Washington State Department of
Enterprise Services

Delivering On The Expectations Of Change

October 2012

Preface - A Unique History

Enterprise Services was established in October 2011 by consolidating all or part of five different central-services agencies. This action, now just a year in progress, constituted the most significant structural transformation of state government in a generation.

This brief history contrasts with how, starting back in 2008, other agencies with well-established missions, identities and processes responded to the "Great Recession." While the merger itself represented, in large part, a deliberate response to those economic conditions, the objectives encompassed far more, setting high expectations for greater innovation, efficiency and customer focus. Enterprise Services has had to simultaneously reduce the overall cost of government, align and streamline disparate processes and service offerings, and establish a cohesive agency culture. This journey is just starting.

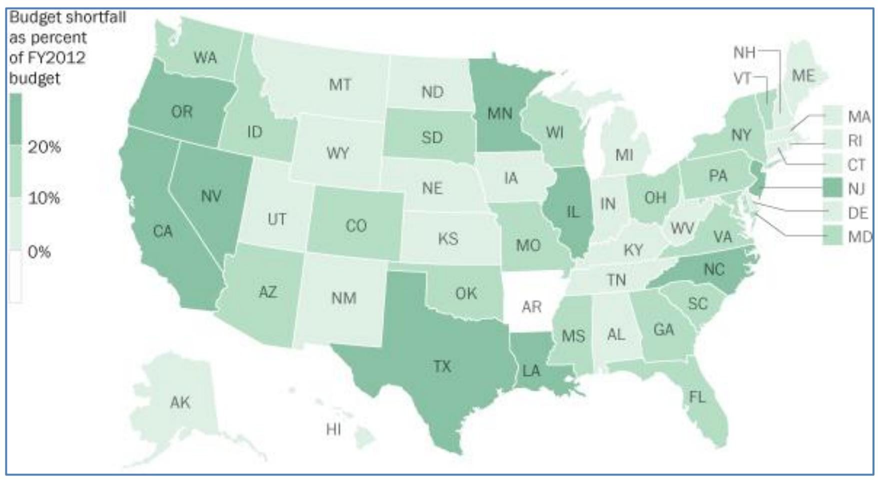
A Budget Crisis Leads To Consolidation

Governor Chris Gregoire stood before reporters in the Governor's Conference Room early in January 2010. The fallout of the worldwide financial meltdown that began in two years earlier continued to pour in. And this time the "Great Recession" had a local angle that would reverberate across the state.

The Boeing Co., long a mainstay of family-wage jobs in Washington, would deal another blow to the state's economy with a further round of layoffs.

Gregoire spoke in a solemn tone:

"The announcement that Boeing plans to lay off part of its work force is sad and disappointing, and yet more evidence of the deepening national recession," she said. "While I understand this was a business decision, I feel for those workers and their families."



Map shows budget shortfalls across the United States as a percentage of each state's fiscal year 2012 budgets.

The news followed the previous day's report that the state had set a record number of new unemployment claims during December. During the same month, the governor unveiled her two-year budget proposal for the upcoming legislative session: Close a projected $5.7 billion shortfall through a combination of program reductions, suspension of state employee, teacher and care-worker salary increases, pension changes and draining of the state's rainy day fund.

But even those painful and historic cuts, including unprecedented layoffs, would not be enough. A year later, Gregoire again took the podium in the same conference room before an overflow crowd of news reporters, state agency staffers, lobbyists, business representatives and others to announce her plans to deal with another $2 billion shortfall.
Her proposal included the largest consolidation of state agencies in more than two decades. It would abolish organizations and their decades-old histories and identities. Three entire agencies, and significant parts of two others, would combine to form the new Department of

Enterprise Services. The governor expected the agency to transform the way services were delivered to the rest of state government.

OFM would continue to oversee budget, policy, forecasting and labor relations, and add human resource policy and state IT policy, planning and oversight to its portfolio. A small portion of IT functions, primarily related to utility services, would be transferred to another agency created in the legislation, Consolidated Technology Services.

The shakeup would first result in the layoff of more than 100 employees and a budget reduction of $18 million.

The governor's charge was as straightforward – government must cost less. Voters had made it clear that they were not willing to pay more for services and that reforms should be made to restore confidence. The interpretation was clear: This consolidation had to help accomplish what no other consolidation had done before.

