vary, a number of common factors exist. Specifically, success in broad delivery systems change requires:

- a realistic understanding of the time and political capital needed to affect change;
- the strong commitment and active support of political and appointed leaders;
- a clear understanding of the goals and objectives of the change;
- a well thought-out process for defining and managing the change process; and
- a change management team with sufficient authority and resources to affect the changes.

Based on the work completed on this project to date, TFP believes that there are five major elements that government leaders should consider in determining how a change initiative might best be structured. While the relative importance of each element may vary from initiative to initiative, the chances of success will be enhanced if all elements are addressed at some level.

A FRAMEWORK OF PHASES AND TASKS

To obtain better results, state and local leaders should arm themselves with a good descriptive framework or method for going through the process of change. A basic method anticipates problems, provides a phased-structure for the initiative and offers helpful tasks and resource

tools that project teams can consider using while getting the right work done. The Finance Project's research concluded that there are five basic phases that make up the overall method or framework for facilitating positive change in human services:

- Creating a foundation for change
- Creating and establishing performance measurement approaches
- Describing the current system as a base
- Creating the design of a proposed change
- Implementation

Appendix 6: Change Process and Major Tasks offers an in-depth description of these phases.

The overall time involved in completing a change process depends upon the definition of the problem and the conceptual solutions devised along the way. The first phase might take someone a long time to accomplish. Once this phase is completed, the others fall in line in a sequence, although phases may overlap at various times. The time commitment for each subsequent phase depends again on the nature of the proposed change, though the description of the current situation as a base of reference can usually be expected to take the least amount of effort. Some of the work required in this phase is likely to have been accomplished during the first phase while defining the problem.

Three of the phases are integral to implementing a successful change process and deserve more focus.

Creating a Foundation for Change

Ideas related to change are not always understood enough to gain the right momentum and support from relevant individuals. This is often a problem with communications about the ideas and with the level of apparent commitment to the ideas. If people are going to rally behind some change, there must be a way to gather and share needed data and effectively tell the story about the change. The problem must be defined in a credible way. People also need leadership to make a verbal commitment supporting the change initiative and then back that announcement up with assignments of people and resources.

The key tasks to accomplish in this phase are:

- Define the problem
- Determine focus: Is this a process or delivery system level change?
- Evaluate the level of resources and political capital needed
- Secure necessary buy-in and leadership commitment
- Create a management or project team(s) to manage the change process

Major system reform initiatives, especially those that have intergovernmental and cross-sector implications, clearly involve a whole host of stakeholders such as the legislature, city councils and county commissioner bodies. A process-level change, in contrast, probably does

not need such a high level of real political involvement. Sponsors of change need to recognize the distinctions between these two types of changes as soon as possible and design a sequence of tasks and level of effort as appropriate. For example, a major system reform may spend a significant amount of time ensuring that there is a good understanding or definition of the problem. This type of reform effort requires a different type of leadership commitment than a process-level change, especially when modifications in public law are needed.

Creating and Establishing Performance Measurement Approaches

Employees can be motivated to change the way they work if better results is the end result. The momentum for change created in the initial phase can be maintained by focusing specific effort on (1) creating measurable goal statements and (2) establishing the systematic processes and activities that conduct the measurements and needed analytics. The tools of strategic planning and evaluation design can be involved in this phase. Of course, the design efforts for the measurement systems can be arcane and dryly technical at times. But sponsors should keep in mind that the main tasks offer continuing opportunities for them to: communicate about their goals; report about how the initiative is going; and take practical steps to attain those goals. The debates and agreements reached during this phase can do much to provide a steady platform for the phases to come.

The key tasks to accomplish in this phase are:

- Define desired results (either mandated or proposed)
- Determine measures and collection methods
- Identify benchmarks
- Establish a systematic management process
- Implement a process for the project team(s)

The measurement systems approaches for the project teams probably differ from those used to measure the performance of the substantive change. The success of project teams often is measured against work plans and schedules. This is a form of process measurement. The proposed change should probably be held to outcome- or results-based goals and measures that relate more to how people served by the changes in the delivery system are affected. But project teams should also be held accountable to notions of quality and the touchstone of results. For example, it may not make practical sense to move forward into implementation efforts just to stay on schedule and satisfy measures of performance about the project team, particularly if such a move threatens the overall goals of the initiative. Leaders need to oversee project teams to ensure that they do not lose sight of goals and intended results.

Implementation

This phase can span many months and sometimes years, particularly in the case of a major system reform. Major system reforms involve too many programs and management systems. They typically need a high-level plan made up of several implementation projects and phased

efforts. Major changes also require a programmatic management commitment from key sponsors. Changes of a smaller degree can often be established in a single implementation effort. All implementation efforts require strong planning and project management attention and tools. Much like the first phase, an implementation effort also needs leadership to continue to communicate and support the proposed solution.

The key tasks to accomplish in this phase are:

- Build staff and stakeholder buy-in
- Secure approval for implementation project(s)
- Create implementation and transition pPlans
- Create an operational description and plan
- Execute project(s)—including technology developments, structural and cultural change, communications efforts and so forth
- Implement and operate the performance measurement approach

For major system reforms, a programmatic management approach is required to oversee a number of projects that can overlap and have interdependencies. For instance, one may not be able to understand important transition plans without having some understanding of how the solution will operate after its implementation. It would make practical sense to have a transition plan in action that gets people reskilled, retrained, redeployed and ready when the new work operations begin.

Study Findings about Tools and the Type of Tools

The case studies, interviews, literature reviews, and the analysis of existing BPR methods all revealed that project teams look for and make use of a number of tools in their work.

The term "tools" refers to any project team instrument that may have generalized use within the methodology including: word processing documents, PowerPoint presentations, Visio diagrams, licensed software, and even services that can be leveraged to accomplish the work of the initiative. Tools, as used here, are like the hammers, saws and levels of a carpenter, the architect's model plans, and so forth. The study identified the basic types of tools that leaders should look for when working with their assigned teams:

- **Tools for Project and Program Management**

  Example: Existing Microsoft project work plan from the Oregon DHR Project

- **Tools Used within the Affected Management Systems**

  Example: Visio diagram of an IT-focused context diagram of a conceptual solution

- **Tools of Strategic Planning and Facilitation**

  Example: A presentation used to brief the governor's key staff

- **Tools of Evaluation and Performance Management**

  Examples: Evaluation design guides and statistical software packages

- **Descriptive Tools**

  Example: Work flow diagramming software

A "methodology" can also describe a tool kit . A good methodology offers task and sub-task ideas for the

APPLYING RESOURCES: EFFECTIVE USE OF TOOLS IN THE CHANGE INITIATIVE

Gaining the Support of Leaders

This study of the process of change found that one of the most critical factors of success is whether there is strong leadership support for the effort. Executive level leadership should be as visible as possible during the staff and stakeholder buy-in steps.

Chief executives also need to buy into the process of change. A well-disciplined process allows executives to understand and assess costs and efforts associated with any change, which increase the chances that these changes will move to actual implementation. Executives signal their support by assigning real leaders to the management teams who can move the initiative through the change process. To ensure success for the change, executives need to ensure that all the management systems are represented and encouraged to participate fully in the efforts.

Many major system reform efforts require collaborative efforts that cross agencies, levels of government, and private and nonprofit sectors. The executives in each of the collaborating organizations need to demonstrate commitment and assign duties and responsibilities to their key managers, and communicate continuing support for the proposals and the change process.

Managing the Initiative

The size of the teams assigned to manage a change initiative depends on the nature of the proposed changes. Solutions that can be accomplished in one implementation project may be manageable with a high-level project team and a simple liaison approach to the leaders or sponsors. Major system reform initiatives clearly require a programmatic management approach as well as appropriately skilled project and task teams. Collaborative efforts require much more attention and even more commitment to the overall change process method. Appendix 2 provides more detailed information regarding the levels of change initiatives.

The basic method or framework can provide for better communications and more comfort among those involved by providing a known path, identifying critical dependencies, and providing common terms as used in the change process. Program and project management agreements go a long way to provide a steadying tail to the kite, so to speak. The agreements made about what tools to use, management schedules, checkpoints and other project review steps all help to mitigate tensions and set expectations about the success of the change process.

Using Available Tools

An assigned team can have more success if they are provided with the tools that help them to get the job done. The table below offers a few suggestions of the type of tools that leaders may want to inquire about in their initial oversight meetings with the program or project teams. Appendix 7 offers more detailed information regarding potentially useful tools.

Some Identified Tools for Selected Phases

Phase	Project Management Tool	Substantive Tool
Foundation of Change	Scheduling and tracking	Research Compendia; stakeholder brainstorming workshop guides
Performance Management	Meeting agenda examples; workshop reporting tools	Logic models for associating goals and measures for human services
Describing Current Situation	Work flow and object—oriented modeling software	Examples of options considered in similar projects
Concept Design for Change	Software design modeling software	Examples of cost-benefit analyses; risk and mitigation reports
Implementation	Project management collaboration services or software	Examples of timeline and transition plans
	Model project work plans	Cultural change readiness surveys
	Testing Plans and Techniques	Application software used in a similar effort elsewhere

SUMMARY RECOMMENDATIONS AND CONCLUSIONS

State and local governments need to consider and implement changes all the time. Proposals for change can be driven by mundane factors, like a change in technology, or more complex forces such as those that sponsor legislation for a major system reform. For these changes to have a chance of success in meeting their intended results, they need to get from a point where leaders are establishing the foundation for the change all the way through the many implementation efforts that are needed.

Better results are usually the goal of major system changes. Successful operations that can attain such results require state and local governments and collaborating organizations to make enabling and supportive changes in their management systems. The critical interdependency among these management systems needs to be the focus of great attention. Performance measurement systems, for instance, demonstrate this interdependency. They often connect information systems, personnel management systems, and payment and financial management systems with budgeting and leadership approaches.

Successful changes can promote public satisfaction and restore or retain public support and confidence in government programs and services. There is much at stake if proposed changes miss their mark or fail to get through the first steps after they are initiated.

Change is difficult. A change affecting jobs or organizational units can be dramatic and problematic. Sponsors of these initiatives will want to employ a basic change process method to help guide efforts so that risks and tensions are mitigated and critical tasks, like those related to

the management systems, are not overlooked. A good change method can empower the collaborating management teams with a common path, resources and appropriate tools. A well-disciplined method allows chief executives to understand and assess the costs of the change and increases the chances that the proposals will move to actual implementation.

This study indicates that successful change of any degree is more likely if top-level leadership and management commitment exists throughout the process. For major system reform, leadership in both the executive and legislative branches is essential. Change of this level or degree will likely require more intergovernmental and cross-sector collaboration too, raising the potential for miscommunications and difficulty.

The Finance Project encourages state and local government leaders to make use of the basic change methodology presented in this report. It needs to be adapted for the situation at hand, of course. A constant factor, however, is being prepared and empowered by leadership's commitment to the change process.

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APPENDIX 1: HOW TO USE TERMS

A number of different terms and word combinations have been used in the literature of re-engineering. It may be helpful to review a number of the more commonly used and often misunderstood of these terms or phrases.

Terms as Used in the Paper

As best as possible, this paper used the following terms, as discussed below:

System: –-The Webster New Twentieth Century Unabridged Dictionary refers to this as "a set or arrangement of things so related or connected as to form a unity or organic whole." This word alone may be a source of confusion because "system" is used in a variety of settings. This appears to be especially likely as people involved in the process of change get closer to the design and implementation phases where computer-based and other administrative systems are involved.

