

# UTAH OPS

Building on SUCCESS

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PRESENTED BY GOVERNOR GARY R. HERBERT



SEPTEMBER 2, 2015

“Just over two and a half years ago I challenged state agencies to improve performance by at least 25%. We are seeing some fantastic results among almost all of our agencies but there is still more work to be done. By continually improving the quality, efficiency, and cost of government services, Utah will maintain its place as one of the best managed states in the nation.”

- Governor Herbert



**GARY R. HERBERT**  
Governor, State of Utah

## UTAH OPS

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### DEAR FRIENDS,

It is my pleasure as Governor to welcome you to the second annual Utah OPS Conference.

Utah is recognized as one of the best managed states in the nation. While we are pleased with this accomplishment, our resolve is to continue building upon our success by finding innovative ways to stretch taxpayer dollars and resources for maximum benefit by improving state agency operations. One way to reach peak performance is to leverage our limited resources by applying the principles and fundamentals of the SUCCESS Framework.

To date, this approach is being used in almost every state agency with impressive results. We are well on our way to making continual process improvement a tenet of state agency operations. Our success is due in large part to the great work of our employees. I am honored to work and serve alongside Utah's state employee workforce and thank them for their commitment in serving the citizens of Utah and upholding the public trust.

Sincerely,

A handwritten signature in black ink that reads "Gary R. Herbert". The signature is written in a cursive, flowing style.

Gary R. Herbert  
Governor



**KRISTEN COX**  
EXECUTIVE DIRECTOR, GOVERNOR'S OFFICE  
OF MANAGEMENT AND BUDGET

**WELCOME** to the second annual Utah OPS Conference!

As Utah citizens, taxpayers, and public servants, we should each be concerned about the role and effectiveness of state government operations. I recognize the hard work, dedication, and commitment of our state employees and am confident that the work currently being performed promotes positive outcomes each and every day.

Many of our agencies have received accolades for the work they perform and we are even recognized for out-performing our counterparts in other states. While Utah is often cited as #1, it is my belief that every system has the capacity to improve and I am confident that further success is achievable when committed people are empowered with the knowledge, tools, and framework to improve. As Utah's population continues to grow and more and more demand is placed on government, we simply must focus on our internal capacity to improve before looking for additional funding. Resources are scarce and without on-going efforts to meet increased demand through improvement efforts, we will fall short of delivering the services Utah taxpayers deserve.

The mission and goal of the Governor's Office of Management and Budget (GOMB) is to create more value for every tax dollar invested. GOMB is committed to support agencies in maximizing taxpayer dollars by sharing the tools and skill set necessary to improve and leverage the expertise that exists in organizations both inside and outside state government.

During this year's conference, attendees will learn from subject matter experts about successful project management, outcome-based performance, employee engagement, and the importance of management focus. In addition, five real-life case studies will be highlighted that offer tips for improving quality and service while simultaneously reducing overall cost.

I hope the Utah OPS conference will provide you with a greater understanding of the tools, resources, and measures available to ensure we are making a tangible difference for Utah taxpayers and the people we serve.

Kristen Cox, Executive Director  
Governor's Office of Management and Budget



## S U C C E S S — F R A M E W O R K —

High performing organizations aren't created by accident. Rather, they have certain infrastructure, expertise, and systems in place that allow them to continually deliver better and better results. While no organization ever has all of these fundamentals perfectly designed and implemented, a high-performing organization has most of them in place and is actively and continually improving upon each. Before diverting resources or time to other efforts, a high-performing organization focuses on getting these core fundamentals in place along with the requisite expertise.

The management fundamentals outlined in the SUCCESS Framework allow organizations to proactively plan, schedule resources, and reduce the chaos that results from a reactionary approach. Resources are maximized, employees know what they are doing and why, and issues are identified and resolved before they become a crisis. Leadership is able to focus on the few strategies that will yield the greatest results and prevent the diverting of resources into less beneficial initiatives. On-going systems and practices are in place to assess performance so services can continually improve.