CURRENT HOME AGENCY (UNTIL 10/1/2011)

NEW HOME AGENCY (AS OF 10/1/2011)

	Office of Financial Management	Dept. of Personnel	Dept. of Information Services	General Administration	Dept. of Printing
Dept. of Enterprise Services Centralizes services to other agencies	• Small agency budget & acct. • Risk Mgmt. • Contracts • Statewide financial systems	• Recruitment • Employee assistance • HRMS • Small Agency HR • Workforce Training	• Web Services • Procurement & leasing • "Back office" Administration • Communications	• Facilities & grounds • Cons. Mail Svc. • Motor pool • Surplus mats. • State properties • Eng. & Arch. Svcs. • Procurement & contracts. • State Bldg. Code	• Printing • Procurement & leasing • Purchasing
Consolidated Technology Services Provides "utility" computing services			• State Data Center • Mainframe computing • Network ops & telecomm. • Email/Shared Svcs. • IT Security • Storage		
Office of Financial Management Centralizes statewide operational policy	• Budget • Policy • Forecasting • Labor Relations • Statewide Accounting	• State HR Director • HR Policy • Classification & Compensation • Personnel Resources Board • Workforce Diversity	• Office of the Chief Information Officer (OCIO) • State IT Policy & Oversight • State Data Center Migration Plan • Enterprise Architecture		

The Decision Is Made

TVW, the public affairs broadcasting network, tuned its cameras to a quiet House chambers on May 25, 2011, as *sine die* approached at midnight. Abruptly, the electronic reader board that displays votes flashed that Substitute Senate Bill 5931 – the central services consolidation bill – would be up for final consideration. Legislators began streaming back to their desks.

The call for a vote meant one thing: A deal had been reached to approve the last remaining piece of legislation, bringing the special session to a close. Democrats, who controlled the House by a wide margin, had previously balked at the consolidation bill, while a good portion of their Senate counterparts openly supported it. The House passed the bill 54 to 42. The earlier Senate vote was 31 to 13. Throughout the session, the legislation had been a sleeper issue. Now, it had become a reality.

Originally set to begin on July 1, the final bill pushed out the start date to October 1 to allow for more preparation. Still, just four months remained to open the doors of the new agency.

Intent of The Legislation

The essential elements of the final consolidation legislation were clear:

1. Create a “world-class” customer-focused organization.
2. Combine functions, previously performed in multiple agencies, under a unified strategic management to streamline operations and eliminate duplicative functions.
3. Review whether the private sector should provide services. The legislation gave the Office of Financial Management (OFM) authority to examine up to six agency services each biennium (through 2018) to consider for bidding by contractors.
4. Reform the state’s purchasing practices for the goods and services.

The Senate sponsor of the bill noted: “This reform represents a fundamental shift in the focus of state government toward delivering services as efficiently as possible. This measure will save taxpayers money and provide greater value for every dollar spent, by allowing agencies to contract out non-essential services if, and only if, doing so will save the state money.”

Gregoire put it more succinctly: “You’ve got to compete. You’ve got to deliver the services.”

Changes Begin

Acknowledging the complexities of its proposal, the Governor’s Office in early March 2011 began steps to prepare for a possible consolidation.

The Government, Management Accountability and Performance program (GMAP) designated key employees from the five affected agencies to teams to begin the necessary groundwork, even though months remained until the Legislature made a decision. This preparation only made sense. A merger of this magnitude simply could not wait to begin after the end of the legislative session and have any expectation of success. There were too many tasks and details to consider. A few examples:

- Determine how more than 20 separate fund sources and 18 different financial accounting systems from the consolidated agencies would be reconciled.
- Review more than 300 different types of purchasing contracts.
- Identify and resolve classification and compensation issues across the five agencies, including one agency, the Department of Printing, whose personnel classifications for about 100 employees were completely outside of the normal state system.
- Review dozens of sometimes conflicting operating policies, procedures, and standards from each agency.
- Build a new agency structure in the state's payroll system and transfer records for 1,100 employees.
- Blend five agency websites to create an initial site that would allow users to find what they needed.

- Complete the moves of 500 employees into a new building that had just been designed and built for a different configuration of agencies, but which would now serve as the new agency headquarters, while revising floor plans to accommodate 200 additional employees.
- Implement a single agency email address and find a way to share files in the first 12 to 18 months it would take to transition from five agency networks to one.