To limit misunderstandings; as much as possible, **this term is not used independently in this paper. Rather, the word "system" is** always accompanied with modifiers such as "information" (to form "information system"), "human service delivery," or "management," creating distinct terms with their own meaning as used in this paper.

Process: - A process occurs when several connected tasks trigger each other and accomplish some work effort or business objective. People who perform a set of connected tasks can be said to be working within a process. These same people can often be said to be working within any of the related functions that use this process. Computer-based systems, human service delivery systems; and other types of systems can all be described in some ways by the processes and functions that occur within them. This paper typically uses the term "process" to refer to a connected set of tasks that get a work effort accomplished by a group of people.

This paper generally does not use terms for process or function as they are used in computer-science or information system design and analysis. The authors tried to be explicit whenever these terms are used in this sense.

This paper makes the distinction between a lower-order of process change compared to a higher-order or more complex change where "management systems" are usually affected. For example, "major system reform" is a complex change that will undoubtedly affect organizational structures, management systems, business functions; and any number of processes. In contrast, a change in something like a cash management process usually has no effect on organizational structures and overall governance within a human service delivery system. It should be recognized that almost any higher-order change in a human service delivery system requires changes in work processes and management systems.

Management Systems: Organizations are usually made up of people working in functional units who accomplish a number of related processes or interconnected tasks to get the work of the unit or organization done. Some work is designed to generally manage and proscribe or govern the behaviors and processes of

an organization or set of organizations. This can be said to "cross-cut" the organization or set of organizations or to form a basic platform to each of the organizational units. The people and organizational work groups who establish and oversee these general management functions, tasks and systematic processes can be referred to as working within their own "system" for this management function. This paper refers to these management functions as individual "management systems."

For example, budgeting systems operate within government. People and work units are arrayed across a government, and participate in a function that plans for, debates, produces recommendations, approves or rejects budgetary "line items" and oversees the execution of plans for spending within approved line items.

There are other management systems recognized in government and most organizations, such as strategic planning, human resource management, procurement, grants and contracting, financial management, and information technology management.

Information Systems: This paper uses this term to refer to the use of computer-based technologies to support a work function or set of processes or functions. It is important to note that the information technology management function has a great deal to do with the planning, designing, building, and implementation of information systems.

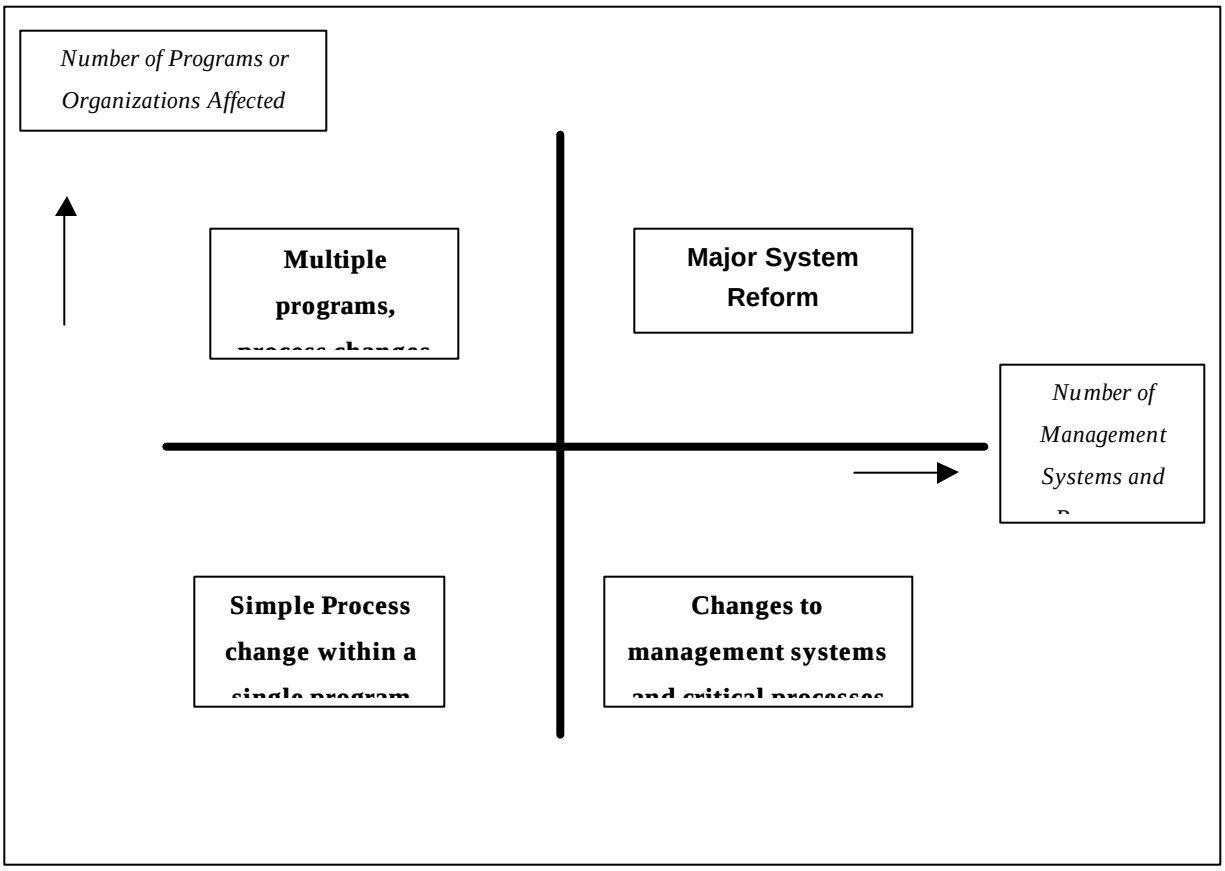
Major System Reform: This paper uses this term exclusively to refer to a major change to a human service delivery system. Note that the use of the word "system" in this term is a short hand for "human service delivery system."

State and local government leaders may contemplate or need to plan a major system reform. This type of change can be contrasted with a simple change in a process as noted above. Of course, one person's sense of something being major or higher-order may be a view that is not shared by others.

This paper suggests that people considering change look first to establish the general scope of proposed changes. Major system reform refers to changes that affect many processes and management systems and may also span interagency, intergovernmental and public-private boundaries. Most aspects of the methodology suggested in this paper are involved in a major system reform effort.

APPENDIX 2: UNDERSTANDING COMPLEXITY AND RISKS IN PROPOSALS FOR CHANGE

If sponsors want to ensure that their changes are implemented and create the results they are intending, they need to avoid many of the problems highlighted by the research and case study reviews (found in Appendices 3 to 5). They also need to have a sense of the complexity and degree of change that might be involved. The upper right quadrant of the following chart, Complexity and Risk in Proposals for Change, shows where the most risk and complexity exists. The lower left quadrant contains the least risk and may not require sponsors to employ much of a change method. In the area where major system reform initiatives are found, many government programs and organizations are involved, with implications for all the management systems and changes in many work processes. This risk and complexity is further magnified when the changes involve intergovernmental programs and nonprofit delivery organizations.



Complexity and Risk in Proposals for Change

APPENDIX 3: CASE STUDY OF U.S. DEPARTMENT OF LABOR, OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION[1]

Agency

Established in 1970 as part of the U.S. Department of Labor, the Occupational Safety and Health Administration (OSHA) was created to ensure safety in the workplace for all American employees. With a workforce of approximately 2,200 and a budget of $380 million, OSHA relied heavily on a combination of rule making and enforcement to implement their mission. They were most noted for their propensity to issue citations rather than partner with businesses to ensure that work environments were safe for employees. As a result, over the course of 20 years, OSHA had become feared agency renown for it's heavy handedness.

Problem

Assigned with overseeing the safety of 100 million American workers, OSHA lacked the staffing and financial resources to successfully perform its role as the only agency in the United States that "assured as far as possible every working man and woman in the nation safe and healthful working conditions."[2] Despite improvements to the working environment, an average of more than 6,000 fatal work injuries and almost 50,000 deaths from illnesses caused by exposure to chemicals in the workplace were costing the economy over $100 billion a year. Media coverage of child labor violations, construction accidents and chemical spills brought national attention to a "tiny agency with a mammoth responsibility" that was struggling under the weight of its own regulations.[3] With its limited staff, OSHA was able to inspect individual work sites only once every 80 years.[4]

OSHA was severely criticized by labor groups and unions for not responding appropriately to workplace safety violations. At the same time, employers who were trying to comply with the agency had trouble understanding complex regulations. As a result, those businesses willing to comply ended up being treated the same as businesses that were avoiding compliance or purposefully engaging in illegal workplace practices.

In 1992, outside political constituents began asking the Department of Labor to look at its overall business conduct. By 1993, combined pressures from Congress, the AFL-CIO, the Results Act, the National Partnership for Reinventing Government (formerly known as the National Performance Review), and President Clinton, pushed the Department and OSHA in particular to take serious stock of its purposes and priorities. With threats of budget cuts from Congress if "something wasn't done," OSHA was under serious pressure to change the way it conducted business.

Decision to Engage in Process Change

Former Secretary of Labor Robert Reich hired a new Assistant Secretary of Labor for OSHA with the mission of completely overhauling and "fixing" the agency. In 1993, Joe Dear came on board to fulfill that role. As former head of Washington State Department of Labor, he had extensive experience with building strong

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[1] An interview was conducted March 2000 with Bob Pitulej, Director of the Department of Reinvention.

[2] OSHA (1999). The OSHA Priority Planning Process Overview. http://www.osha.gov/oshinfo/priorities/

[3] Susannah Zak Figura. (1997). "The New OSHA." Government Executive, p. 35-38.

alliances between labor and industry.

Dear's approach to changing the conduct of business went beyond "writing a new office policy" - instead, it called for a complete overhaul in the organizational structure beginning with the mission statement and moving through to implementation. In order to accomplish that, he called upon a leading expert in organizational systems to act as an outside consultant. Frank Ostroff, formerly with KPMG Consulting and a specialist in business process reengineering, was asked to make recommendations as to how the project should be approached, structured and implemented. Those recommendations were grounded in business process reengineering (BPR) and system change.

What Did They Do?

In 1993, Dear created a task force which consisted of representatives from unions, the department and field offices across the country. The task force was commissioned to create a priority planning process through a combination of rule-making and other intervention tools. The purpose of this process was to address the existing gaps in the health and safety process of the agency, identify unfilled needs, and establish plans to deal with them through rule-making, and leverage the private sector to undertake voluntary interventions.[5]

In order to accomplish these goals, the members of the task force set out to visit with each field office across the country to ascertain how business was conducted and what problems existed in those offices. In addition, they were to identify if a field office had an existing and workable set of solutions to any one problem that might be applied to other offices. In effect, the task force gathered as much objective information about the function of OSHA nationwide, as possible. This process took one year to accomplish. In 1994, the task force compiled the information gathered and began to detail the priority planning process.

A planning committee with expertise in workplace safety and health issues was selected, consisting of members from OSHA, the National Institute for Occupational Safety and Health (NIOSH), the Environmental Protection Agency (EPA), and the Labor Department's Office of the Solicitor, Office of the Assistant Secretary for Policy, and Mine Safety and Health Administration (MSHA). This committee reviewed all available information on occupational fatalities, injuries and illnesses. The purpose was to create the framework for the priority planning process by understanding what OSHA was up against in terms of serving workplace safety needs. That framework consisted of identifying clear and sensible priorities; focusing on key building block rules; eliminating confusing or out-of-date standards; emphasizing plain language; and relying on cooperative partnerships.[6]

In addition, the committee opened up an "unprecedented" dialogue with stakeholders and the public for the purpose of creating an "alignment" or common vision. More than 100 stakeholders submitted written comments and nearly 200 representatives of labor, industry, standards, professional and academic organizations, as well as the public, met for discussions.