While the SUCCESS fundamentals will not prevent every challenge or ensure perfect harmony within an organization, they do help to eliminate many of the problems for which leadership invests significant time and resources. Marketing, communications, and stakeholder buy-in are all made easier when these fundamentals are in place and there is a positive and measurable story to tell.

## **S**ET CLEAR, MEASURABLE AND AMBITIOUS GOALS

An organization must first know where it is going and how to measure if it is getting there. To this end, the first step to improvement requires focus and clarity of purpose. All subsequent actions, strategies, and investments of time or resources stem from the initial understanding of why the organization exists and how it will deliver measurable results to its customers. Step one then is defining the goal, the scope of the system, and the measures that will be used to demonstrate results and progress.

## **U**SE DATA, ANALYSIS, AND THINKING TOOLS

Before any treatment can be prescribed, there first must be a diagnosis. Likewise, agency performance hinges on first fully understanding a system or problem before developing solutions. Through the use of structured analysis, data, and process improvement tools, agencies can uncover where problems exist and why. This understanding becomes the basis of how to improve performance. Every improvement within an organization results from a change—but not all changes lead to improvement. Thoughtful analysis upfront can increase the probability that future changes actually move the needle for the good.

## **C**REATE THE STRATEGY

Once a diagnosis is established, agencies can develop specific strategies and tactics that will improve the business. Successful and rapid implementation of strategies requires focus and a project-based approach or methodology that articulates time lines, action steps, responsible parties, and a plan to check if the strategies are working.

## **C**REATE THE ORGANIZATION

Moving boxes on an organization chart is all too common within government. Without having clarity of purpose and a solid understanding of strategy, reorganization within itself will not address core problems. The design of an organization should enable the goal to be met and reinforce the strategy. It should also address appropriate spans of control, duplication of effort across the organization, and change management.

## **E**NGAGE EMPLOYEES AND CUSTOMERS

People are the most critical resource in any organization. Regularly engaging with employees and customers is critical to uncovering both problems and opportunities. Those involved directly in the work often have the greatest insights for how to make meaningful improvements. Engagement also requires translating goals into performance plans, compensation options, and the training requisite to help people succeed.

## **S**YNCHRONIZE PROJECTS AND POLICIES

Organizations should have internal competencies on how to select, manage, and implement projects along with ways to ensure that the policies of the organization align with the goal. Formal governance structures and project management practices should be a given. Because automation is not always a silver bullet, organizations should be selective in how and what they automate—always insisting that projects result in a measurable impact to the bottom line—quality, throughput, and/or cost.

## **S**TAY FOCUSED

One of the biggest constraints for an organization is management's limited time and attention. How and where management spends time will impact how the entire organization focuses scarce resources. Management must articulate a clear set of priorities, spend consistent and regular time on them, engage regularly with staff and customers on execution of those priorities, and help the organization remove barriers that impede progress. With a finite number of hours in a day, management can't afford to squander time on the good at the expense of the best.



Learn more about the **SUCCESS Framework** and available resources at: [gomb.utah.gov](http://gomb.utah.gov)