At one point, the list included more than 30 areas that needed action. The "functional teams," as they were called, began weekly meetings in March to delve into issues in their specific subjects that would affect the overall consolidation. The teams were divided into six key categories:

- Finance/Budget/Accounting
- IT Applications and Help Desk
- Communication
- Contracts and Purchasing
- Human Resources
- Facilities

The teams set about identifying issues, setting priorities and implementing activities necessary for a successful transition. They would send their recommendations on a regular basis to an Executive Steering Committee, comprised of senior leaders from the existing five agencies. Project managers were assigned to each team.

The functional teams quickly identified priorities and developed plans. But as they forged ahead, the Executive Steering Committee recognized the dilemma of making decisions that could have a profound effect on the operational direction of the new agency when its new leadership team had yet to be formed. Recommendations for action lacked resolution.

The need for more dedicated direction became apparent.

Transition: Governor Names Director

As the new building for Enterprise Services neared completion in July, the agencies targeted for the consolidation prepared to move staff to the new structure at 1500 Jefferson Street.

The governor announced who would lead the new agency on the same day the 1500 Jefferson Building reached completion. Joyce Turner, who had been serving as the director of the soon-to-be-abolished Department of General Administration and its 650 employees, would become the transition leader of Enterprise Services and its first executive director on October 1.

The governor noted Turner's experience overseeing the creation of another new agency, the Department of Early Learning, as well as her experience with the Office of Financial Management (OFM) and the former departments of Information Services and Printing.

The Realities of Legislation

While it all looked official on paper, the realities of blending employees and their cultures from five distinct agencies began to hit home for those whose charge was to make the whole thing work.

The timing of the move had a major effect on agency staff. While having a high-quality facility for roughly 70 percent of the new agency staff served as a unifying factor, the moves took place over three months, a complication that delayed full unification.

Pushing back the effective date of Enterprise Services merger to October 1 meant that staff moving in to the new building during July, August and September still reported to their old agencies, an awkward time for many. For some, their assignment to Enterprise Services or to Consolidated Technology Services wasn't immediately clear. Employees were pleased with the new building and excited by the new colleagues they were meeting. But many remained uncertain about what this new agency meant for them personally. Those who moved in first were making the mental change to the new agency and were anxious to start the transition. Others were just moving in and had to absorb the essence of the changes that lay ahead. Some employees found the transition proceeding too slowly; others found the pace too intense.

Personal Touch Adds Comfort To The Unknown

Although diverse in their work cultures and in the types of service they provided to state government and the public, employees of the five consolidated agencies were unified in one need: Communication. Helping all employees feel included presented a significant hurdle.

For the two-thirds of the employees moving to the new building, it was a unifying way to begin a new agency. The new surroundings were generally nicer than their previous space, and working out the bugs of the building and finding out where everyone landed was a welcome distraction from the uncertainty.

But one-third of the employees worked in different locations, including printing, production services, the motor pool, surplus, state mail, the employee assistance program, custodial and facilities maintenance operations. Much of the initial communication and attention seemed too focused on the moves and building-related issues that meant little to them. They felt left out.

As transition director, Turner saw the necessity to connect personally with employees at all levels throughout the organization. The building's private owners organized orientation sessions for employees to provide insight about the surroundings to help put staff at ease as they made the initial transition. Turner recognized the opportunity to connect.

Turner's attendance at the orientation sessions and impromptu conversations with arriving employees had a noticeable effect. Many would comment later that her personal and open approach set the foundation for employee involvement in later months when forging the new agency's mission and initial priorities.

To reach employees in work locations away from the new building, the Communications functional team leveraged the interim consolidation website and focused it on the future. Turner's messages and the attendant information were a mixture of the day-to-day realities of settling in and the vision for the fledgling agency.

Turner continued the personal touch. She scheduled brown bag meetings by individual agency so that employees would feel more comfortable among their known co-workers to ask questions about the transition. She also shared her thoughts about the upcoming realities, acknowledging that a change of this magnitude would be messy. Calculated risks would be taken and some mistakes were inevitable. Turner cautioned employees that the transition was a sprint but that a consolidation is a marathon. More brownbags in new program areas were scheduled in the months ahead.

Questions from employees began flowing into an "Ask The Transition Director" email inbox. Anonymous inquiries ranged from questions about the number of bathrooms and parking to the size of cubicles. But as summer waned and the moves wrapped up, a consistent question emerged: Who is our management?

