

ASQ 1010 Ann Arbor Chapter



The Application of Performance Excellence to the Public Sector

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**Norma S. Simons, President
Simons-White & Associates
800 842 5640**

Outline

- Introduction
- Public Sector Challenges
- Concepts of Performance Excellence
- Successful Implementation
- Course of Action
- Summary
- Q & A

Introduction

What is Performance Excellence?

Basic Quality Concepts

ISO 9001

Strategic Planning

Six Sigma

Baldrige Award Criteria

Lean Thinking
Balanced Scorecard

etc.

Texas Workforce Commission

28 Workforce Development Areas

Houston Galveston Area Counsel

- *Process Definition*
- *Lean Thinking in the Public Sector*
- *Aligning Quality, Systems, Metrics*

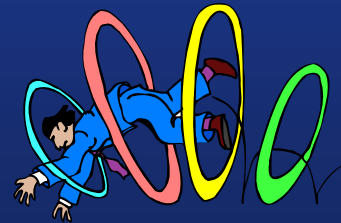
The WorkSource

Employer Service
Division

Resident Service
Division

Public Sector Challenges

- Shrinking budgets
- Lack of focus on the customer
- Focus on activities vs outcome
- Strong silo culture
- Excessive waste
 - Meaningless paper work
 - Approval cycles
 - Bureaucracy
- Lack of alignment with government policies



Typical Responses

- Add more people
- Increase number of forms
- Increase documentation
- Add more steps to the approval cycle
- Impose a measurement from the external environment
 - Increase reporting
 - Force accountability

Some Common Myths in the Public Sector

- Government will never require the use of ROI
- Absences of revenues and profits make the concept of ROI inappropriate
- Little or no hard data in government organizations
- ROI methodology inappropriate for essential government services

Washington State

- Background
 - Governor CEO of state government with 65,000 staff
 - Reasons to focus on state performance (eroding public confidence, perceptions of waste, fraud, poor response of government to issues)
- Begun in 1993 with the development of strategic plans and performance measures
- Used consultants in the private sector to facilitate the initiative
- 1998 used Baldrige based self-assessment tool

Information from the Government's Office

Results

- Governing Magazine 2001 gave the state of Washington one of 3 A grades
- 2004 received one of only 5 B+ s (only 2 A grades given)
- Service delivery has improved in timeliness, accuracy and responsiveness
- Public perception not improved in a significant way – need to engage citizens
- Governors Gary Locke and Christine Gregoire

Critical Elements to Success

- Clear and consistent leadership
- Developing a system that engages constituents in defining and achieving results
- Aligning budgets with priorities
- Establishing a system of data based decision-making
- Instituting human resource systems that align human performance with the goals of government
- Establishing a process approach that ensures the delivery of desired results

Comments from the Governor

- A well thought out approach to performance excellence is critical for the public sector
- Governor of the state holds a political office as well as the position of CEO
- In the private sector indiscretions may be forgotten – not so on the political arena
- A well thought out system helps to articulate the results that are needed, develop the metrics that demonstrate the improvement, (Instead of allowing others to report on your performance)

Fort Wayne, Indiana

Mayor Graham Richard

Project	Results
City Engineering Projects	<ul style="list-style-type: none">● Reduced labor by 750 man-hours● Reduced number of steps from 31 to 7● Annual savings of \$20,360
Late Trash Pickups	Reduced rate by 50%
Building Permits	Reduced from 47 to 12 days
Pothole Repair Cycle Time	From 48 hours in 2000 to 3.5 hours in 2005

Obstacles

- Board of Directors often in adversarial position
- Government leaders give up
- People not willing to change – feel that the mayor will be gone in 4 years
- No clear-cut leadership commitment
- Strong culture of “it cannot be done”
- Not many cross-cultural movement between the private and public sectors

Mayor Richard, Fort Wayne Indiana

- “I believe, where there is adversity, there is always advantage. We are experiencing this horrendous crisis of local and state government financing -- this is the first time in Indiana we've had three straight years of less dollars available for government than we had three years ago -- you cannot sustain government the same way. **When you have more people to serve, more services that are needed, and fewer dollars - you have to change.** Those who figure it out will be competitive survivors, and those who don't... their communities will be losers.”

