

2009 Innovations Awards Program
APPLICATION – Minnesota’s Drive to Excellence

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ID # (assigned by CSG): 09-MW-09MN

Please provide the following information, adding space as necessary:

State: Minnesota

Assign Program Category: Government operations

1. Program Name

The State of Minnesota’s Drive to Excellence

2. Administering Agency

The Department of Administration is the lead agency of this state enterprise-wide change initiative, with the Commissioner of Administration as chair of the Governor’s Drive to Excellence Sub-Cabinet. The Sub-Cabinet includes commissioners from seven other Executive Branch agencies: the departments of Corrections, Employment and Economic Development, Public Safety, Human Services and Commerce, Minnesota Management & Budget, and the Office of Enterprise Technology.

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9. Please provide a two-sentence description of the program.

The mission of the Drive to Excellence is to enable more effective, efficient and economical *delivery* of state government services. Its ambitious goals are to increase quality and customer service, reduce costs and foster a culture of continuous improvement in the Executive Branch of state government.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 2, 2009 to be considered.

Governor Tim Pawlenty launched the Drive to Excellence on April 4, 2005 with the issuance of five Executive Orders and one Reorganization Order initiating the first six projects.

The groundwork leading to the launch began in late 2004 with the development of the Drive to Excellence Transformation Roadmap. This document, representing the work of more than 200 state employees and a team from Deloitte Consulting, identified eight major Business Transformation Areas consisting of 24 discrete Transformation Roadmap Projects. These projects were distilled from 465 initial ideas that were developed through suggestions, surveys, data analysis, interviews, focus groups, benchmarking of other states and private sector practices, and feedback from employees and subject matter experts.

Since its introduction, the Drive to Excellence Sub-Cabinet has chartered 14 projects. A brief synopsis of each follows.

Strategic Sourcing – The State of Minnesota spends more than \$1 billion a year on goods and services that are purchased from more than 25,000 vendors. The objective of this project is to develop and implement policies, procedures and/or standards that ensure the optimal use of strategic sourcing techniques, which include enterprise contracts, best-value decision-making, negotiations and other tools.

Real Property Management – The state's 5,000-plus buildings and associated real estate are under the custodial control of 22 agencies. The goal of this project is the development and implementation of a unified enterprise real property governance structure and management system that optimizes maintenance, repair and rent, consolidation and co-location opportunities.

Information Technology Governance – State agencies have implemented sophisticated information systems over the years for their unique needs, but the state's technology investments have often lacked a strategic focus. The goal of this project is an enterprise-wide structure for information technology management that will leverage investments, consolidate data collection, develop shared applications, implement shared and consolidated utility services, accelerate the use of electronic forms and use enterprise-wide licensing software, among other reforms.

Fleet Management – The state’s fleet includes approximately 8,000 on-road passenger vehicles managed by several agencies. The goal of this project is the implementation of an enterprise fleet governance process, resulting in improved coordination of statewide fleet management business, technology and operational functions, which will result in better utilization of vehicles, facilities and agency expertise; a reduction in fleet size; improved service to agencies; and reduced costs.

Construction Codes Consolidation – State regulation of the construction industry evolved to the point that primary oversight was fragmented across six agencies, resulting in inefficient, complex, confusing and time-consuming processes for contractors, inspectors, homeowners and others. The goal of this project is a consolidated construction codes regulation office, creating a “one-stop shop” for the construction industry and the public.

Grants Management – The state distributes and manages more than \$1 billion of outgoing funds via 11,600 grants through 685 grant programs and is responsible for monitoring the performance of each of these grants. The goal of this project is the development and implementation of an enterprise grants management office charged with standardizing, streamlining and improving state grant-making processes and monitoring.

One-stop Licensing – More than 40 state agencies are responsible for managing over 600 types of licenses for businesses, professionals and citizens. The goal of this project is the creation of a “one-stop shop” for all business and professional licenses issued by the state.

Disability Minnesota – More than 25 state agencies provide programs, products and services for persons with disabilities and their families. The goal of this project is the creation of a single electronic access point for these programs, products and services.