Establishing the Management Team

The consolidation offered a rare occasion to build an entire team from scratch. Decisions about who should lead the work and how to organize the agency to take advantage of similar lines of business and create efficiencies of scale were needed.

A critical early decision was to bring on two deputies. This helped to keep the spans of control manageable during the highly demanding and complex work of consolidation at the same time we had to continue to deliver services. It also provided an opportunity leverage diverse and complementary skill-sets.

About a third of the new agency's work would involve information technology systems and applications, a key focus of legislators. Many of these systems were directly tied to the financial and accounting systems that Enterprise Services would be managing – and changing. These areas also had a direct connection to the Office of Financial Management (OFM). She turned to Lynne McGuire as the deputy director she wanted to oversee these areas in the new agency.

McGuire's background covered finance, budgeting, IT and more. She had served as chief information officer and budget administrator for OFM. McGuire had also worked as a management consultant, helping to revamp programs and their operating systems to improve information gathering and performance. She was not shy about asking tough questions.

More publicly visible and oriented toward customers were the services that the former Department of General Administration provided to state government. General Administration had enhanced its reputation in recent years by improving communications and customer service. Much of this effort came under the guidance of Jane Rushford, a former deputy director and now the acting director. Rushford's successful emphasis on the personal touch and approach to dealing with issues made her the right deputy to handle these duties with Enterprise Services.

In rounding out the rest of the management team, Turner reached out to staff from the agencies being consolidated and others from outside organizations. To gauge their abilities and interest, Turner included in her interviews a hand-written draft of an organization chart to assess their creative thinking and aptitude for leading organizational change and development.

Many more decisions had to be made about how to align services in the few weeks left before October 1. For example, Enterprise Services would now serve as the budget and finance arm for both large and small agencies. Prior to consolidation, small agencies had their own specialty finance teams. Could efficiencies be gained by combining them? In the end, both the Small-agency human resources unit and the small-agency finance units were combined into the internal functions at Enterprise Services. This resulted in greater capacity and efficiency and also promoted specialty expertise that could be readily applied to issues in small agencies.

Over the next weeks, Turner announced key positions and the initial structure, recognizing that more organizational changes would follow. Employees welcomed the announcements as big steps forward.

Now came the hard part.

Setting Strategic Direction

With the initial structure set as the agency came into official existence in October, 2011, one key inquiry from employees rose in prominence: What are our direction and our goals?

The language of the consolidation legislation helped to provide the initial guidance to employees about the agency's direction – with an emphasis on customer service, innovation and reducing the cost of government. However, more specific and meaningful guidance was needed. Agency leaders committed to employees that they would have a big role in determining the agency's direction. The employees themselves were prepared to help establish the kind of agency they wanted to become.

The management team began meeting with The Coraggio Group, a change-management consulting firm that helped design an employee organizational review. The review involved a combination of one-on-one discussions with employees, focus groups and a department-wide online survey conducted in November and early December, two months into consolidation. Coraggio reached 460 of the agency's 1,000-plus employees to produce a goldmine of information. By design, the assessment identified the early areas that were working and those where improvements were needed.

The initial positive findings:

- Staff appeared willing to change and eager to assimilate into the new world of Enterprise Services.
- Early evidence of an agency culture already had begun to emerge, one based on a "strong desire" to deliver excellent customer service.

Other key realities:

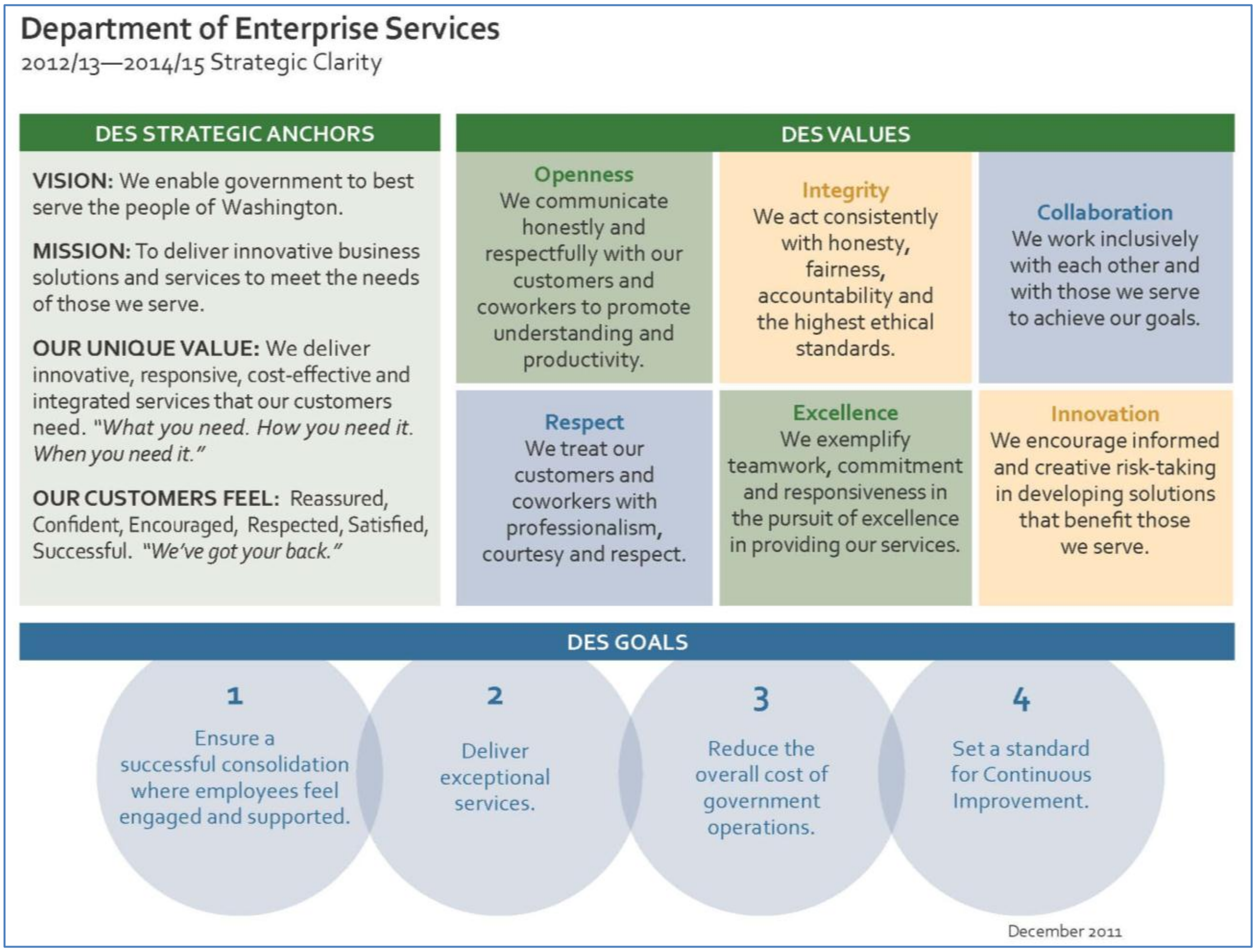
- Employees sought more clarity about the agency's overall mission and how their programs would contribute to it.
- Communication about the agency's direction should be more frequent.

The management team, working with Coraggio, then developed draft mission, vision, and goal statements that were shared with staff for feedback and to ensure common understanding. In subsequent meetings with their managers and supervisors, employees were asked about the values they felt would best serve them in meeting the mission and vision for Enterprise Services. They were tasked with establishing clarity to the agency values of openness, integrity, collaboration, respect, excellence and innovation by describing what those values would look and sound like in actual practice.

These elements were then pulled together into a concise one-page handout that would clarify and focus how the agency would act in all of its dealings. The six one-word values were given meaning with one-sentence descriptions free of the usual corporate or bureaucratic jargon. Prominently displayed were the agency goals, also summed up succinctly:

1. Ensure a successful consolidation where employees feel engaged and supported.
2. Deliver exceptional services.
3. Reduce the overall cost of government operations.
4. Set a standard for continuous improvement.

While the agency's priorities for work would be expected to change over time as tasks and projects were completed and new demands arose, the "strategic clarity" document was designed to serve as the anchor through at least 2015.



The chart above illustrates the new agency's strategic direction, including mission, vision and values.

Boots on the Ground

Executive management also met frequently over the course of the fall and early winter months to lay out the most immediate operational challenges and their implications. These included everything from how to help both employees and agency customers understand Enterprise Services to helping staff understand the structure for making decisions.

Things that had been routine for employees in their previous agency had now become more challenging. They were introduced to new processes that were put in place to establish the initial internal policies and standards that would represent Enterprise Services.