8:30 to 9:00	<b>Check-in</b>				
9:00 to 9:50	<b>OPENING PLENARY SESSION</b> Governor Gary R. Herbert and Kristen Cox, GOMB Executive Director				
	Room 155A	Room 155B	Room 155C	Room 155E	Room 155F
10:10 to 11:00 <b>BREAKOUT SESSION 1</b>	<b>Maximizing the Impact of Taxpayer Dollars: An Outcome-Based Approach to Public Spending</b>  <i>David Anderson</i> Director Evidence Based Policy John and Laura Arnold Foundation	<b>This Time is Truly Different: Making an Impact in an Age of Fiscal Scarcity</b>  <i>Mark Funkhouser</i> Publisher Governing Magazine	<b>7 Fundamentals of a High Performing Organization</b>  <i>Kristen Cox</i> Executive Director Governor's Office of Management and Budget	<b>How to Accelerate IT Projects by 2X or More</b>  <i>Mike Hannan</i> Founder Fortezza Consulting	<b>The Oz Principle</b>  <i>Jeff McMullin</i> Regional VP Partners in Leadership
11:10 to 12:00 <b>BREAKOUT SESSION 2</b>	<b>How SUCCESS on the Inside Translates to Success on the Outside</b>  <i>Alan James</i> Corrections	<b>SUCCESS Is Not a Fleeting Thing!</b>  <i>Marilee Richins</i> Administrative Services	<b>Cleaning up with the SUCCESS Framework</b>  <i>Doug Hansen</i> Environmental Quality	<b>Even When You've Accomplished Much, There's Always Room for Improvement</b>  <i>Muris Prses</i> Workforce Services	<b>SUCCESS Behind Bars, Thinking Outside the Box</b>  <i>Jerry Pope</i> Corrections
12:00 to 1:20	<b>LUNCH WITH KEYNOTE ADDRESS</b> Rami Goldratt, Chief Executive Officer Goldratt Consulting <i>Management Attention: Achieving Results Despite Complexity, Uncertainty, and Conflicts</i>				
1:30 to 2:20 <b>BREAKOUT SESSION 3</b>	<b>Maximizing the Impact of Taxpayer Dollars: An Outcome-Based Approach to Public Spending</b>  <i>David Anderson</i> Director Evidence Based Policy John and Laura Arnold Foundation	<b>This Time is Truly Different: Making an Impact in an Age of Fiscal Scarcity</b>  <i>Mark Funkhouser</i> Publisher Governing Magazine	<b>7 Fundamentals of a High Performing Organization</b>  <i>Kristen Cox</i> Executive Director Governor's Office of Management and Budget	<b>How to Accelerate IT Projects by 2X or More</b>  <i>Mike Hannan</i> Founder Fortezza Consulting	<b>The Oz Principle</b>  <i>Jeff McMullin</i> Regional VP Partners in Leadership
2:30 to 3:20 <b>BREAKOUT SESSION 4</b>	<b>How SUCCESS on the Inside Translates to Success on the Outside</b>  <i>Alan James</i> Corrections	<b>SUCCESS Is Not a Fleeting Thing!</b>  <i>Marilee Richins</i> Administrative Services	<b>Cleaning up with the SUCCESS Framework</b>  <i>Doug Hansen</i> Environmental Quality	<b>Even When You've Accomplished Much, There's Always Room for Improvement</b>  <i>Muris Prses</i> Workforce Services	<b>SUCCESS Behind Bars, Thinking Outside the Box</b>  <i>Jerry Pope</i> Corrections

### THE OZ PRINCIPLE - JEFF MCMULLIN

This workshop will build on the foundation established in the best selling leadership book, *The Oz Principle: Getting Results Through Individual and Organizational Accountability*. The book focuses on a simple yet powerful model that participants will be able to readily put to use in their daily work by learning how to operate "above the line" and ask the "solve it" question. During the session, accountability for key organizational results is tied directly toward individual work objectives and participants will learn how they can consistently improve.

### HOW TO ACCELERATE IT PROJECTS BY 2X OR MORE

- MIKE HANNAN

Perhaps no other project-centric arena has more promise—or experiences more confusion—about improving speed than does the information technology field. While methods such as Agile have helped move the needle for certain types of projects, the success has not been as widespread as we all might wish. We also know there are proven speed-enhancing techniques from Lean, Theory of Constraints, Critical Chain, and a host of more traditional project-management approaches. How do we know what will work best and in which circumstances? Must we pick one method over all others? If we try to blend techniques in a best-tool-for-the-job approach, won't that get confusing? Mike's presentation will cover four straightforward techniques that can be applied simply and effectively to boost the speed of project execution by 2X or more.