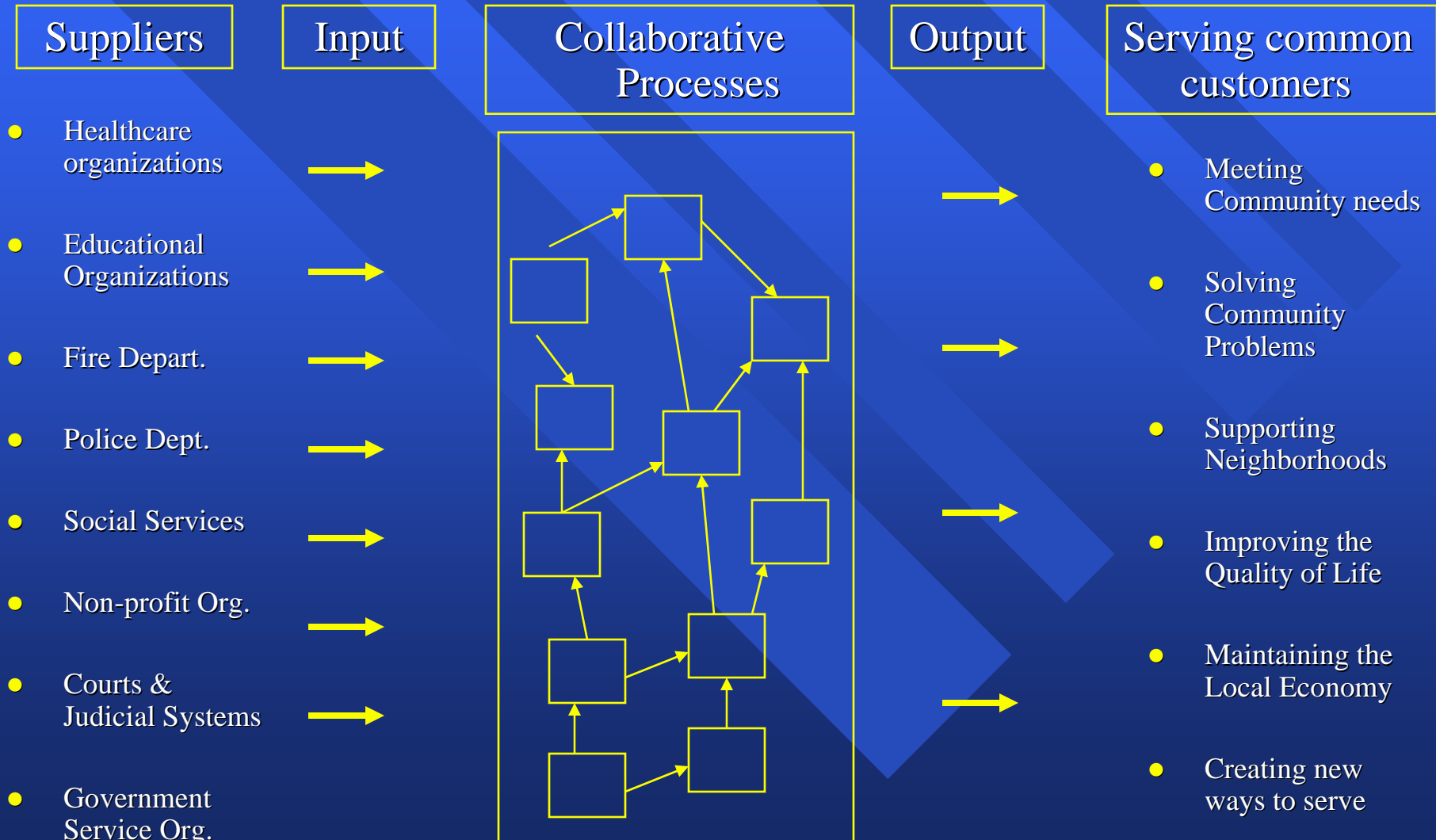
Factors that Ensure Success

- Committed Leadership
- Strong Customer Focus
- Business Process Management
- Systematic Approach to Change
- Strategic Alignment of Projects
- Use of a System of Metrics
- Performance Management
- Leverage Learning
- Full Management Deployment

West Bloomfield

- Michele Economu – Township clerk
- Issues
 - Residents not respected as true customers
 - Pulling a permit for home improvement projects take a long time (2 cases open for over 7 years)
 - Lack of mission statement, strategy, metrics and lack of accountability
- Intends to introduce concepts of Lean Six Sigma to address some of the issues that exist
 - Team based problem solving activities
 - Use of metrics to measure performance