As a result of reviewing information and discussing issues face-to-face with stakeholders, the planning committee created the OSHA Design Team. This group was assigned the responsibility of actually creating a model field office that consisted of specific components established during the priority planning

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[4] *ibid*

[5] OSHA (1999). The OSHA Priority Planning Process Overview. http://www.osha.gov/oshinfo/priorities/

[6] *ibid*

process. First and foremost, the OSHA Design Team was to approach the change effort from a problem-solving format, using problem solving techniques and proactive intervention activities. The main effort was to "institutionalize in as many workplaces as possible those factors that have been shown to achieve the greatest improvement in worker health and safety."

A year later, in January 1995, the original OSHA Design Team laid out full set of recommendations for the "New OSHA" and published the first in a series of reports aimed at setting priorities, targeting strategies and implementing action plans. An independent assessment of some of these reports was made by outside consultant Malcolm Sparrow of Harvard University, which included additional recommendations and clarifications.

The team approach was one of the primary means of utilizing limited resources. The OSHA Design Team created several types of teams to coordinate the redesign efforts. First, management teams were created for the purpose of interfacing between Washington, D.C. and regional offices. The job of the management teams was to communicate directives in the redesign process from the OSHA Design Team. Second, strategic intervention teams were created at the field office level, in order to "use targeting initiatives and problem solving to strategically deploy resources." The strategic intervention teams were responsible for proactively promoting safety and health programs. Third, response teams were created for the purpose of field offices addressing requests from the public for various services, including outreach activities and investigating complaints and accidents. The role of the response teams was to carry out the responsibilities of a new way of doing business.

What Did They Accomplish?

The redesign began in 1995 with fundamental changes both to the agency mission and the employee purpose. The "New OSHA" was an agency which no longer operated from a citation-based format, but rather, a helping entity to ensure safety in the workplace. OSHA employees joined in partnership with employers and labor groups across the country to prevent injuries in the workplace and implement prevention plans. This new approach was reflected in changing staff titles from compliance safety and health officers to health and safety professionals.

The change process included a phased implementation of model design and a number of small scale changes rolled out in six week increments in order to make the overall task of redesign more manageable. The anonymous complaint process was revamped, which cut by almost 84 percent response time in some regions. Repetitive processes—such as multiple hand-offs and duplication of paperwork—were cut dramatically, reducing wasted staff time and increasing the ability to focus on customers' needs. Laptop computers were distributed to field professionals in order to cut down on commuting time and reduce a paperwork backlog. Remote communications systems were created in order to electronically transfer information regarding a place of business as well as to make health and safety professionals more accessible. Freedom of Information Act processes were also altered, resulting in 86 percent less time used for delivering requests.

A measurement system was developed which included procedures to evaluate an area office's ability to reduce occupational illness, injuries and death. By moving to an outcome measures approach, the focus shifted from individual to team accountability. As such, the team promoted goals and values that responded to the organizational support for change.

Training was given to all staff members on all levels in the field offices to assist in the transition process—from advancing technological skills to simple telephone responses. Structured workshops were developed for OSHA staff to generate "hundreds of ideas" on how to improve existing processes. In addition, training was given to employers and their employees in ways and means to raise awareness of safety in the workplace. This approach reinforced the commitment to change a former "enforcement" ideal to the new mission of a "helping" ideal.

Throughout the entire change process, the message was consistent—offer the best services to the customer, with the single focus of ensuring safety in the workplace, by embracing the highest standards of operation.

OSHA utilized the process of launching a pilot test, modifying it, then implementing it. To date, over the course of six years, all 66 of the federal field offices have gone through the redesign transition successfully.

What Did They Learn?

While many lessons were learned in the reengineering process, the key was "buy-in." Strong support and a clear commitment to change from executive leadership helped translate the new vision to even the most ardent critics. Staff, front liners, senior management, stakeholders, unions and legislators all had an integral part in the buy-in process.

Approaching change from a variety of perspectives was important. OSHA recognized that change is "an experimental process" original plans had to be consistently reviewed and adjusted to meet developing situations. A clear idea of where the agency was headed and how the redesign project was related to a strategic objective was critical. This direction was communicated to the staff on a continual basis to maintain momentum and buy-in.

Flexibility was an underlying aspect to the process of change. A willingness to alter an original plan, go back to the drawing board, or simply start all over again on an idea, was an important part of the "roll-outs" that OSHA developed for their model field offices.

Technology was a very important factor in affording many of the changes in the redesign. However, rather than choosing technological innovations that required highly specialized skills, OSHA's approach involved a user friendly system. Training, support and service were an integral part of the technological change. As a result, OSHA staff were able to readily move into new roles, avoiding the loss of valuable existing human resources.

Finally, while the external pressures that originally created the reasons for change were important to the foundation of the redesign, of equal importance were the internally created pressures that continued advancing the mission, vision and stimulation for positive change within the agency. When approached from a person-to-person basis, a collective buy-in occurred that resulted in true ownership of the change process. The New OSHA worked from inside-out as much as outside-in.

APPENDIX 4: CASE STUDY OF MISSOURI STATE DIVISION OF FAMILY SERVICES[7]

Problem

The Missouri State Division of Family Services had not made any substantial changes to its income maintenance system for many years, including both the casework and application processes. By 1997, new laws, particularly those related to welfare reform, made it necessary for the division to make immediate changes in order to support the mission of helping families reduce their dependency on government services.

However, with antiquated computer and communication systems, processes for income maintenance included inconsistent delivery of program information, unacceptable error rates and long waiting times. Only 62 percent of staff positions, including front line staff, were filled. New hires were not receiving adequate training, which compromised staff productivity, as well as the delivery of quality services to clients. In addition, by virtue of numerous inconsistencies in the food stamp application processes, a class action suit was brought against the state which highlighted many of the existing internal problems. With all these problems combined, the implementation of these needed changes was proving to be a daunting task.

Decision to Engage in Process Change

Although the division had been working to address these issues, albeit often in a piecemeal manner, problems persisted. Faced with internal and external pressures, it became apparent to senior administrators that circumvention of potentially serious problems in the delivery of services to program clients was imperative.

Division staff became aware of the potential for a systemic approach at an APHSA (American Public Human Services Administration) conference. Upon return from this conference, these methods were presented and discussed. It was agreed that the system and process change models highlighted at this conference offered a potential solution to the challenges faced by the division.

What Did They Do?

The Income and Maintenance Program Reengineering Project began in 1997 with a contract engaging EDS consultants from Texas. EDS is well known for its team approach to business process reengineering (BPR) projects, along with intensive training and educational processes. Because EDS had an existing contract with the State of Texas for a government redesign, Missouri Division of Family Services was able to piggy-back on that same contract. This situation gave the division the opportunity to engage in a state-required competitive contract process while enjoying the benefits of a private consulting firm.

A core redesign team of eight front line staff members was created for the purpose of recreating a more streamlined and effective process. The team members represented the St. Louis Metro Area and the Southwest Area and possessed extensive experience in the various levels of the Income Maintenance Program.

Over the course of six months, EDS worked closely with the team engaging in a variety of steps, including:

[7] Interview was conducted February 2000 with Jim Hair, Project Manager for Missouri Division of Family Services.

- breaking down each process of the income maintenance program, step-by-step;
- brainstorming sessions to create shorter, more effective processes for the program;
- writing and diagramming ideas and processes, including the "as is" and "to be;" and
- intensive training on the reengineering process and implementation.

Based on this work, a plan for redesigning the income maintenance system statewide was created. As designed, the original plan would have converted a complex income maintenance system from the ground up, including installation of a new computer and telecommunications system.

What Did They Accomplish?

The division did not seek approval for statewide implementation. Some of the issues that delayed this decision included a transition in leadership wherein the burning platform was not perceived; budgetary problems involving several agencies seeking funding from the general fund; a complicated class-action law suit; and technological limitations due to dollars already spent on existing computer systems. These issues led the agency to initiate a pilot project in one large county office.

In February 1999, the team reconvened to create the pilot plan. This process was a six-month undertaking which ended in November with a finalized pilot project plan. In December 1999, preparations for implementation began, which consisted of planning meetings, training and technological assessments. By April 2000, the development and testing of components of the plan were successful, and on June 1st, the Southeast Regional Division Pilot Project was officially launched.

During the following months, implementation occurred, resulting in the following steps: A single line phone system was changed to a multi-line unit in order to deliver a more rapid communication to clients. Phone messages for caseworkers and front line staff were streamlined through an e-mail system which afforded remote access when in the field. New and upgraded computer software was installed for administrative staff, increasing productivity. Income Maintenance Program application forms were scanned into an upgraded database system in order to reduce repetitive reviews and an electronic record keeping system was developed to improve efficiency and accountability.

A full cross-training and clerical education program has been implemented, including components on "General Process Information" and "Frequently Asked Questions," in order to assist clients in a more immediate manner before they are assigned to caseworkers. This training program has been found to reduce client frustrations and ease front line stress. In addition, an internal information-resource directory system has been created to assist staff with accessing information from an in-house database, affording a higher response rate to clients' needs.

What Did They Learn?

Although the statewide reengineering plan did not occur, many lessons were learned from the pilot project that will be applied to future efforts. The Missouri Division of Family Services experience suggests a number of important lessons, including those listed below.

- Consistent participation and support from government leadership is difficult to sustain when changes in administrations occur.
- Stakeholders, including key legislators, must be brought fully into the loop in order to ensure buy-in

and resource allocations.

- Communicating a “burning platform” and maintaining the impetus is critical for a successful reengineering process.
- Public relations and politics can not be overlooked or minimized as doing so will result in undermining implementation.
- Support for a vision alone is not enough; buy-in must also include adequate financial, political or system resources to support a technical redesign.

The success of the county office pilot project has afforded the team the opportunity to make concrete recommendations to the state for the Income Maintenance and Food Stamp Programs. These recommendations are based on current evaluation outcomes which range from educating clerical staff on more advanced computer applications and developing more comprehensive staff training guides, to implementing cross-training for all staff.

In addition, the team continues its efforts to educate leadership on the importance of system process change on a statewide basis, as well as advocating for a comprehensive participation from key stakeholders. The team believes wholeheartedly that the models of system change encompassed by business process reengineering offer an efficient and effective means to address the complex problems faced by the state welfare programs.

APPENDIX 5: CASE STUDY OF SOCIAL SECURITY ADMINISTRATION, DISABILITY DETERMINATION PROCESS[8]

Agency

The Social Security Administration (SSA), an independent agency of the federal government, is responsible for the administration of the Disability Insurance (DI) program and the Supplemental Security Income (SSI) program amongst several other programs. For both SSI and DI, the determination of disability is a critical component. The SSA, while retaining responsibility for the overall program and for the adjudication of appeals, contracts with state disability determination offices for the review of applications and the initial determination of disability.

Problem

In 1993, the SSA realized that it was facing a crisis in the disability determination system. Between 1988 and 1993, the disability programs became more complex and the number of disability applications grew significantly in both the DI and SSI programs. However, the number of SSA staff, which had been rapidly declining, remained relatively stable, and state offices had only a slight increase in their staff.