Every Employee Counts (workforce planning) – State government faces an unprecedented challenge from an oncoming massive wave of state worker retirements, which is compounded by a shrinking overall labor force. The goal of this project is the development of an enterprise workforce plan that will prepare state government for the upcoming retirements of up to 50 percent of the state workforce over the next three to five years.

Enterprise Training – The state is facing a significant loss of workers, and their knowledge and talent, over the next three to five years. The goal of this project is the development and implementation of an enterprise training program that will provide state agencies with the tools and resources to offer their employees training opportunities that will enable optimal job performance and efficiency.

Minnesota Accounting and Procurement Systems (MAPS) – MAPS is a mission-critical enterprise system that supports every accounting and procurement transaction within state government. The existing systems, developed in the mid-1990s, are antiquated and at risk of catastrophic failure. The goal of this project is an improved web-based system with features that include electronic workflow, paperless processing and other enhancements.

Enterprise Geographic Information Systems – Currently no state agency is primarily responsible for coordinating geographic information systems (GIS) policy and technology. The goal of this project is the implementation of an enterprise GIS organizational and governance framework.

Enterprise Lean – Continuous Improvement – A central tenet of the Drive to Excellence is continuous improvement in the state’s service delivery business processes. The goal of this project is simply to provide the tools, supporting management culture and empowered employees to make government work better for customers and employees.

Enterprise Print – The increasing use of electronic documents in government is reducing the demand for printing at state agencies. The goal of this project is to simplify and improve printing processes and consolidate them for greater efficiency across government.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

The Drive to Excellence is premised on three factors:

- 1) Citizens are demanding more accessible government services with shorter delivery times and at lower cost;
- 2) The state is facing unprecedented workforce demographic changes, with nearly 50 percent eligible for retirement by 2015; and
- 3) Ongoing budget challenges, driven in part by rising health care costs, an aging population and, in 2008-09, the global recession, require a leaner, more effective state government that can direct resources away from support and administrative services and toward fulfilling agencies’ core responsibilities in education, transportation, health care, the environment and other areas.

Based on these realities, maintaining the status quo in the Executive Branch – 24 cabinet-level agencies and more than 60 smaller agencies, boards and commissions, for the most part operating independently in silos with disconnected systems and business processes – is simply not an option. Minnesota’s Executive Branch must think and act as an enterprise, rather than as an aggregation of semi-autonomous, self-supporting agencies, each replicating and sub-optimizing their support functions.

The Drive to Excellence envisions an “enterprise” model of government. The transformation from an individual agency model to an enterprise model calls for a balanced framework determined by function, rather than agency structure and governance. It is also a fundamental reshaping of how we view state government, and a massive change management challenge. These functions are:

- *Agency specific functions*, in which individual agencies retain responsibility for their core missions, fulfilling their customer-citizen focus
- *Shared functions*, primarily business and technology functions, which can be grouped together to support and promote front-line services
- *Utility functions*, consisting of daily operational functions such as financial and human resources transactions, that can be grouped together to promote effective delivery of front-line services

The fundamental objectives of the Drive to Excellence are to serve the citizen by:

- a. Creating more “one-stop shop” opportunities for easier citizen and business access to government services
- b. Increasing electronic delivery of government services

- c. Streamlining state government business operations functions
- d. Optimizing the size of state government by preparing for and leveraging state worker retirements, and
- e. Saving money through more efficient, effective service delivery.

12. Describe the specific activities and operations of the program in chronological order.

Sept. 9, 2004 – Governor Pawlenty initiates the state’s most comprehensive Executive Branch reform effort in its history. He says, “The State of Minnesota must move away from the current practice of each department being relatively autonomous, to a more enterprise or ‘whole state’ approach.”

September 2004-January 2005 – The state engages Deloitte Consulting and marshals more than 200 state employees for the creation of the Drive to Excellence Transformation Roadmap.

October 2004 – Governor Pawlenty appoints retired private sector operations executive Dana B. Badgerow as Commissioner of Administration and as chairperson of the Drive to Excellence Sub-Cabinet to lead the ongoing effort.

January-March 2005 – Subject matter teams develop detailed Business Cases for Change for 24 proposed projects for implementation over five years in a wide variety of areas.