Further highlighting the complexity of this work was the fact that "real life" day-to-day services never stopped. Indeed, as winter took hold, two exceptionally demanding events tested the new agency – the almost two month-long Occupy Olympia encampment at Heritage Park, followed by an intense snow and ice storm that resulted in power outages and treacherous roads. Employees in new roles or with uncertain processes stepped up to ensure continuity of critical services, respect for First Amendment activities, and public safety. During the storm, some

Enterprise Services staff even helped get payroll out on time for more than 60,000 public employees by candlelight and powering their laptops in their cars while others processed warrants by flashlights.

The leadership team also recognized that different skills were required of them. While all had been managers, they needed to hone their leadership skills of inspiration and inclusion. They also needed to model the behavior they sought from their managers and program employees.

Employees were encouraged to recognize the newly established agency values when they saw them and gently remind others when they were not being followed. Managers were expected in their hiring to look for candidates who would bring those values to the job and that the candidates were made aware of them in the interview process.

Management also asked employees to submit their recommendations on the most important tasks and develop the action plans for what the agency should work on during its first year of operation. Leaders were both pleasantly surprised and confounded by the input: far more good ideas about future work emerged than could be realistically accomplished during 2012. The executive team now had its work for the rest of December: Set priorities for the coming year.

Priorities for the First Year

The executive management team next faced the challenge of settling on the top priorities for year one. Just about everything seemed like it belonged on the list. To whittle it down to a workable and realistic plan, the team relied on its four goals for guidance. The effort also involved some gut instinct to find a balance in the final priority list.

Employees submitted many ideas, especially about making the agency's internal processes work better – even including revamping the processes for ordering new letterhead and copying paper for printers. And management was keenly aware that many outside the agency were looking for beneficial changes that would demonstrate that the young Enterprise Services was moving the dial on statewide strategic areas of concern including reducing the cost for services.

In early January, the management team rolled out the eight-page "Strategic Action Plan for 2012." It included a draft combination of goals to complete in the new year along with other efforts that needed to get off the ground during the same period. They were segmented by each of the four agency goals and assigned to the 10 key divisions and programs.

The document would be further refined as managers met with their staffs to discuss the details, even though work was beginning on a number of the key priorities. By early March the plan was finally set. It defined more than 100 projects and initiatives selected for completion in 2012.

Six Months In: Time to Recalibrate

The first six months of the agency's existence passed quickly and led to more changes. The work began in earnest within the divisions.

Each division reviewed its operations, a process that would hit many employees close to home. Assistant Directors had to decide how to organize to accomplish the agency goals and the activities required by their division to fully deliver on the agency vision and mission. Divisions and programs were restructured to better reflect the emphasis on the work ahead.

Managers who were not in the right positions were moved, as were those struggling with providing leadership. Some good employees moved on in the process. But with those losses came opportunities to provide advancement to other employees and recruit other high-caliber talent. While painful at times, the restructuring allowed employees to find better fits for their skills and talents and to shore up parts of the organization that needed assistance and required improved operating efficiencies.

In some areas of the organization, vacancies were repurposed to be able to more fully accomplish goals. A process improvement team was built to help establish a culture where employees would be encouraged to innovate and re-examine operations continually, again with a focus and reference to the vision and mission. The process improvement team led the way in developing and embracing Lean principles, a natural fit for Enterprise Services.

A customer management team was created, again repurposing vacancies. The team would use analytics to help programs understand what customers needed and which services they chose to use and why. Team members also embraced the responsibility to determine if the agency as a whole was delivering on its service promises, again referencing to the mission and vision.

By the time these last organizational changes were completed, employees were ready to allow the decisions to settle and to tackle the work challenges. And challenges there were:

- In the wisdom to push the agency start date out to October to allow more time to prepare for the consolidation, came great financial challenges. Difficulties arose in getting solid fiscal data about where program budgets stood. Managers struggled about the complexities of unraveling their program finances. Fiscal staff struggled to track funds now divided among the agencies and programs involved with the consolidation.
- Contracts staff involved with consolidating and tackling procurement reform in a major overhaul, had to get comfortable in letting some contracts extend out past deadlines.
- Technology staff struggled with identifying more than 400 applications, including many duplicate systems, before beginning the analysis of which could be eliminated without repercussions.
- Human Resources had to develop organizational charts and prepare testimony to begin a complete review process of employee-labor representation and the makeup of bargaining units with the Public Employment Relations Program and the union organizations, all while divisions were reorganizing.
- And programs that came to Enterprise Services intact struggled to understand the need to embrace changes in their lines of business to establish a new working order for the agency.