As a result, the time required for an initial determination of eligibility increased from 75 days in 1988 to almost 100 days in 1993. The time for the determination of appealed cases had grown from 210 days in 1988 to 255 in 1993. More importantly, projected increases in applications and continued staff reductions were estimated to extend the time required for an initial determination to 150 days by 1995 and for reviews to 342 days.

Long delays in processing applications and appeals were causing real hardship to needy applicants and prompting strong Congressional criticism. In addition, increasing workloads and program complexity were producing complaints from both federal staff and the state disability agencies. At the same time, there was little hope that additional staff would be provided. As a result, the SSA needed to find a way to improve services within its current resources.

Decision to Engage in Process Change

SSA leadership recognized that its current processes would only lead to growing backlogs and a continued deterioration in the quality of service. In an effort to better understand that process, the decision to engage in process reengineering was preceded by an internal review of the disability determination process. That

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[8] Interviews were conducted November and December 1999 with Susan Davis, Sandra Sweeney, Carolyn Shearin-Jones and Carol Rabun.

Other References:

Social Security Administration (1994), *The Blue Book*, p. 4.

General Accounting Office (1997), *SSA Disability Redesign*.

General Accounting Office (1999), *Major Management Challenges and Program Risks: Social Security Administration*.

General Accounting Office (February 10, 2000), *SSA Customer Services- Broad Service Delivery Plan Needed to Address Future Challenges*.

review documented an extremely complex process that cut across many operating components of the SSA and which involved a complex interaction between the SSA and the state disability determination agencies. This documentation also indicated that the actual time spent in disability determinations and reviews accounted for only a fraction of the time which elapsed between an application and a decision.

With this information in hand, the SSA decided that it needed to create a mechanism to rethink its overall approach to disability determination. Based on its understanding of the success of private corporations using process reengineering to make fundamental and dramatic changes in business operations, the SSA decided to explore the application of business reengineering to the disability application and appeal process.

Before structuring its own reengineering initiative, SSA conducted a rigorous review of other major reengineering efforts and developed a customized methodology that would use a team approach combining a strong customer focus with classic management analysis techniques, and computer modeling and simulation. This decision was reinforced by the National Performance Review that identified the improvement of the SSA disability process as a key service initiative for the federal government.

What Did They Do?

The Disability Process Reengineering Project began in the fall of 1993, with the formation of an executive steering committee. The committee was to (1) meet on a regular basis and provide advice to the commissioner on the development of the disability reengineering process change proposal, and (2) ensure that support occurred at the highest levels of the agency. This steering committee included top agency management, representatives from all segments of the agency involved in the process, representatives of state disability agencies, and representatives of the federal employee unions.

An 18-member Disability Engineering Team, chaired by a senior federal official, was created and charged with the development of a reengineered process. The team was comprised of SSA and State DDS employees with wide experience in all aspects of the disability program. The team undertook a variety of steps, including:

- briefings from staff in all aspects of the disability process;
- scan visits to provide opportunities for input from representatives of all members of the disability community;
- focus groups to obtain input from claimants and the general population;
- benchmarking to identify best practices both internally and externally;
- process analysis to understand the current process; and
- computer modeling to assess both the current and proposed processes.

The team developed a redesign proposal that was presented to the commissioner and the executive steering committee on March 31, 1994. The proposal was a high-level concept that provided a broad understanding of how a redesigned process would work. It left operational, organizational and other details for later development.

The redesign proposal was broadly distributed for review and comment. Over 6,000 comments were received. Based on these comments, the team made changes and submitted a revised proposal to the commissioner on June 30, 1994. After additional consultation with management, employee representatives,

disability advocates and others, the commissioner accepted the team's recommendations.

As designed, the revised process would have converted a complex four-level process into a simplified and streamlined two-level process. It relied on a combination of increased discretion on the part of the disability determination staff and the creation of a new automated case file that would serve all components of the process.

The reengineered process was expected to reduce the processing time for both initial claims and appeals by almost 60 percent, as compared to projected processing time under the old process. The redesign was also projected to save about $148 million over six years. Based on this plan, the SSA developed an ambitious plan for change that called for the testing and implementation of 26 key initiatives over a six-year period.

What Did They Accomplish?

While the SSA remains committed to the implementation of the proposed disability determination process, progress has been slow. Full implementation of the original plan has been hampered by the failure to develop the technology needed to support the integrated case file as well as lack of funding and logistical problems. In 1997, the SSA issued a scaled down plan that focused on testing and implementing eight key initiatives, most critical to the success of the project. As of late 1999, the SSA reported progress toward two major objectives: the creation of common policies that would be applied throughout the disability system; and the development of a more effective initial adjudicative process which would better utilize staff expertise and provide better customer service. In the SSA's 2010 Vision they have addressed several of the issues that hampered them in the past and are making incremental progress toward achieving their goals.

The SSA is also conducting a test that combines a number of the initiatives into an integrated process. The GAO reports promising results for this test, despite the fact that the actual testing is not as comprehensive as originally planned.

Work continues on the development of the technology to support an electronic case folder, and the SSA hopes to continue efforts to implement more aspects of the redesign proposal over the next few years.

What Did They Learn?

The SSA experience suggests a number of important lessons, including those listed below.

- Top-level management support is critical and can be difficult to sustain where there are frequent changes in CEO's.
- The creation of management and redesign teams that include broad agency representation as well as employee organizations, advocates and other constituents will improve the final design and facilitate buy-in.
- The lack of short-term successes can reduce buy-in and undercut the commitment to major change.
- Information technology is critical to much progress change, and process redesign needs to be consistent with the available technology.
- The impetus for change, even when there is agreement that such a change is desirable, is difficult to maintain in the absence of a crisis or "burning platform."

Based on its experience with process reengineering in the disability determination process, the SSA does not expect to utilize formal process reengineering techniques in its future efforts to improve the quality of services that it provides. Instead the SSA is focusing on a service vision. Through an extensive environmental scan, external and internal stakeholder session and customer forums, the SSA developed principles and enablers that will drive the way they deliver service in the future. The principles include customer choice, one-stop proactive government service and stewardship. The enablers include technology enhancements, access to electronic records, external alliances, public communications, and internal working relationships.

The SSA's 2010 Service Vision, which now drives the SSA's strategic planning process, will provide a vision of SSA in the future, beyond the life of their existing five-year strategic plan. The 2010 Service Vision describes what they know about the external and internal environmental forces impacting the SSA; sets forth the magnitude of the resources gap that must be closed; and describes how SSA will serve its customers, perform its work and simultaneously support its employees. While process change will still be an important component of service improvement, the focus of change will be smaller and the changes themselves more incremental in nature. The 2010 Service Vision will provide SSA executives, the public, Congress and SSA employees a unified picture of the direction they must take to meet the workload and resources challenges they are facing.

APPENDIX 6: CHANGE PROCESS AND MAJOR TASKS

The Finance Project conducted a review of the use of business process reengineering (BPR) as a tool for providing large scale systems change. While that review has suggested that BPR, as an integrated approach, may have limited applicability to the public sector, it has also identified the importance of the change process itself.

The Finance Project has observed that there are a series of critical tasks that are common to many successful projects and can group them into five major, identifiable categories or phases of activity. These activities are outlined below.

Creating a Foundation for Change

Across the broad spectrum of literature on BPR, the general consensus by experts is that the first step to creating a change is building a solid foundation. This first category, "Creating a Foundation for Change," is the most comprehensive and produces concrete actions that can anchor the entire change process. There are five components involved in this phase:

- Define the problem
- Determine focus: Is this a process or delivery system level change?
- Evaluate the level of resources and political capital needed
- Secure necessary buy-in and leadership commitment
- Create a management or project team(s) to manage the change process

Define the Problem

The first step of defining the problem necessitates laying out specific items that require change. Defining the problem then, is a way to double-check the organizational mission, prioritize areas of greatest need of improvement, and gain consensus understanding of how to describe the area of focus. This step may take time and involve research, analysis, stakeholder meetings, brainstorming sessions and other group techniques designed to elicit consensus. The problem definition can be portrayed in a brief paragraph or two and also with graphical approaches. Project teams may want to organize a library of the supportive materials and resources.

Determine Focus: Is This a Process or Delivery System Level Change?

Early on it is important to get some consensus as to the level of change that may be needed to address the problem as defined. Leaders of a change will want to focus resources and efforts that are appropriate to the situation. A series of questions and their answers can help determine whether an expected change affects simple business processes or involves a more complex change. This inquiry may need to examine whether core processes need improvement, the ability of the agency to engage and manage fundamental organizational and cultural changes, and the need for training, tools and external supports. Some of the screening questions that can be used include:

- Is the existing problem of strategic importance to the organization?
- Do the processes currently involved urgently need dramatic improvement in order to meet performance goals?

- Is there a high level of dissatisfaction with the existing approach or processes?
- Have other approaches in dealing with the problems been examined? (e.g., streamlining, outsourcing or privatization).[9]

It is also important for the agency to be aware that reengineering requires major system reform and involves numerous levels of political, organizational, and human resource capital. Top executives, administrators and leaders need to assess their own readiness to give the time, attention and effort to pursue reengineering. Such self-assessment is important because the most critical success factor is strong leadership involvement.

Evaluate the Level of Resources and Political Capital Needed

The third component of building a foundation for change involves understanding levels of existing and needed resources as well as the political connections or stakeholder buy-in that may be associated with a change. Financial resources need to be assessed in terms of cost-benefit or performance-based risk analysis. As much as possible, the team should compare benefits to costs that appear to be involved with proposed solutions. In addition, tangible and intangible items should be identified, examined and reported. This approach should be incorporated into agency performance plans as well as annual goals and indicators to measure performance.

Political resources and/or stakeholder buy-in is equally important to consider. Along with stable and consistent leadership, strong political alliances enable the change process to be supported by both internal and external forces. Knowing the relationships between the organization and its stakeholders allows for greater involvement, communication and input between the parties.

Secure Necessary Buy-in and Leadership Commitment

Obtaining buy-in for a change is essential. This fourth component interlinks with knowledge of business relationships and the understanding of political connections. Securing approval for a reengineering project from the stakeholders affords a base of support and continued commitment. Constituents, legislators, advocates, employees and consumers all need to be aligned. Whether in the form of committee membership or omnibus legislation, buy-in and active participation will ensure that the project is supported for the duration.

Create a Management or Project Team(s) to Manage the Change Process

Creating management teams is the final component of building a foundation for change. The responsibility of performing the day-to-day duties of the reengineering process should be placed with a group consisting of people who are directly affected. This includes agency staff, outside suppliers, union members and consultants. Bringing together different skills and perspectives can make for a team that can contribute creative solutions and think outside the box.

[9] U.S. General Accounting Office (1997), *Business Process Reengineering Assessment Guide.*

Creating and Establishing Performance Measurement Approaches

Performance measurement approaches are established when we identify the measurements, create the metrics and benchmarks, establish the overall performance management results or targets, and design the systematic aspects (like data collection practices). Performance measurement reflects the strategic direction of the organization. There are five component tasks involved in this phase:

- Define desired results (either mandated or proposed)
- Determine measures and collection methods
- Identify benchmarks
- Establish a systematic management process
- Implement a process for the project team(s)

Define Desired Results (Either Mandated or Proposed)

The first component of the performance measurement category is to establish consensus on the desired results expected out of the solution or change. The results statements should tend to relate to the customers and clients served. These statements are not typically expressed in terms of process accomplishments (like completing a report). Instead "results" are defined as outcomes, consequences or conclusions.[10] "Indicators" are defined as measures that help quantify progress toward a result—for example, childhood development milestones.[11]

Determine Measures and Collection Methods

Once the determination of results or goals has been made, one needs to determine how to measure performance or achievement of the goal, including looking at data collection methods and issues. We might want, for instance, to measure performance against a goal of increasing self-empowerment and independence for families who are served by the delivery system. Since there are no statistical series already in place for such a goal, it would be necessary to establish some consensus about what to measure and the means of comparison. Comparisons can be made using metrics such as cost-benefit analyses, scorecard designs and trend analyses. Each of these metrics tracks, adds, counts or determines a measurement from which a performance is determined.