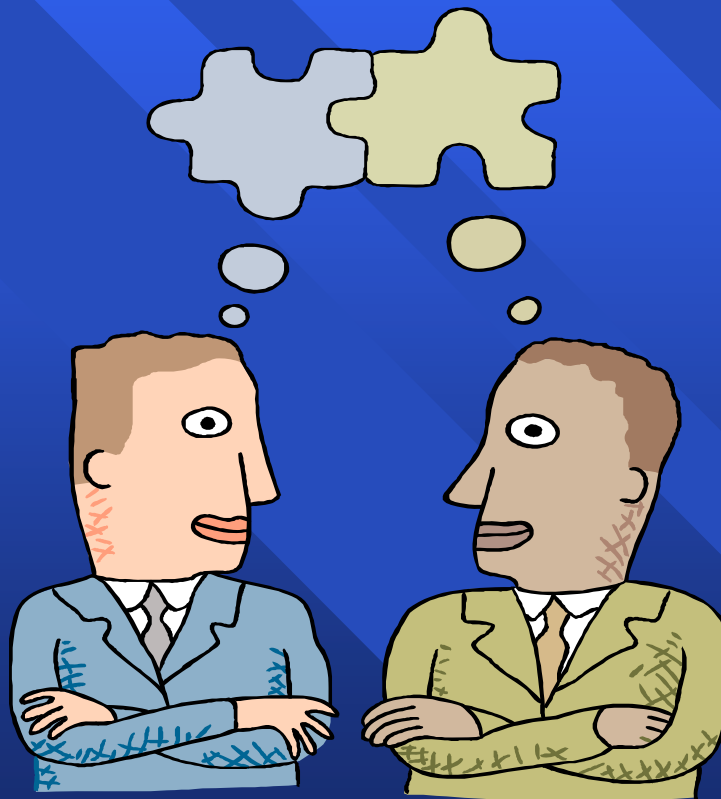
Systems View of a Community



How to Think about Community as Systems

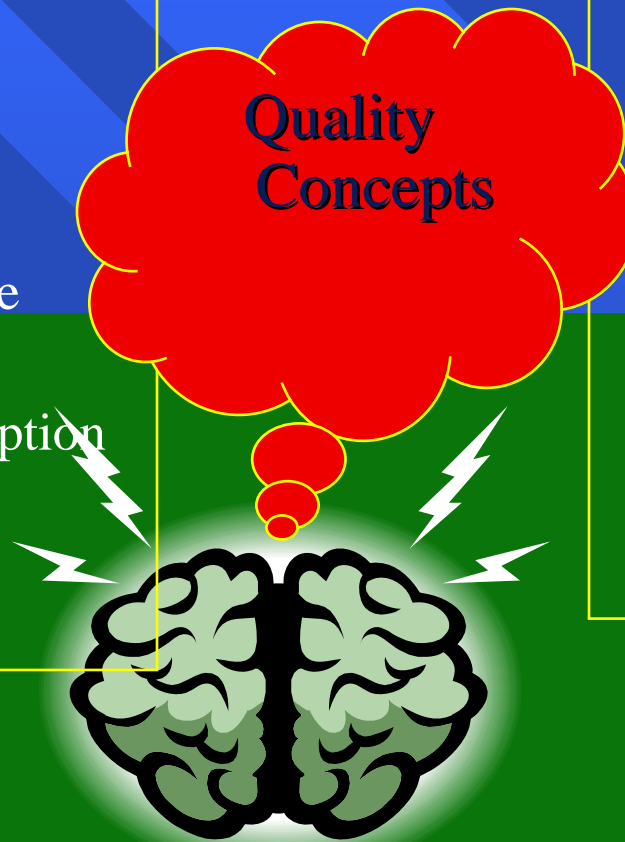
- Think Differently
 - Understanding Systems
 - Understanding Variation
 - Understanding Psychology
 - The Theory of Knowledge
- Break down Barriers

Integrating Engineering Concepts in the Public Sector



LEFT BRAIN FUNCTIONS

- uses logic
- detail oriented
- facts rule
- words and language
- math and science
- order/pattern perception
- reality based
- practical



RIGHT BRAIN FUNCTIONS

- uses feeling
- "big picture" oriented
- imagination rules
- symbols and images
- present and future
- appreciates
- spatial perception

The Role of Quality

- Quality movement brings together ideas from systems analysis, operations research, problem solving, statistics, engineering group dynamics, control theory, management science, human genetics and organizational development
- Need to avoid teaching a particular subset of ideas as “the gospel” – creates the flavor of the month mentality –
- Focus needs to be on integration – understanding what currently exist, identifying the gaps and using the appropriate means to fill those gaps
- Not just about the tools you know or those you can use
- George Box “Scientific Method: The Generation of Knowledge and Quality” states “the quality practitioner's never-ending improvement is, in essence the scientific method – analyzed, democratized and institutionalized”

Course of Action

- Translation
 - What is the output
 - Who are the customers
 - What is a process
- Measures should be used internally to fix processes
- Understanding of the problem solving methodology
- Need to significantly translate terminology e.g., balanced scorecard for the public sector
- Healthcare –not understanding the concept of “the customer”, or “what is a process”

Summary

- Performance of government can be improved but not through audits, scorecards, punitive damages, investigations or other forceful efforts to hold people accountable

Instead what is needed is

- Strong leadership
- Systems that promote and support alignment
- Shifting from the strong silo culture and focus on integration

Questions



Thank You

**Please complete the feedback card for more
information from today's speaker**

Or

contact Norma at 800.842.5640

norma@simons-white.com