### 7 FUNDAMENTALS OF A HIGH PERFORMING ORGANIZATION - KRISTEN COX

High performing organizations aren't created by accident. Rather, they have certain infrastructure, expertise, and systems in place that allow them to continually deliver better and better results. While no organization ever has all seven perfectly designed and implemented, a high-performing organization has most of them in place and is actively and continually improving upon each. Before diverting resources or time to other efforts, a high-performing organization focuses on getting these core fundamentals in place along with the requisite expertise.

### THIS TIME IS TRULY DIFFERENT: MAKING AN IMPACT IN AN AGE OF FISCAL SCARCITY - MARK FUNKHOUSER

Governments have been talking about doing more with less for decades. For a variety of reasons and despite the gloom and doom, things have rolled along more or less as always—at least until the Great Recession. State and local governments across America have now entered into an era of permanent fiscal scarcity. Despite this new environment, government leaders still want to make a difference for the people they serve. In this session, we will talk about how governments can make strategically targeted, population-level improvement outcomes without new money.

### MAXIMIZING THE IMPACT OF TAXPAYER DOLLARS: AN OUTCOME-BASED APPROACH TO PUBLIC SPENDING

- DAVID ANDERSON

Targeting public funding on programs that actually produce important outcomes is critical to improving government effectiveness. Across all levels of government, policymakers are increasingly utilizing rigorous evaluations and evidence to identify and fund those programs that provide the greatest return on investment while practitioners are using evidence to determine if their services are achieving the desired impact. This presentation will discuss why such an evidence-based approach to policymaking and contracting for social services could spark rapid progress in solving longstanding social problems. Policymakers and practitioners alike will be exposed to concrete strategies for maximizing the impact of taxpayer dollars.

**SUCCESS BEHIND BARS, THINKING OUTSIDE THE BOX:  
A CASE STUDY IN A SOCIAL SERVICE ENVIRONMENT**

- JERRY POPE

Finding hidden capacity is a challenge regardless of the environment, but is especially difficult to find within a prison operation. For the Division of Institutional Operations (DIO), the challenge was to increase the amount of time correctional officers spend working with offenders on security and case action plans while also meeting other operational demands. As a social service environment, there is no production line where traditional inputs and outputs can easily be measured. In this workshop attendees will learn about the hidden capacity found at the prison and will come to understand that if hidden capacity can be found in this type of environment, it can be found anywhere.

**EVEN WHEN YOU'VE ACCOMPLISHED MUCH, THERE'S  
ALWAYS ROOM FOR IMPROVEMENT: A CASE STUDY IN A  
TRANSACTION ENVIRONMENT** - MURIS PRSES

The Eligibility Services Division (ESD) is the largest within the Department of Workforce Services. Prior to Governor Herbert's challenge for state agencies to improve performance by 25%, ESD had already realized large budget savings—making further process improvements challenging. Utilizing the FAST diagram of the SUCCESS Framework, ESD has realized additional improvements in QT/OE while also improving the outcomes and services offered to their constituents. This workshop will show that any organization, regardless of past accomplishments, can continue to improve.

**CLEANING UP WITH THE SUCCESS FRAMEWORK: A CASE  
STUDY IN A REGULATORY ENVIRONMENT** - DOUG HANSEN

Staff resources and budgetary realities have driven continuous improvement in the underground tank program for over a decade. Despite having one of the highest compliance rates in the country, the program has discovered additional improvement potential by using the SUCCESS Framework tools and processes. When the voluntary cleanup program was first implemented, staff members hit the ground running and, although they exceeded broad program objectives, meaningful intermediate performance measures were difficult to identify. Using the SUCCESS Framework, managers stepped back from focusing solely on final outcomes and considered the complexity of the "how" to arrive at an appropriate QT/OE measure that promises elevated program benefits.