April 4, 2005 – Governor Pawlenty announces the first six Drive to Excellence projects and issues Executive and Reorganization orders to guide their implementation:

- Creating an enterprise information technology governance structure led by the state’s first-ever cabinet-level chief information officer reporting directly to the Governor
- Consolidating state construction codes oversight from five agencies to one
- Creating an enterprise grants management office
- Creating a streamlined, one-stop shop for business and professional licenses
- Creating an enterprise real property management organizational structure and business tools to centrally and electronically inventory and manage all state-owned buildings
- Implementing a new organizational and strategic approach to state procurement that leverages state purchasing across the enterprise

April 2005 – Commissioner Badgerow hires Drive to Excellence program director; program director assembles steering teams for the initial six projects. These teams, in turn, tap employees from across state agencies for specific tasks and work groups.

May 2005 – State Legislature approves Governor’s initiative creating the Office of Enterprise Technology as a separate agency headed by a state chief information officer appointed by and reporting to the Governor.

June 2005 – Drive Program Office begins publishing and widely distributing (legislators, Executive Branch leaders and managers, Drive participants, business leaders and others) the monthly electronic newsletter, “The Excellence Report.”

July 1, 2005 – The Office of Technology and InterTechnologies Group are spun off from the Department of Administration to become the nucleus of the Office of Enterprise Technology.

July 24, 2005 – Governor Pawlenty appoints Gopal Khanna as state CIO. Khanna previously led major IT reform efforts at the U.S. Peace Corps, including the implementation of a standardized computing platform and design and implementation of an enterprise architecture for that federal agency.

October 10, 2005 – Enterprise Licensing Team begins a series of forums for potential licensing system vendors – more than 25 companies participate – and for state licensing professionals.

November 2005 – Completion of the consolidation of construction codes oversight functions from five agencies to one, completing this Drive to Excellence project and achieving its goals of better, more efficient citizen service.

December 2005 – The Enterprise Sourcing Team unveils enterprise standards and new purchasing contracts for desktop and laptop computers and monitors. At prices up to 44 percent lower than the previous contract prices, the standards are expected to reduce costs for state and local governments by an estimated \$95 million over five years.

December 2005 – The Sourcing Team concludes work on a renegotiated office supplies contract that is reducing office supply costs by approximately \$1.2 million a year.

February 2006 – Governor Pawlenty approves a new governance structure for the Office of Enterprise Technology, concluding this Drive to Excellence project and laying the foundation for a number of further IT consolidation projects.

March 2006 – “License Minnesota” opens for business. This first-stop web portal for more than 600 types of state-issued business and professional licenses serves more than 112,000 individuals in its first year.

April 2006 – Governor Pawlenty submits an off-year supplemental budget to the Legislature, including a request for \$4 million for Drive to Excellence projects. The Legislature approved \$1.9 million for enterprise IT security.

June 2006 – The international Computerworld Honors program recognizes the Drive to Excellence Transformation Roadmap as a Laureate at ceremonies in Washington, D.C.

June 2006 – Strategic Sourcing Team announces enterprise standards and new contracts for mobile communications equipment (cell phones) and services that reduce costs 20 to 40 percent statewide.

June 2006 – Sub-Cabinet commissions a new project calling for the consolidation of the state’s fleet from five major agencies, starting with the implementation of a fleet management system.

June 2006 – Sub-Cabinet commissions the MAPS (Minnesota Accounting and Procurement System) Project, which has as its goal the modernization of the state’s 14-year-old business, or Enterprise Resource Planning (ERP), systems.

July 2006 – The Sourcing Team announces changes in purchasing policies and procedures that streamline processes, standardize products and models and leverage purchasing volume to realize greater discounts.

December 2006 – The Sourcing Team announces standards and new contracts for computer servers and storage devices and encryption software, with pricing reductions ranging from 25 to 50 percent.

December 2006 – The Office of Enterprise Technology, in conjunction with the Drive to Excellence, announces the Enterprise Email Project for the development and implementation of a single enterprise email system for the Executive Branch, replacing the current 28 agency-specific systems on three separate platforms.

January 2007 – The Sub-Cabinet commissions the Enterprise Training and Development Portal project, with the goal of creating an enterprise approach to employee training that will establish a one-stop shop for e-training – including registration, payments and automatic record updates – for all state employees. Implementation of this new system is tentatively scheduled for 2009.