Identify Benchmarks

It is always helpful if there are normative statistics for comparison. Benchmarks can be defined as: "A performance comparison of organizational business processes against an internal or external standard of recognized leaders. Most often the comparison is made against a similar process in another organization considered 'world class.'"[12] Benchmarking can also include examining dissimilar organizations as a means of comparison and stimulate new thinking about traditional approaches. Internal benchmarking can use

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[10] Penguin English Dictionary

[11] Sara Watson (2000).,"Using Results to Improve the Lives of Children and Families: A Guide for Public-Private Child Care Partnerships," *The Child Care Partnership Project. U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau*.

[12] National Academy of Public Administration (1999), "Business Process Reengineering Glossary," *Alliance for Redesigning Government*. http://www.alliance.napawash.org/alliance/.

historical or existing baseline data in order to make appropriate adjustments for performance goals. Whether internal or external, benchmarking is a critical feature of the performance measure component as a means of meeting results.

Establish a Systematic Management Process

At this point in the change process, one should study and design the management and operational aspects of a planned performance measurement approach. This plan or design communicates to employees and stakeholders the practical ways in which the approach will work, including the use of the measurements to inform the strategic planning and budgeting processes or to stimulate additional improvements projects. The management processes contemplated in the design should look at simple summary data sets and the use of Executive Information Systems and advanced analytic capabilities (specialized staff, IT capabilities and how these are embedded into operations).

Implement a Process for the Project Team(s)

Performance management can be applied to the solution and efforts of the project team(s) who are navigating the change process. Process-related performance by these teams should be expected and reviewed by the sponsors and leaders of any change initiative. The metrics for this review are usually compliance with expected work plans, variances rules and closure on mitigating actions. Sponsors and leaders have a critical role to play in ensuring that project teams do not lose track of the results-orientation and begin to substitute process-related measures for success. Leaders need to ensure, for example, that the project team doesn't move on its planned schedule to the Implementation efforts until a design is created that is understood and known to be consistent with the desired results and performance measurement approach. A poorly designed solution is less likely to attain the intended results.

Describing the Current System as a Base

It is important to make sure that those involved in a change process have a good understanding about how things work now. This helps to limit redesign time, avoids the re-inventing of wheels, and provides the analytic base for planning transitional steps. The outputs from this effort can be work flow charts and narratives; information system context diagrams; component and other architecture descriptions; organization charts; staffing and skill lists; and interorganizational descriptions and annotations that are known to be relevant to a proposed change. This effort allows the team to gather more insights from those working in the current processes, while communicating awareness and concern about the potential effects from the implementation of an actual solution. This phase of work should be expected to be the shortest since a great deal of descriptive material would already exist because of the work of others and because of tasks accomplished earlier in this change process. There are four component tasks involved in this phase:

- Identify the affected components and areas
- Describe how things work now
- Detail any major processes
- Evaluate and describe options for change and their impact

Identify the Affected Components and Areas

It is important to establish a fairly thorough listing and description of the organizations, management systems, programs, business processes, information technologies, contractual and grant relationships and jobs that might be affected by a proposed change. Many of these will need to be transitioned to a new operational state as a result of a change.

Describe How Things Work Now

The level of detail needed depends upon the situation. It is important to make sure that there is a good description showing policy and programmatic context, key relationships, key work flows, performance measurement approaches and known outcome data, and a compilation of the issues brought out by evaluations and analysis to date. This description should point out the areas of greatest expected change.

Detail Any Major Processes

A change of any degree requires processes to change. For major system reform initiatives, there may be the need to create new processes to replace current ones. Success may depend upon how well the design for the solution covers the major processes. These processes probably represent a basic way that people think about the delivery system or about their jobs—if some of the detailed elements of the current process are missing in the design phase, unnecessary friction and contention can arise. At this stage of the process of change, it is important to make sure we have a relatively detailed understanding of any of the major processes involved.

Evaluate and Describe Options for Change and their Impact

The final output from this phase of work should be a qualitative discussion or report that summarizes the understandings to date about proposed changes and their impact on the current delivery system and the people and organizations involved. This step communicates a consensus understanding of the basic factors, reasons and agreements to date. It can be used to brief key leaders and stakeholders and can help to assuage concerns and set the limits of the design work that should follow.

Creating the Design of a Proposed Change

Whatever degree of change is the subject of the initiative, it is important to produce a relatively detailed conceptual design, similar to the blueprints for a house. This is a more tangible representation of a final solution that allows further analysis of the costs for producing it; explores the costs and benefits of its operation; outlines critical details about how it would work in practice; and identifies the risks of implementation and operational periods, and the mitigation strategies that may be needed. Since this step produces something that is more tangible (prototype and working models might actually be considered for use in this phase), it provides leaders with the opportunity to stop-look-and-listen to concerns, issues, risks and alternatives before moving forward to the more costly implementation steps. The buy-in of the affected stakeholders and decision makers to the conceptual design produced in this phase can provide the needed momentum and authority for proceeding rapidly and with certainty on implementation efforts.

There are five component tasks involved in this phase:

- Develop a conceptual solution
- Describe how this solution would work

- Detail any major processes
- Develop a cost-benefit analysis
- Develop a risk and mitigation Analysis.

Develop a Conceptual Solution

Project teams should produce a graphical depiction of the final solution with annotation of key points. The design can be constructed in layers where each layer would provide more detail covering customer or client flows, organizational and functional charts, information technology and systems diagrams, and annotations about its many components and key program and business processes. The key stakeholders and leaders of the initiatives will want to review this work to make sure it is on track with expectations. Leaders will want to discuss such matters as whether a phased implementation approach is needed, risks and mitigations.

Describe how this Solution would Work

In preparation for the analysis of costs and benefits, the team will want to review scenarios of the use and flow of work, and describe the type of jobs that would need to exist to operate the solution.

Detail any Major Processes

There may be new program or business processes being created or substantial changes designed for current major processes. More detail and time should be invested in making sure that the scenarios of use and use-cases are understood well and documented.

Develop a Cost-Benefit Analysis

The team should have developed a good understanding of the inputs and outputs of how the solution would operate in practice. Discussions to date would also have indicated whether phased efforts would likely be needed either because of constraints in time, resources (money and people), technologies, legal abilities or because of unresolved concerns. This information should allow the team to produce a good estimate of the implementation costs expected over each of the phases (if there are any phases) and the operational costs. The benefit side of the analysis should reflect the performance measurement approach and both expected tangible and intangible net effects. Teams should be prepared to explain the differences from cost-benefit assumptions made during the first phase of work. Since this more detailed work is based on a more tangible concept of the solution, leaders and decision makers at this point have a good opportunity to suggest modifications to the change initiative to meet new understandings about constraints and goals.

Develop a Risk and Mitigation Analysis

A separate analysis of the risks and mitigation approaches can lead to good recommendations for the sponsors and leaders to consider. A good review of this work along with the cost-benefit analysis can give leaders useful information to support their decisions about how to move forward into implementation. Mitigation efforts might cover such things as the need for more technical assistance to a grantee community before they can participate in any change, the implementation of new oversight processes, or changes in

law, to name some of the items that might need to be addressed.

Implementation

Much work has gone into the phases of examining the existing business processes and designing a potential alternative. The challenge of implementation is to turn the change concepts into reality. This phase may span a long period due to (1) the need to take a phased implementation approach; (2) the common sense of transitioning the current delivery system and its intricate web of organizations and people to new approaches; (3) a critical technology project that will take time to implement, or (4) budgetary and other constraints. The launching of implementation efforts is a serious step. It will be watched closely by proponents as well as detractors. There are at least six component tasks involved in this phase:

- Build stakeholder buy-in
- Secure approval for implementation project(s)
- Create implementation and transition plans
- Create an operational description and plan
- Execute project(s)
- Implement and operate performance measurement approach

Build Stakeholder Buy-in

People may not take a change initiative seriously until implementation starts. Sponsors and project leaders can head off some of the heat and friction by ensuring that stakeholders understand the concept designs and the consensus understandings about costs, risks and implementation approaches. The support of critical stakeholders may be necessary to obtain permission to use resources and spend new funds on moving forward. Agency staff and customers and clients should be considered as stakeholders for many changes. Both the transition team and executive leadership guide staff and stakeholder buy-in. Communication, feedback, and affording an opportunity for questions and concerns to be expressed is part of this effort. Task forces may be created during this phase. Executive level leadership should be as visible as possible during the staff and stakeholder buy-in phase in order to show a personal commitment as well as give upper-level assurance that the efforts will indeed come to fruition.

Secure Approval for Implementation Project(s)

Securing approval for implementation of the system change or reengineering project may come from several sources ranging from upper level management to legislative bodies, depending on the type of change being proposed. Decision makers need to review a high level plan of implementation and the details of the next implementation steps and the team's needs for resources and funding support. The implementation plan should have been developed with specific items for accomplishment, including buy-in, operating procedures and staff development. The more specific the plan has been drafted, the greater understanding the approval sources have for giving the go-ahead to implement.

Create Implementation and Transition Plans

From the conceptual design, the team develops specific tasks, time frames and milestones for implementing the solution. Tools such as Microsoft Project are often used to detail the work plans and resource needs of

the implementation projects. Looking at the operational concept design and any detailed efforts can allow teams to plan in the transition efforts of moving people, equipment, funds, authorities, grants, contracts and so forth to the new operating environment. These transition plans can address retraining, as well as the recruitment, hiring and training requirements, lay-off activities and needs for new policies and procedures.

Create an Operational Description and Plan

For any implementation project, the team should be able to describe in some detail how the new environment will operate. It is not good to implement a new computer system, for example, and forget to plan for how it will be maintained, refreshed and its users serviced. All large-scale processes involve offices, storage, supplies and other operating resources that need to be maintained and flowing in an appropriate way. Once the team can describe transition and operational needs it can with assuredness move forward on implementation projects.

Execute Project(s)

Start-to-finish for a simple process change may be a matter of a few months. This same course for a major system reform may require years because of the need for a series of projects to be accomplished before the final solution has been implemented. For large-scale changes, there is a lot of interdependencies between the efforts related to policy and legal changes, changes in human resource use, organizational design and the availability of enabling and supporting technologies. In each of these areas, separate projects may be required because of the special skills needed or because of timing issues and other constraints. For major system reform, sponsors and leaders will need to take a more programmatic approach to overseeing the multiple project efforts over a span of time. Individual project teams would then lead these individual projects. Organizing the project management and direction is, of course, one of the first steps in any project's work plan.

Implementation efforts may require procurements of hardware, software, equipment, leased space, consulting help, outside service support and other tasks efforts. The project may involve beta sites and strong user and operational testing before rolling solutions out to full operational status. Some implementation efforts may require transitional states to exist for some period of time. The actual implementation plans will, of course, depend on the circumstances.