No part of Enterprise Services went unchanged.

The Journey Never Ends

A proverb from a Chinese philosopher found favor among Western cultures many years ago and is apt for Enterprise Services: *A journey of a thousand miles begins with a single step.*

Governor Chris Gregoire took the initial step in January 2011 by announcing her proposal to blend five agencies together to help state government deal with the worst economic climate since the Great Depression. The Legislature, after debating the merits of the idea, took the next step by approving the consolidation legislation in May.

And the employees of Enterprise Services have taken the most important steps. They have turned words on paper into a new state agency that provides valuable and cost-effective services to its fellow agencies and the public.

But this journey has no end.

One of the agency's first four goals is: *Set a standard for continuous improvement.* This goal, more than any other, honors the intent of the consolidation. Employees have ventured into the unknown, recognized opportunities, encountered difficulties – some expected, many not – and have cleared a path forward. Successes, both big and small, have emerged from a shared dedication and commitment to the seemingly simple yet complex vision of making government work better.

A considerable number of business processes that were once branded as new and improved in the former agencies have in the first year of Enterprise Services been found to be burdensome, even obsolete. They have been put aside, or soon will be. Employees have created new ways of operating; they are searching for more.

But the celebration of those successes will be, by necessity, sweet but short. To honor their shared commitment, the employees of Enterprise Services must continually reinvent themselves. By doing so, they will help reinvent the way state government meets the demands placed upon it. But those reinventions, in due time, will face their own re-examinations so that the process can begin anew.

In a broader sense, Enterprise Services anchors and aligns itself with the great American spirit of reinvention and determination to weather bad times and emerge stronger. It's a shared commitment that really knows no boundaries of delivering on expectations.

One Year In: Delivering on Expectations

As noted previously, the consolidation legislation set high expectations, including creating a "world-class" customer-focused organization, combining functions to streamline operations and eliminate duplicative activities, and reforming the state's purchasing practices for goods and services.

Enterprise Services employees have risen to the challenge of countless changes sparked by consolidation. Most saw their previous agencies disappear. They were moved physically and organizationally. They were separated from past work processes and relationships. Personal duties changed, as did many managers and supervisors. Everyone had to learn new ways of doing business.

Understandably, a year of consolidation has created a bit of change fatigue. However, the agency is beginning to stabilize. The number of improvements is too extensive to list all of the enormous changes occurring across the agency, but some examples include:

- Legislative passage of agency-initiated reforms to the state's overall purchasing practices.
- Reclassification of employees to match actual job duties and salary levels.
- Review of all enterprise applications.
- Consolidation of financial accounting systems.
- Development of new intranet and internet sites.
- Restructuring of Print and Imaging operations, which led to reduced overhead costs and appropriate staffing levels.

- Identification of $27 million from various program reserves to help meet state budget shortfalls in 2011.
- The Employee Assistance Program closed its Seattle office to achieve savings and expanded use of contracted providers.
- Surplus Programs revamped operations to improve sales, partly through an increased presence on social media outlets such as Facebook and Twitter.
- Creation of an employee engagement team (cross representation of all divisions) to engage employees in the development of the agency.

In addition to necessary consolidation activities, Enterprise Services also took on key efficiencies. Some are still in progress:

- Support for the restructuring of the Liquor Control Board, including layoff assistance, online licenses auction, and real estate sale of the liquor distribution center in Seattle.
- Consolidating an enterprise office supplies contract that reduces costs by 21 percent and save customers about $6 million biennially.
- Implementing extensive reforms in the state's procurement practices for $1 billion annually for goods and services.
- Determining how rate charges for central services can be lowered and more equitably distributed.
- Continuing consolidation of state agency vehicle fleets and removal of low-mileage vehicles.
- The merger with the Department of Social and Health Services of several mail processing facilities into one, sparing the expense of two leases, redundant machinery, extra transportation and staff time.
- Sale of several surplus real estate properties.
- Continuing use of Lean practices and reforms throughout the department including the Risk Management program's effort for insurance renewals that will provide a more convenient and informative billing system and ensure better maintenance of master property records.
- Beginning the development of a time, leave and attendance application that can be used enterprise-wide to reduce costs associated with personnel time keeping.