January 2007 – The Department of Administration’s Materials Management Division initiates the state’s first procurement negotiations unit with the hiring of a negotiation specialist. The unit, an outgrowth of the Drive’s Sourcing Project, concentrates its initial efforts in training and seminars and negotiation assistance and facilitation across the state government enterprise. Because of this new focus, the state has realized direct cost avoidance in excess of \$68 million to date, and has consistently achieved better contractual terms and conditions. In some instances, the scope of work has been enhanced significantly without additional cost to the state. More than 500 state employees have also received training in negotiation techniques since the program’s inception.

January 2007 – The Office of Enterprise Technology issues a request for proposal for an enterprise network security solution and receives seven responses. Through three rounds of negotiations, the preferred vendor’s initial offer is trimmed 40 percent and a contract is signed. Implementation is underway.

January 2007 – Governor Pawlenty proposes \$38 million in additional funding for Drive to Excellence projects in his 2008-09 biennial budget to the Legislature.

March 2007 – Sub-Cabinet commissions the “Every Employee Counts” Project, with the goal of developing an enterprise workforce plan in preparation for the Baby Boom retirement. By 2015, approximately half of the current state workforce will be eligible for retirement.

April 2007 – Sub-Cabinet commissions the Disability Minnesota Project, the goal of which is to provide a first-stop online portal for citizens to the hundreds of disability programs, products and services offered by more than 25 state agencies.

May 2007 – The Sourcing Team announces a new state purchasing card program, which includes cash rebates of up to 2 percent accruing to agency users, with an annual benefit estimated at \$260,000.

May 2007 – The Legislature appropriates slightly over \$11 million for Drive to Excellence projects for the 2008-09 biennium, about one-third of the total recommended by the Governor. The largest individual appropriations, \$7.5 million and \$2.5 million, are for the e-Licensing and Real Property projects, respectively, with another \$125,000, along with statutory authority, for the creation of the Minnesota Office of Grants Management.

June 2007 – Six state agencies commit an additional \$1,825,000 in agency funds toward implementation of an enterprise real property management system.

June 2007 – Planning begins for a new digital antenna system for state-owned buildings in the St. Paul area to dramatically improve cell phone service, particularly in basements and the tunnel system that connects buildings in the State Capitol Complex. The system's \$3 million construction cost is funded by the vendor that received the state's enterprise cell phone contract developed in 2006 by the Sourcing Team.

June 2007 – The Disability Minnesota Project unveils its first-stop web site, www.mndisability.gov. The site includes more than 220 links to state-government disability resources, along with brief descriptions of the program, product or service. Visitors can locate resources by topic, state agency provider, an A-Z directory or by key word search. More than 2,500 visitors, on average, access the site each month. The average length of visit is 15 to 20 minutes.

July 2007 – The groundwork is laid for a new Drive Project, Lean Continuous Improvement, which will spearhead and guide business process improvement across the state enterprise. Originating with the Toyota Motor Company, Lean involves all employees of organizations in the elimination of waste and the addition of value to the processes that are necessary for delivering a product or service to customers. Within a few months, state agencies began incorporating one of the simplest Lean tools, 5S, into their work, and the Department of Administration initiated four Lean-flow mapping projects.

August 2007 – Sub-Cabinet Chair Dana Badgerow announces the selection of a Grants Management Coordinator, signaling the official opening of the Office of Grants Management.

September 2007 – The National Association of State Procurement Officials selects Minnesota's Spend Analysis System as the recipient of its highest honor, the George H. Cronin Gold Award for Excellence in Procurement. The system, implemented in mid-2006, is the enabling tool for the Drive's Strategic Sourcing initiative. The tool permits the collection, aggregation and analysis of data from disparate sources, including third-party data, to identify opportunities for leveraging government purchases and informing purchasing decisions. Minnesota also received plaudits from the Section of Public Contract Law of the American Bar Association, which stated, "Rarely is there a consolidated system capable of providing information that is meaningful to strategic sourcing and other procurement improvement initiatives."