Accountability and responsibility assignments ensure that staff continue to own the change process regardless of the project they are on or their role. Giving specific roles and tasks to employees during the implementation phase and encouraging an open atmosphere in which to bring forth possibilities for change is important to an agency's culture.

Senior leadership needs to encourage ongoing communication between internal and external sources (e.g., staff, front-liners, stakeholders and political representatives) for necessary feedback that will impact modifications. In addition, leadership should encourage questioning assumptions about the work, and help to develop confidence in staff's new roles and responsibilities.

Implement and Operate Performance Measurement Approach

One of the implementation projects should deal with taking the conceptual design of the performance measurement system and implementing it. This may require a multidisciplinary team of policy, program, research, consulting (e.g., from the university) and information technology people. Gathering performance

data to see whether it meets the strategic goals is vital in order to assess if the new process is producing the desired results. Measures of outcome, output and efficiency should be taken to evaluate the overall delivery of the product or service. Performance goals should have been established and the team should be monitoring the planned phases. From this point forward, the organization should continue to assess, measure, and modify the processes while beginning to see a return on the investment of the system change or reengineering project.

APPENDIX 7: BIBLIOGRAPHY AND TOOLS

🛠 - denotes a tool

Creating a Foundation for Change

Define the Problem

Hammer, M. & Champy, J. (1993). *Reengineering the Corporation: A Manifesto for Business Revolution*. New York: New York: Harper Business.

🛠 Improvement Model: Bjorn Andersen has compiled a series of tools that assist in defining the problem. The Improvement Model approaches change through the use of self-assessment examining external requirements against performance priorities as a means to define those areas which are performance gaps.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Malhotra, Y. (1998). Business Process Redesign: An Overview. IEEE Engine Management Review, 26(3). <http://www.brint.com/papers/bpr.htm>

🛠 Pareto Chart: Developed by Vilfredo Pareto during the 1800's, this tool is very effective for graphically displaying the distribution of causes and effects in an organization. By displaying causes of problems by degree of seriousness, expressed as frequency of occurrence, costs and performance levels, it is easy to identify the problems needing to be solved.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 PerforM: Deloitte and Touche has created a variety of methods for performance improvement. *PerforM* is a tool that guides an organization through the various steps of building a foundation for change.

For more information contact: (212) 489-1600.

Ostroff, F. (1999). The Horizontal Organization: What the Organization of the Future Actually Looks Like and How It Delivers Value to Customers. New York: New York: Oxford Publishing. <http://www.oup-usa.org/docs/0195121384.html>

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. <http://www.gao.gov/special.pubs/bprag/bpr.htm>

Wisnosky, Dennis E. and Rita C. Feeney. BPR Wizdom: A Practical Guide to BPR Management. Wizdom Systems, Inc. <http://www.wizdom.com/bprwizdom.html>

Determine Focus: Is this a Process or Delivery System Level Change?

Bashein, B.J., Markus, M.L., and Riley, P. (Spring 1994). "Preconditions for BPR Success: And How to Prevent Failures," *Information Systems Management*, 11(2), pp. 7-13.

🛠 Process Flow: A mapping tool that tracks processes and shows where they fit in the organization. This includes value-added as well as strategic processes.

Manganelli, R. and Klein, M. (1994). *The Reengineering Handbook: A Step-by-Step Guide to Business Transformation*. Washington, D.C.: American Management Association.

Osborne, D., Gaebler (1993). *Reinventing Government : How the Entrepreneurial Spirit is Transforming the Public Sector*. New York: New York: Penguin Publishing.

🛠 Relationship Mapping: This tool is designed specifically to help determine if the problems that an organization is facing are related to *process*. The diagramming tool shows the relational process between departments, divisions or units, and the manner in which they interact.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Evaluate the Level of Resources and Political Capital Needed

🛠 BizCase Software: Computerized application for building a better business case which conducts analysis, comparisons, tracks financial and non-financial measures of success. <http://www.strassmann.com/products/bizcase/>

Strassman, Incorporated.

Caron, R., Jarvenpaa, S., and Stoddard, D. (1994). Business Reengineering at CIGNA Corporation: Lessons Learned the First Five Years. *Management Information Systems Quarterly*, 18(3). <http://www.misq.org/archivist/vol/no18/issue3/sim94/sim94.html>

🛠 Cost Benefit Analysis: The Social Security Administration approached understanding resources and political connections through a cost-benefit analysis process. This method looks at multiple levels of resources needed for a process change, and tracks the political support from stakeholders and constituents as well as internal buy-ins.

Social Security Administration (1994). *The Blue Book*. pp. 45-46; 51-56.

Chu, et. al. (1995). Business Process Reengineering Analysis and Recommendations. *Net Library*. City

University of New York. <http://www.netlib.com/bpr1.htm>

🛠 Risk Adjusted Analysis of Cost-Benefits: The U.S. General Accounting Office recommends a performance-based approach to ascertaining if the organization has appropriate political connections and resources to undertake a system change.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Secure Necessary Buy-In and Leadership Commitment

🛠 Assessment Questions: A series of key questions that guide the buy-in and manage expectations of a process redesign.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Harris, Tasha (April 2002). Can Encouraging Employee Commitment and Buy-In Change an Organization's Culture. Welfare Information Network.
<http://www.welfareinfo.org/orgculturechangeRN.htm>

Killian, Jerri (March 2001). *Comparing Non-Profit and Local Government Organizational Climates: Implications to Employee Commitment.* American Society for Public Administrators, 2001 National Conference. To order, contact Deloris Toye at 202/585-4319 or dtoye@aspanet.org.

🛠 The Burke-Litwin Organizational Model: A change management model which focuses primarily on the communication networks and transactional elements in an organization. This tool helps to identify elements associated with creating motivation, involvement and commitment, as well as value change.

Carr, D., Hard, K. and Trahant, W. (1996). *Managing the Change Process: A Field Book for Change Agents, Consultants, Team Leaders and Reengineering Managers.* Washington, D.C.: McGraw-Hill.

Create a Management Team or Project Team(s) to Manage the Change Process

Katzenbach, J. and Smith, D. (1993). *The Wisdom of Teams: Creating the High-Performance Organization.* New York: New York: Harper Business.

🛠 Reengineering Teams: Manganelli and Klein devote a substantial portion of their text to the creation, management and training of reengineering teams.

Manganelli, R. and Klein, M. (1994). *The Reengineering Handbook: A Step-by-Step Guide to Business Transformation.* Washington, D.C.: American Management Association.

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

🛠 The L4 System: A team-building tool developed as part of a training system which is intended to help create high performance teams.

The Charter Oak Consulting Group, Inc., 1224 Mill Street, East Berlin, Connecticut 06023.

Creating and Establishing Performance Measurement Approaches

Define Desired Results (Either Mandated or Proposed)

🛠 Crawford Slip Method: An idea generating method utilizing cards or flip charts. Participants contribute by adding or enhancing ideas. This method serves two functions–protecting anonymity and affording a written expression of ideas.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Cross-Functional Flow Charts: This tool gives the opportunity to indicate more complex levels of activities involved for defining new results and indicators.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Liner, Blaine and et. al. (April 2001). Making Results Based State Government Work. Urban Institute. <http://www.urbaninstitute.org/community/results-based-stategovt.html>

Procurement Executives' Association (2001). Guide to a Balanced Scorecard Performance Management Methodology: Moving from Performance Measurement to Performance Management. U.S. Department of Commerce. <http://oamweb.osec.doc.gov/bsc/pmmfinal.pdf>

Straub, Frank and Paul E. O'Connell (Fall 2001). Creating a System of Public Service Accountability. Pricewaterhouse Coopers, The Business of Government. <http://www.endowment.pwcglobal.com/pdfs/EBG_Fall_2001.pdf>

Determine Measures and Collection Methods

🛠 Activity Outcomes: According to OSHA, one of their determinations of performance measurement was based on a "team appraisal system." Since the organizational structure of the proposed redesign relied on the use of teams, the success of that concept necessitated gauging performance that "promoted team goals and values."

OSHA (1995). *The New OSHA: Getting Results and Improving Performance*. Washington, D.C.: U.S. Department of Labor (In-house publication).

🛠 CONQUEST 2.0 Database: Is a COmputerized Needs-Oriented QUality Measurement Evaluation SysTem

for collecting and evaluating clinical performance measures. CONQUEST includes interlocking databases with a user-friendly interface to help you find measures to fit your needs. It allows you to follow one of three "paths" to create reports on performance measures (conditions, diseases, and procedures), measure sets (measures with a common purpose and developer), or conditions (with detailed epidemiologic information). <http://www.ahcpr.gov/qual/conquest.htm>

Agency for Healthcare Research and Quality.

Koshel, Jeff (September 1997). Indicators as Tools for Managing and Evaluating Programs at the National, State and Local Levels of Government - Practical and Theoretical Issues. Institute for Research on Poverty, University of Madison-Wisconsin, Special Report no. 73. <http://www.ssc.wisc.edu/irp/sr/sr73.pdf>

Liner, Blaine and et. al. (April 2001). Making Results Based State Government Work. Urban Institute. <http://www.urbaninstitute.org/community/results-based-stategovt.html>

Moore, Iyauta (January 2002). A Look at How Agencies Can Utilize Outcome and Performance Data To Enhance Service Delivery. Welfare Information Network. <http://www.welfareinfo.org/utilizeoutcome&performancedataRN.htm>

🛠 Performance Measurement: In order to anchor performance improvement in sound strategic planning, GAO recommends that measurements reflect the agency's core business processes in terms of cost, quality and timeliness. According to GAO, the measures flow directly from the organizational mission as part of analyzing the gap between "where they are and where they need to be."

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Performance Measurement in Government: http://www.city.grande-prairie.ab.ca/perform.htm

Procurement Executives' Association (2001). Guide to a Balanced Scorecard Performance Management Methodology: Moving from Performance Measurement to Performance Management. U.S. Department of Commerce. <http://oamweb.osec.doc.gov/bsc/pmmfinal.pdf>

Optimal Corporation: http://www.optimal.com/

Straub, Frank and Paul E. O'Connell (Fall 2001). Creating a System of Public Service Accountability. Pricewaterhouse Coopers, The Business of Government. <http://www.endowment.pwcglobal.com/pdfs/EBG_Fall_2001.pdf>

U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning and Research Evaluation (December 2000). Report on Alternative Outcome Measures: Temporary Assistance for Needy Families (TANF) Block Grant. <http://aspe.hhs.gov/hsp/alt-outcomes00/>

Identify Benchmarks

American Productivity and Quality Center (1995). Benchmarking: Leveraging Best-Practice Strategies. <http://www.apqc.org/free/whitepapers/dispWhitePaper.cfm?ProductID=663>

Benchmarking Books: http://www.benchmarkingbooks.com/

🛠 Benchmark Performance: Benchmarking consists of comparing processes with relevant peer organizations. Both Manganelli and Carr, et. al., discuss this process at length.

Manganelli, R. and Klein, M. (1994). *The Reengineering Handbook: A Step-by-Step Guide to Business Transformation*. Washington, D.C.: American Management Association.

Carr, D., Hard, K. and Trahant, W. (1996). *Managing the Change Process: A Field Book for Change Agents, Consultants, Team Leaders and Reengineering Managers*. Washington, D.C.: McGraw-Hill.