Beyond the individual items in the list above is a real transformation. A new culture is emerging. Most employees have embraced change and are having different conversations. Silos are coming down. More and more often, employees are improving business approaches without formal process, and are talking about delivering better services.

Employees talk about possibilities and opportunities to provide a more unified approach in how services are delivered. There is more of a commitment to one another and to taking care of the people who will help achieve the goals.

Lessons Learned: Reflections from Management

In mid-November of 2011, members of the executive management team gathered for a daylong retreat away from headquarters. The gathering began with a request for each member to use crayons to draw a picture that depicted their experience with the consolidation to date. One featured a woman with her hair on fire. Another included a demon chasing one member on a path toward a forest. One showed a man falling from a building window into a pond with a nearby lifeboat. One executive drew a light bulb surrounded by question marks.

Others were similar in nature. Combined, they expressed the mental acrobatics that each executive was experiencing as they began their foray into leading the way through the largest state government consolidation in two decades.

Now, with a year's experience behind them, here are anonymous insights from the initial management team members about what a consolidation of such magnitude requires.

- *"It's a lot more complicated than just combining FTE counts and budget numbers. There are cultural concerns, personnel issues and many other land mines to work through."*
- *"The most important aspect of making this system work is bringing together a cohesive, well-experienced team of individuals who are dedicated to continuous change that allows for innovative, creative and collaborative solutions."*
- *"Communicate a lot and do much of it in person. The people at the top need to show up in person more than they think they do. Employees value that approach. It builds the personal touch that matters a lot to people."*
- *"Standards for operating need to be set early, so that everyone understands the initial expectations. And then you have to take the right steps to help employees believe that the standards matter."*
- *"Don't get bogged down in processes."*
- *"We might want to be more thoughtful about introducing so much change to the organization, though I think there's been lots of effort to do change management to minimize the trauma. I think all the change has been pretty tough on people. I hope we are learning from that."*
- *"Leadership, using a hands-on approach with staff, developed and cascaded throughout the organization a strategic clarity document which communicates the values and goals to give the agency direction; it's up to leadership to model the stated behaviors and to communicate what is expected."*
- *Realize and understand management won't have all of the answers in the beginning. Despite good intentions, it will take time for processes to fall in place and get best practices established."*
- *"Connect, communicate, include, connect, adjust, communicate..."*

The drawing above was created during an exercise with Enterprise Services' new management team. Coraggio asked each team member to illustrate what the first 60 days felt like. This drawing shows a person's hair on fire, but accompanied by a rainbow of possibilities.

Recommendations

As the employees at Enterprise Services celebrated their accomplishments during the first year of existence, several notable reflections came to the fore about the work necessary to ensure a successful consolidation. The management team appreciates and recommends the following five important principles:

Emphasize the personal touch. No one should underestimate the importance of the personal connections that executive management makes with employees at all levels. This effort must begin early, be genuine and be frequent. Leaders must visit employees in the areas where they work and take time to learn about how jobs are done. This will help gain trust and confidence, which are critical to engaging employees in sharing the vision, mission and values of the organization.

Tell the story of possibility*.* As quickly as possible, employees need to have a document in front of them that clarifies the direction an organization will take in its early stages and beyond. But development of this document must include ideas, suggestions and recommendations from employees. They will understand that management will apply the finishing touches to the map ahead, but employees want to know that they were part of charting the course. This will further the shared commitment to success. Employees will also understand that a clarity document requires recalibration along the way. Change is a necessary and unavoidable aspect of consolidation.

Give all employees a chance to play a part. Employees in any organization seek guidance and leadership. But even more important, most desire the opportunity to influence the direction. This is especially critical in a consolidation. Giving employees the ability to shape the values that apply to the work they will asked to do can help ensure buy-in from the start.

Pay attention to the little things. Employees get frustrated by little annoyances. How to order supplies, who fixes copy machines, getting business cards and letterhead – those things matter a lot. How the organization plans for and manages the small details reflects on the overall ability to handle the larger concerns. Pay attention to the little things. They add up quickly. Ignoring them puts credibility at risk.

Be honest, transparent. The clarity document that notes the organization’s mission, vision and values is truly a “living document” that requires continual attention. Refer to it often so that employees understand – and share – the desired focus. Communication never ends about this. In the absence of communication, rumors thrive and take on unintended meaning. Leadership can conquer rumors by owning the bad with the good. Acknowledge realities, keep your commitments and maintain the optimism. The organization’s credibility is at stake. Ignore this at your own peril.