October 2007 – Governor Pawlenty signs Executive Order 07-16, requiring the development and implementation of workforce plans by all state agencies.

January 2008 – The Drive Sub-Cabinet announces the Enterprise GIS (geographic information systems) Project. The project's goal is the development and implementation of an organizational and governance framework for coordinating GIS as an enterprise activity of state government.

January 2008 – The Drive to Excellence Program selects a Lean Process Improvement Leader and pilots five Lean Enterprise training and improvement projects in several state agencies.

January 2008 – More than 65 percent of the state's passenger vehicle fleet – nearly 5,000 cars and light trucks – are now enrolled in the state enterprise fleet management system. Enrollment is pending for an additional 20 percent of the state's 8,000-vehicle fleet.

January 2008 – The state awards a contract to Applied Data Systems, Inc., for implementation of an integrated, cross-agency, computer-aided facilities management application for the state’s 5,000-plus buildings and associated real estate.

January 2008 – The Every Employee Counts (workforce planning) Project officially concludes with the delivery of a comprehensive Enterprise Workforce governance structure for ensuring the continuity of state operations as “Baby Boom” generation state workers begin retiring. State departments and the cross-agency Human Resources Directors’ Partnership are charged with implementation of agency-specific plans, based on the Enterprise Workforce Plan and Guidelines.

January 2008 – Among the first of many Lean “success stories,” the Department of Health concluded a Kaizen process improvement project that reduced birth certificate processing time nearly 90 percent, from six days to less than eight hours by accelerating same-day process flow, improving online application and co-locating the work team to improve workflow and quality.

January 2008 – The Sourcing Team, in conjunction with the state’s construction project management unit, began implementing a new online construction document publishing system in which prospective bidders – in fact, anyone – can download construction plans for a \$10 fee. Plans were previously provided to bidders in hard-copy at a cost of up to \$1,200 or more for large projects. Persons downloading plans also receive automatic notification of plan addenda and other pertinent information.

February 2008 – The Department of Health concluded the state’s first agency-wide Lean Strategic Direction Workshop in which it identified and prioritized department issues and improvement opportunities.

February 2008 – The Enterprise Training Project announced plans for a training needs assessment survey, scheduled for March, for assessing the need for core training for all employees, sharing employee training resources and providing professional staff resources and an electronic toolkit for delivering employee training.

March 2008 – The Office of Grants Management debuted the state’s first-stop website for people interested in learning about the hundreds of grant programs that are available through 23 state agencies. The public can locate grant opportunities on the site (www.grants.state.mn.us) by subject, agency or through a key-word search.

April 2008 – The Office of Enterprise Technology announced the start of its Enterprise Email consolidation project with the launch of a pilot project in five agencies. When completed, the project will place 32,000 Executive Branch employees on a single system and platform, compared to the current 26 agency-based systems on three platforms.

May 2008 – A Lean Kaizen event with the health care premium billing unit of the Department of Human Services identified changes that will result in a 95 percent reduction in the amount of time necessary for invoicing, posting and closing payments, in part through automating a labor-intensive process.

May 2008 – Project stakeholders in the Real Property project formed two groups, the Minnesota Total Infrastructure and Facilities Management Team and the Property Management Governance

Team, for implementing the state's enterprise property management system, as well as its governance structure.

June 2008 – The Sourcing Team announced a new computer purchasing program for government employees in which purchasers can take advantage of the significant savings that are being realized through Minnesota's computer standards program.

June 2008 – The Sourcing Team announced the waiver of the annual fee for membership in the state's Cooperative Purchasing Venture, which is open to counties, cities, school districts and other local governments, along with many non-profits. Membership has surpassed 700 since the waiver of the \$500 fee went into effect July 1, broadening the base taking advantage of strategic sourcing savings.

June 2008 – The Office of Enterprise Technology, lead agency for the e-Licensing project, announced the awarding a contract for the state's online licensing system.

July 2008 – Six months after the start of Minnesota's Enterprise Lean program, 37 state employees are now trained as Lean Kaizen facilitators and can now lead process improvement events within their agencies. Additionally, the Department of Administration announced the availability of a Lean Master Contract for Lean consulting for state agencies and local governments.