Benchmarking Resource Guide: http://benchmarkingnetwork.com/

🛠 Benchmarking Tools: Andersen gives a detailed discussion on benchmarking and two specific tools that can be used for the process. The Benchmarking Wheel gives a visual presentation of the process. The Benchmarking Study is a step-by-step process of a lengthier project.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

BenchWeb Benchmarking: http://www.netlib.org/benchweb/

Best Practices: http://www.smthacker.co.uk/

Best Practices, LLC: http://www.benchmarkingreports.com/

Bruder, Kenneth A., Jr. and Edward M. Gray (September 1994). Public-Sector Benchmarking: A Practical Approach. *Public Management*. ICMA Center for Performance Measurement. <http://www.icma.org/go.cfm?cid=1&gid=3&sid=101&did=115>

ICMA Center for Performance Measurement (September 1994). Benchmarks of Performance: An Introduction to the Practice of Assessing Public Service Performance. *Public Management*. <http://www.icma.org/go.cfm?cid=1&gid=3&sid=101&did=112>

Liner, Blaine and et. al. (April 2001). Making Results Based State Government Work. Urban Institute. <http://www.urbaninstitute.org/community/results-based-stategovt.html>

Melaville, Atelia (May 1997). A Guide to Selecting Results and Indicators: Implementing Results-based Budgeting. The Finance Project. <http://www.financeproject.org/indicators.html>

🛠 Performance Indicators: View samples of indicators used in the Comparative Performance Measurement Program for selected service areas.
<http://www.icma.org/go.cfm?cid=1&gid=3&sid=101&did=108>

ICMA Center for Performance Measurement.

🛠 Performance Matrix: This tool is used to determine not only how well the processes are performed in a business, but how important they are perceived to be. The matrix is divided into quadrants, placing importance along the horizontal axis, and current performance level along the vertical. Each quadrant level is ranked as follows: low importance, low performance; low importance, high performance; high importance, low performance; and high importance, high performance. Items or processes are then plotted and a visual representation affords self-assessment and evaluation.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Procurement Executives' Association (2001). Guide to a Balanced Scorecard Performance Management Methodology: Moving from Performance Measurement to Performance Management. U.S. Department of Commerce. <http://oamweb.osec.doc.gov/bsc/pmmfinal.pdf>

🛠 Report Generator Software: The Social Security Administration mentions the application of user-friendly software that generates reports based on information entered into the database system. The range of software extends from a basic application such as Microsoft Excel to specific Project software, such as Project 2000, to more advanced web-generated programs such as Crystal Reports. Microsoft Excel Software, Microsoft Project 2000 Software and Seagate Software.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Score Card Design: This is a process developed by Arthur Andersen for the purpose of identifying leverage points and key performance indicators. It consists of a scorecard layout using applicable headings for the project/task of interest. Scorecards are used to answer the following questions:

- What are the target levels of performance?
- What are the current levels of performance?
- What are the most important things to manage in order to support the organization's strategy and maximize output?

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Strategis Benchmarking: http://strategis.ic.gc.ca/SSG/bs00211e.html

Straub, Frank and Paul E. O'Connell (Fall 2001). Creating a System of Public Service Accountability. Pricewaterhouse Coopers, The Business of Government.
<http://www.endowment.pwcglobal.com/pdfs/EBG_Fall_2001.pdf>
The Benchmarking Exchange: http://www.benchnet.com

🛠 Trend Analysis: This is a simple graph which shows the development of performance levels. Using Performance over Time, a direction, or trend, can be determined.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Establish a Systematic Management Process

Alliance for Redesigning Government: http://www.alliance.napawash.org/

Business Performance Management: http://www.scorecard.com

Liner, Blaine and et. al. (April 2001). Making Results Based State Government Work. Urban Institute. <http://www.urbaninstitute.org/community/results-based-stategovt.html>

National Governors Association (June 1997). Building State Systems Based on Performance: The Workforce Development Experience. <http://www.nga.org/cda/files/062797STATESYS.pdf>

🛠 Performance Management: The Office of Personnel Management (OPM) developed comprehensive resources on performance management. They define performance management as a systematic process of planning work and setting expectations, developing the capacity to perform, periodically rating performance in a summary fashion, and rewarding good performance.

U.S. Office of Personnel Management (1997). Effective Performance Management: Doing What Comes Naturally. Workforce Performance, Newsletter Reprint.
<http://www.opm.gov/perform/articles/019.htm>

🛠 Performance Management: The U.S. General Accounting Office includes a chapter on performance management in their Reengineering Assessment Guide. The material offers key activities that an organization should engage in, along with specific questions formulated to direct those activities with clarity of purpose.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Performance Management Platform: http://www.p-management.com

Procurement Executives' Association (2001). Guide to a Balanced Scorecard Performance Management Methodology: Moving from Performance Measurement to Performance Management. U.S. Department of Commerce. <http://oamweb.osec.doc.gov/bsc/pmmfinal.pdf>

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

Implement a Process for the Project Team(s)

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

Describing the Current System as a Base

Identify the Affected Components and Areas

🛠 Create the Narrative: Creating the narrative, as the name implies, entails writing the details of the current process for the purpose of documentation. The narrative can be used as a blue print from which the plans for change will arise, and can be writing in prose, or a combination of graphics, modeling, flowcharts and prose.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Describe How Things Work Now

🛠 As Is: This term is used both to refer to a concept, and a tool. As a concept, it looks at the current processes through a present-tense lens. Only the reality of that which exists, is of concern. As a tool, "As-Is" breaks down the existing processes step-by-step, in order to determine the existence of each component, along with it's relationship to all other components of the process. The primary function of any "As-Is" tool is to conduct a thorough organizational self-assessment.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Process Analysis: The Social Security Administration used this method to document and outline their "As-Is" disability claim and appeal processes, as discussed in the Blue Book. Existing processes were catalogued including step-by-step procedures.

Social Security Administration (1994). *The Blue Book*. pp. 6-7; 55.

🛠 Quality Function Deployment: As a tool, Quality Function Deployment (QFD) was developed to represent customer needs, expectations and requirements. As such, it is helpful for mapping out current processes and translating these into future specifications.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Relationship Mapping: As the name implies, this tool assists in drawing the relationships between processes, individuals, or departments. Contrary to a flow chart, Relationship Mapping (RM) does not focus on activities or their sequence. The objective of this tool is to improve and adjust the process documentation until agreement is reached that the map actually reflects how the process is being performed today.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Detail Any Major Processes (Current Systems)

🛠 As Is: This term is used both to refer to a concept, and a tool. As a concept, it looks at the current processes through a present-tense lens. Only the reality of that which exists, is of concern. As a tool, "As-Is" breaks down the existing processes step-by-step, in order to determine the existence of each component, along with it's relationship to all other components of the process. The primary function of any "As-Is" tool is to conduct a thorough organizational self-assessment.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

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on activities or their sequence. The objective of this tool is to improve and adjust the process documentation until agreement is reached that the map actually reflects how the process is being performed today.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Evaluate and Describe Options for Change and Their Impact

Proforma Corporation (2001). Business Process Improvement: Manage Process Change Using ProVision Workbench. Technical White Paper. <http://www.proformacorp.com/downloads/wp-bpm.pdf>

🛠 ProVision EnterprisePro: An integrated business process and UML/object modeling tool that helps business and information technology professionals succeed in modeling and evaluating the business processes and system components for their enterprise. ProVision's unique business strategy modelers allow you to define the goals, relationships and organizational structures for the enterprise. <http://www.proformacorp.com/provision/enterprisepro.asp>

Proforma Corporation.

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

Wisnosky, Dennis E. and Rita C. Feeney. BPR Wizdom: A Practical Guide to BPR Management. Wizdom Systems, Inc. <http://www.wizdom.com/bprwizdom.html>

Creating the Design of a Proposed Change

Develop a Conceptual Solution

Administrative Science Quarterly: http://www.gsm.cornell.edu/ASQ/asq.html

BPR Internet Kiosk: http://www.c3i.osd.mil/bpr/bprcd/

🛠 Card Storming Wall: This tool is used by consultants and trainers to assist in conceptualizing what a process could consist of in a future scenario. The technique consists of using 3x5 blank cards, upon which each member of a team writes down a word or series of words pertaining to each section of a process as they envision it. A facilitator usually oversees this process , helps to develop the generation of creative ideas.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Could Be: This is a proprietary tool used by the Public Services Group and consists of thinking about all the possibilities of a process. It's purpose is to enable a team to generate as many creative ideas as possible

without regard to limitations.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Electronic College of Process Innovation: http://www.c3i.osd.mil/bpr/bprcd/

🛠 Idealizing: As the name implies, this technique engages team members in imagining what an ideal process would look like and how it would function, without limitations. The differences between the ideal and the actual can afford the generation of solutions to developing a new process.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Proforma Corporation (2001). Business Process Improvement: Manage Process Change Using ProVision Workbench. Technical White Paper. <http://www.proformacorp.com/downloads/wp-bpm.pdf>

🛠 ProVision EnterprisePro: An integrated business process and UML/object modeling tool that helps business and information technology professionals succeed in modeling and evaluating the business processes and system components for their enterprise. ProVision's unique business strategy modelers allow you to define the goals, relationships and organizational structures for the enterprise. <http://www.proformacorp.com/provision/enterprisepro.asp>

Proforma Corporation.

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

Stockholm School of Economics: http://www.hhs.se/

🛠 Visioning: This is an overall activity that describes an ideal process that would result if all the performance measures were optimized. An overall vision for the complete change in the process is developed, and sub-visions are also included to reflect transition steps through which the total vision may be accomplished.

Manganelli, R. and Klein, M. (1994). *The Reengineering Handbook: A Step-by-Step Guide to Business Transformation*. Washington, D.C.: American Management Association.

Describe How This Solution Would Work

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

🛠 Streamlining: The primary function of streamlining is to eliminate any excess processes. From the

imagined to the real, the "to be" process is now documented with an eye toward an implementation goal. As such, any redundancies or bureaucracies should be eliminated in order to create the most effective and efficient plan.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

🛠 Target Process Analysis: The U.S. General Accounting Office recommends this method for of documentation of the "to be" process. This stage requires that the team think through the broader implications of recommended changes. As a result, alternatives may be created in order to review risks, costs and benefits of proposed approaches.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

🛠 Value-Added Analysis: This tool is a central concept of streamlining. Using a basic formula, the value of a product before and after a process is calculated in order that the organization can understand what costs will be involved in production.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Detail Any Major Processes (Proposed Systems)

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

Wisnosky, Dennis E. and Rita C. Feeney. BPR Wizdom: A Practical Guide to BPR Management. Wizdom Systems, Inc. <http://www.wizdom.com/bprwizdom.html>

Develop a Cost-Benefit Analysis

🛠 Business Case: A compelling business case should be developed and communicated to customers and stakeholders which supports the decision for process change. It is a critical step in change management because it builds support within an organization and among customers and stakeholders.

GAO provides two sections focused on developing a business case.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Business Plan Pro: http://www.paloalto.com/

Business Plan Resources: http://brs-inc.com/index.html

Proforma Corporation (2001). Business Process Improvement: Manage Process Change Using ProVision Workbench. Technical White Paper. < http://www.proformacorp.com/downloads/wp-bpm.pdf>

🛠 ProVision EnterprisePro: An integrated business process and UML/object modeling tool that helps business and information technology professionals succeed in modeling and evaluating the business processes and system components for their enterprise. ProVision's unique business strategy modelers allow you to define the goals, relationships and organizational structures for the enterprise. <http://www.proformacorp.com/provision/enterprisepro.asp>

Proforma Corporation.