**SUCCESS IS NOT A FLEETING THING!: A CASE STUDY  
IN A RESOURCE MANAGEMENT ENVIRONMENT**

- MARILEE RICHINS

Increased stakeholder focus on vehicle utilization, pollution emitants, and most importantly, the cost of providing key services led the Department of Administrative Services to redesign core strategies and processes in the Division of Fleet Management. The SUCCESS Framework tools and measurements became the foundation for rebuilding the division into a sustainable, long-term business model. These tier one systems are logging consistent and impressive results in both their QT/OE numbers and in the quality and sustainability of the program. This workshop will show how to use the SUCCESS tools to not only measure systems, but to develop, evaluate, and communicate long term business strategies to develop flexible, cost-effective business models that can respond to market demands.

**HOW SUCCESS ON THE INSIDE TRANSLATES TO  
SUCCESS ON THE OUTSIDE: A CASE STUDY IN A  
PRODUCTION ENVIRONMENT** - ALAN JAMES

This case study highlights the SUCCESS Framework results and lessons learned at Utah Correctional Industries (UCI). Attendees will learn how the SUCCESS Framework operational excellence tools and strategies have improved efficiency and produced remarkable results—including more jobs for inmates. Reducing recidivism by 25% is the goal of UCI and studies show that when inmates work while incarcerated recidivism rates drop significantly. A key factor for UCI was the development of a Throughput Operating Strategy (TOS). Attend this workshop and learn how a TOS can begin the path of transformation in your organization.



**RAMI GOLDRATT**

KEYNOTE SPEAKER

Rami is internationally considered one of the most influential leaders of the Theory of Constraints (TOC) body of knowledge and is highly regarded for developing TOC applications to sales and marketing. His ground-breaking implementations in this area have become the TOC standard in a sales environment. He worked as one of the pioneers in developing and implementing TOC applications for the education system—guiding hundreds of teachers in applying the TOC thinking processes in educating children around the world. In his keynote address, Rami will highlight the importance of management focus in sustaining continued process improvement.



**ALAN JAMES**

Alan James began his career with the Utah Department of Corrections in 1990 working for the Division of Correctional Industries (UCI). Prior to joining UCI, Alan spent 10 years in manufacturing management in the private sector. Alan received his bachelors degree in criminal justice administration from Columbia College. He received his masters of public administration (MPA) from the University of Utah and is a member of the Pi Alpha Alpha honor society. Alan was appointed as UCI deputy director in June of 2003 and in April 2004 was appointed as the director. Alan also serves as a National Correctional Industries Association board member.



**DAVID ANDERSON**

David Anderson is the Director of Evidence-Based Policy at the Laura and John Arnold Foundation. He joined the Foundation after a decade with the nonprofit, nonpartisan Coalition for Evidence-Based Policy, where he served as Vice President from 2009 to 2015. In this role, he oversaw staff level evidence reviews conducted for the Coalition's Top Tier Evidence initiative — a widely cited resource used by policymakers, philanthropic officials, and practitioners to identify social programs shown in rigorous evaluations to produce sizable, sustained benefits to participants. Through the Coalition's help desk, which he helped launch, David provided personalized assistance in advancing evidence-based reforms to federal, state, and local policy officials, as well as other key stakeholders. He also played a leading role in developing and carrying out the Coalition's high profile, national research competition to demonstrate the value and feasibility of low-cost randomized controlled trials. David holds a master's degree in public policy from Duke University and a B.A. in international studies from the University of Denver.

# SPEAKERS



## DOUG HANSEN

Doug Hansen graduated with a bachelor of science in chemical and fuels engineering from the University of Utah and is a licensed professional chemical engineer. He spent 13 years in the Utah petroleum storage tank fund program where he managed investigation, clean up, and closure of over 250 leaking tank projects. Doug spent a year on special assignment in the Department of Environmental Quality's Energy and Sustainability Office. While working in this office, Doug led a multi-state and province work group charged with developing a compliance verification program for the Western Climate Initiative. For the last six years, he has managed the underground storage tank compliance program for the State of Utah. Doug serves as the SUCCESS Framework implementation lead for the Division of Environmental Response and Remediation.