Develop a Risk and Mitigation Analysis

Center for Risk Mitigation: http://socrates.berkeley.edu/~iir/crm.html
Computer Sciences Corporation (CSC). Risk Mitigation Handbook.
<http://www.csc.com/industries/government/offerings/uploads/766_2.pdf>

🛠 SCRAM 99 Project Schedule/Cost Risk Analysis Tool: A risk analysis/decision support tool that adds probabilistic duration, cost and logic analysis capabilities to Microsoft (MS) Project. Its main purpose is to help manage risk. <http://www.scramsoftware.vallnet.com/prod01.htm>

U.S. Army Space and Strategic Defense Command (USASSDC), Program Analysis and Information Directorate).

U.S. Department of Defense (March 2001). AFMC - Conduct Risk Management.
<http://web1.deskbook.osd.mil/valhtml/2/25/252/252EN1.htm>

Implementation

Build Staff and Stakeholder Buy-In

Carr, D., Hard, K. and Trahant, W. (1996). *Managing The Change Process: A Field Book for Change Agents, Consultants, Team Leaders and Reengineering Managers.* Washington, D.C.: McGraw-Hill.

Hammer, M. (1996). *Beyond Reengineering: How the Process-Centered Organization Is Changing Our Work and Our Lives.* New York: NY: Harper Business.

Harris, Tasha (April 2002). Can Encouraging Employee Commitment and Buy-In Change an Organization's Culture. Welfare Information Network.
<http://www.welfareinfo.org/orgculturechangeRN.htm>

Killian, Jerri (March 2001). *Comparing Non-Profit and Local Government Organizational Climates: Implications to*

Employee Commitment. American Society for Public Administrators, 2001 National Conference. To order, contact Deloris Toye at 202/585-4319 or dtoye@aspanet.org

Schaffer, R. (1988). *The Breakthrough Strategy*. New York: NY: Harper Business.

🛠 Teams: One strategy for building buy-in is to create teams and task forces. In doing so, the buy-in develops as a result of direct involvement by the participants.

Katzenbach, J. and Smith, D. (1993). *The Wisdom of Teams.* New York: NY: Harper Business.

🛠 Transition Teams: The U.S. General Accounting Office recommends establishing transition team(s) in order to manage the implementation process and build buy-in at the same time.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Secure Approval for Implementation Project(s)

🛠 Assessment Questions: A series of key questions that guide the buy-in and manage expectations of a process redesign.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Harris, Tasha (April 2002). Can Encouraging Employee Commitment and Buy-In Change an Organization's Culture. Welfare Information Network.
<http://www.welfareinfo.org/orgculturechangeRN.htm>

Killian, Jerri (March 2001). *Comparing Non-Profit and Local Government Organizational Climates: Implications to Employee Commitment*. American Society for Public Administrators, 2001 National Conference. To order, contact Deloris Toye at 202/585-4319 or dtoye@aspanet.org

🛠 The Burke-Litwin Organizational Model: A change management model which focuses primarily on the communication networks and transactional elements in an organization. This tool helps to identify elements associated with creating motivation, involvement, and commitment, as well as value change.

Carr, D., Hard, K. and Trahant, W. (1996). *Managing The Change Process: A Field Book for Change Agents, Consultants, Team Leaders and Reengineering Managers*. McGraw-Hill. Washington, D.C.

Create Implementation and Transition Plans

🛠 Multiple Track Approach: The Social Security Administration recommends moving forward on multiple fronts, simultaneously. This comprehensive approach operates with the goal of making visible improvements for the near-term, while building for long-term results.

Social Security Administration (1994). *The Blue Book*. pp. 6-7; 55.

🛠 Pilot Tests: The U.S. General Accounting Office recommends pilot testing as an effective tool for moving an agency or organization toward full implementation. It allows for evaluation, identification of potential problems, correction, and refinement of performance measures.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Create an Operational Description and Plan

Business Information: http://www.business.com

Harvard Business Review: http://www.hbsp.harvard.edu/hbsp/prod_detail.asp?4428

Simon, Kai A. (1994). Towards a Theoretical Framework for Business Process Reengineering. <http://www.informatik.gu.se/~kai/pub/thesis.pdf>

🛠 Transition Teams: The establishment of transition teams enables the management of the implementation process. The team should include the members of the reengineering team, managers, staff and key executives. The team should develop a detailed implementation plan along with timetables, and assignments of activities to those individuals responsible for overseeing and performing tasks.

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

Execute Project(s)

🛠 Analyze and Adapt: Once implementation is underway, the team must continually assess the progress of the project. Sorting, prioritizing, organizing and setting targets are just some of the activities for implementation the process. Measuring the performance and modifying or altering the original plan affords creating solutions to solve various problems that may arise in the implementation process.

Andersen, Bjorn (1999). *Business Process Improvement Toolbox*. Milwaukee: Wisconsin: ASQ Quality Press.

Bashein, B., Marku, M. and Riley, P. (1994). "Business Reengineering: Preconditions for BPR Success and How to Prevent Failure." *Information Systems Management*, (11) 7-13.

Berry, L., et. al. (1994). "Improving Service Quality in America." *Academy of Management Executive*, 8(2), pp. 32-45.

Champy, J. (1995). *Reengineering Management: The Mandate for New Leadership*. New York: NY: Harper Business.

🛠 Change Management: Gathering performance data on the new process is the only way an agency knows if the project is producing the desired results. GAO discusses the importance of meaningful performance measures ranging from the cost of the process to the time involved in delivery of product. Key assessment questions include:

- Did the transition team identify the necessary data for assessing performance on a long-term basis?
- Do the performance measures include a mix of outcome, output, and efficiency measures?
- Are the measures linked to the agency's strategic goals?

U.S. General Accounting Office (1997). Business Process Reengineering Assessment Guide. GAO/AIMD-10.1.15. <http://www.gao.gov/special.pubs/bprag/ai10115.pdf>

🛠 Continuous Process Improvement: Maintaining the gains produced by a business process effort is an integral part of process management. Maintaining momentum and preventing deterioration is the recommended approach by the Department of Defense. A pro-active approach strives for long-term

improvements which are accomplished through accurate measurement, assessment and maintenance of standards of excellence.

U.S. Department of Defense (1994). Framework for Managing Process Improvement. Section 9. <http://www.c3i.osd.mil/bpr/bprcd/3003s9.htm>

Council for Excellence in Government: http://www.excelgov.org

Group Web: http://www.GroupWeb.com/

National Academy of Public Administration (1999). Designing Effective Performance Measures.

ProSci On-Line Learning Center: http://www.prosci.com/

Quality Control: http://www.QualityCoach.net/

Turbo BPR: http://www.dtic.mil/c3i/bprcd/3007.htm

Implement and Operate the Performance Measurement Approach

Abramson, Mark A. and John Kamensky (2001). Managing for Results 2002. Pricewaterhouse Coopers Endowment for the Business of Government. <http://www.endowment.pwcglobal.com/books.asp>

🛠 CONQUEST 2.0 Database: Is a COmputerized Needs-Oriented QUality Measurement Evaluation SysTem for collecting and evaluating clinical performance measures. CONQUEST includes interlocking databases with a user-friendly interface to help you find measures to fit your needs. It allows you to follow one of three "paths" to create reports on performance measures (conditions, diseases, and procedures), measure sets (measures with a common purpose and developer), or conditions (with detailed epidemiologic information). <http://www.ahcpr.gov/qual/conquest.htm>

Agency for Healthcare Research and Quality.

Culotta, Jim (September 1999). Performance Measurement: A Tool for Measuring County Governments. National Association of Counties. <http://www.naco.org/pubs/research/issues/perf_tool.cfm>

Forsythe, Dall W. (2001). Quicker Better Cheaper?: Managing Performance in American Government. Rockefeller Institute Press. <http://www.rockinst.org/publications/ripress_books.html#books_in_print>

Friedman, Mark (May 1997). A Guide to Developing and Using Performance Measures in Results-Based Budgeting. The Finance Project. <http://www.financeproject.org/measures.html>

Liner, Blaine and et. al. (April 2001). Making Results Based State Government Work. Urban Institute.

<http://www.urbaninstitute.org/community/results-based-stategovt.html>

Moore, Iyauta (January 2002). A Look at How Agencies Can Utilize Outcome and Performance Data To Enhance Service Delivery. Welfare Information Network.
<http://www.welfareinfo.org/utilizeoutcome&performancedataRN.htm>

National Governors Association (June 1997). Building State Systems Based on Performance: The Workforce Development Experience. < http://www.nga.org/cda/files/062797STATESYS.pdf>

Procurement Executives' Association (2001). Guide to a Balanced Scorecard Performance Management Methodology: Moving from Performance Measurement to Performance Management. U.S. Department of Commerce. <http://oamweb.osec.doc.gov/bsc/pmmfinal.pdf>

United Way of America's Outcome Measurement Resource Network:
http://national.unitedway.org/outcomes/

U.S. General Accounting Office (September 2000). Program Evaluation: Studies Helped Agencies Measure or Explain Program Performance. GAO/GGD-00-204.
<http://www.gao.gov/new.items/gg00204.pdf>

Watson, Sara (November 2000). Informed Consent: Advice for State and Local Leaders on Implementing Results-Based Decisionmaking. The Finance Project.
<http://www.financeproject.org/informed_consent.htm>

Yates, Jessica (October 1997). Performance Management in Human Services. Welfare Information Network.
<http://www.welfareinfo.org/perfman.htm>.

ABOUT THE FINANCE PROJECT

The Finance Project is a non-profit policy research, technical assistance and information organization created to help improve outcomes for children, families, and communities nationwide. Its mission is to support decision making that produces and sustains good results by developing and disseminating information, knowledge, tools and technical assistance for improved policies, programs, and financing strategies. The Finance Project's work is concentrated in several areas:

- Financing issues and strategies related to education, family and children's services, and community building and development;
- Results-based planning, budgeting, management, and accountability;
- Community supports and services that reach across categorical boundaries and the public- and private-sectors to effectively link health care, education, family support, income security, and economic development;
- Improved governance and collaborative decision making; and
- Planning and implementation of comprehensive welfare and workforce development reforms.

Established in 1994, The Finance Project offers a valuable intellectual and technical resource to policy makers, program developers and community leaders, including state and local officials, foundation executives, academic researchers, service providers and advocates who:

- Are looking for creative new ideas for policies, programs and systems reforms and effective policy tools to implement them;
- Want information about what is occurring elsewhere, how it is working, and why; and
- Need practical, hands-on assistance to advance their reform agendas.

The Finance Project's products and services respond to decision makers' needs for information, practical tools and hands-on support. They span a broad continuum from general foundation knowledge about issues and strategies to intensive, individualized technical assistance. Products range from generic resources for broad audiences to highly customized resources for specialized audiences. They also entail efforts to cumulate knowledge and build the field over time as well as time-sensitive projects to address immediate challenges and opportunities. They include:

- Knowledge development — gathering, assembling and analyzing data from numerous sources to advance theory and practice.
- Policy tool development — developing tools and other "how to" materials to support the implementation of promising policies, programs and systems reforms.
- Information brokering — organizing and presenting research findings, technical assistance tools and information about the implementation and impact of promising policies, program and practices.
- Technical assistance — providing and coordinating direct assistance to state and local decision makers on the design and implementation of policy, program and systems reforms.
- Program management — helping foundation executives manage large, multi-site initiatives by

providing and brokering technical assistance to the sites, monitoring their progress, and serving as liaison between the sites and the foundations.

This work is supported by national and regional foundations, federal and state agencies, and community-based organizations.