## JEFF MCMULLIN

Jeff McMullin joined Partners in Leadership as a regional vice president, leadership consultant, and executive facilitator and brings with him strong leadership and operational expertise in strategic planning, training, and managing. As the co-founder of Thrift Recycling Management, Inc. (dba Discover Books) for more than nine years, Jeff grew the business to over \$50 million in revenue with multiple operating locations in the United States, Canada, and India and with over 500 employees—becoming the largest third-party online seller of used books. In addition, he was able to develop an export book business selling books to countries like India, the Philippines, Thailand, South Africa, and Nigeria. All the while, Jeff developed a philanthropic program to donate over 7 million books, valued at \$21 million, to schools, nonprofit organizations, and orphanages around the world.



## JERRY POPE

Jerry Pope has worked for the Department of Corrections for 30 years. He began his career as a K-9 officer and worked his way up the ranks. In 2013, Executive Director Rollin Cook appointed Jerry to the position of Director, Division of Institutional Operations. Jerry received his bachelors of science degree in criminal justice administration and has served as the president of the Utah Prison Employees' Association, the Utah Correctional Association, the Utah Public Employees Association and as Vice President of the Utah Law Enforcement Memorial.



## KRISTEN COX

Governor Herbert appointed Kristen as the Executive Director, Governor's Office of Management and Budget (GOMB) on August 21, 2012. In making the announcement the Governor praised her accomplishments: "Kristen's paradigm of constant improvement stands out. She has demonstrated impressive leadership and vision at the helm of one of Utah's largest agencies...That is exactly the approach I want as we work with agency heads to streamline operations and ramp up performance management." A champion of continuous process improvement, Kristen has designated Theory of Constraints (TOC) and her SUCCESS Framework as the guiding process improvement tool for Utah state government. By integrating operational excellence with the state's management and budgeting practices, Kris and the GOMB team are working closely with all Cabinet agencies to achieve at least a 25% improvement to state government operations by January 2017 by focusing on quality, capacity, and cost. A cornerstone of this initiative is a focus on evidence-based practices and data-driven decision making.



## MARILEE RICHINS

Marilee Richins serves as the Operations Officer for the Department of Administrative Services and manages the SUCCESS Framework efforts of the agency's seven divisions. She served on the transformation team tasked with the restructure of the state vehicle fleet into a lean, fully utilized, financially sound, hybrid model. Marilee earned her bachelor's degree from Weber State University and will complete her master's degree from Brigham Young University in the spring.



## MARK FUNKHOUSER

Mark Funkhouser, Ph.D., is the publisher for GOVERNING magazine, and former mayor of Kansas City, Missouri. Funkhouser began his career as a social worker and then went on to become an auditor, first in Tennessee state government and then for the City of Kansas City, Missouri, where he served from 1988 until 2006. Funkhouser was Mayor of Kansas City from 2007-2011. He is credited with stabilizing the city's finances during his term. He holds several degrees, including an interdisciplinary Ph.D. in public administration and sociology.



## MIKE HANNAN

Mike Hannan brings nearly 25 years experience as a consulting executive, IT project portfolio and program manager, process engineer, and software architect. His background in project portfolio management started at NASA in the early 1990s supporting large, complex initiatives such as the International Space Station and High-Performance Computing & Communications (HPCC) programs. He has managed and consulted on \$500M+ project portfolios and trained CIOs and other senior executives in the public and private sectors. He is also the lead author of the recent book, *The CIO's Guide to Breakthrough Project Portfolio Performance*.



## MURIS PRSES

Muris Prses is the Assistant Director of Operations for the Department of Workforce Services Eligibility Services Division (ESD). He is a veteran of the department with 16 years of experience serving the citizens of Utah in various capacities. While having operational oversight of the largest hierarchy in ESD, Muris is also in charge of the design and implementation of the SUCCESS Framework and the FAST strategies and tactics for ESD.







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