July 2008 – The Office of Grants Management (OGM) opened a new website that serves state agency personnel as a source for tools for managing grants, including policies, statutory language, training and professional development materials, best practices and federal grants links.

July 2008 – E-Licensing celebrated its midway milestone, with a "go-live" for two pilot agencies anticipated in 2009. Prior to that, the project team will be focusing its efforts on system training, change management and agency outreach for determining which agencies will be including in the next phase.

August 2008 – The Office of Grants Management announced seven first-ever statewide policies regarding grants management and oversight. The policies cover conflicts of interest, single/sole source grants and publicizing competitive grants, among others. Six more policies would be completed by January 2009.

August 2008 – The Sub-Cabinet approved the 14th Drive to Excellence project, Enterprise Print Strategy, which includes the relocation of printing services from the Office of Enterprise Technology to two other agencies operating high-quality printing functions.

August 2008 – The Enterprise Training project concluded its work with a recommendation for a central training function for the Executive Branch and announced it would be forming a governance structure to guide implementation.

September 2008 – The Real Property Management project passed a key milestone with a demonstration of the web-based system's space management module – the first of six modules that will revolutionize how the state manages its 5,000-plus buildings comprising 28 million square feet of space. All six modules will be in place by July 2009, with more than 60 percent of the state's square footage data on schedule for entry into the system by the end of the year.

October 2008 – The first of two pilot agencies migrated to the state’s new Enterprise Email system.

October 2008 – The Sourcing Team announced new enterprise contracts for digital document imaging, which encourages vendors to employ persons with developmental disabilities, and for 100 percent recycled content copier paper at a price lower than paper with less recycled content.

October 2008 – The Drive Sub-Cabinet endorsed the creation on an enterprise Geospatial Information Office for managing the state’s geographic information systems policy and technology. Legislation creating the office was introduced in March 2009.

November 2008 – A Lean Kaizen event at the Faribault Correctional Facility established a controlled movement schedule for offenders that improves safety for both staff and inmates.

November 2008 – Participation in the Drive to Excellence since its inception surpassed 1,000 people, more than 99 percent of them state employees.

December 2008 – The Sourcing Team announced new contracts for multi-function copiers that will reduce costs an estimated 20 percent to nearly 70 percent for state agencies and members of the state’s Cooperative Purchasing Venture.

December 2008 – Since its launch in January, 18 state agencies are now actively involved in Lean process improvement efforts and more than 300 employees have been involved in 38 Kaizen improvement events.

January 2009 – Governor Pawlenty announced that he would seek more than \$30 million in appropriations from the Legislature for Drive to Excellence projects, including nearly \$1.7 million for property management, \$250,000 for grants management, \$9.5 million for e-Licensing and almost \$18 million for replacing the state’s archaic accounting and procurement systems (MAPS).

13. Why is the program a new and creative approach or method?

Other states have embarked on similar reform initiatives and, in fact, Minnesota over the past 30 years has started at least six others. Previous Minnesota reform efforts would begin with a flurry of activity but waned as they aged or, in reality, as the sitting governor neared the end of his term. Reform efforts also typically receive a tepid reception from employees for fear of change or, possibly, lost jobs.

The Drive to Excellence is different from previous reform projects in Minnesota and other states because it is a true grassroots effort. It is also vastly different from many current state reform efforts in which multi-million-dollar consulting contracts aid implementation. Since the Governor announced the Drive, Minnesota has spent not one dime on consultants for the overall program’s implementation, for change management, or for process guidance. Private sector ideas or consultant recommendations that characterize so many other such change efforts are not generally conducive to lasting change.

The Governor, through his Sub-Cabinet, provides leadership for the overall initiative, while the state’s citizen servants – from managers to line-workers – research, develop and implement

solutions. Other than the initial Deloitte Consulting engagement, which helped develop the Transformation Roadmap, the Drive to Excellence has not sought other consultants. Beginning with the initiative's launch in April 2005, programs and operations have received funding through existing Executive Branch budgets and a handful of legislative appropriations, the latter primarily for acquiring and enabling systems. The continued success of the Drive to Excellence is solely the result of the commitment of leadership and the dedication of the nearly 1,200 state employees who have been involved in the initiative since its start.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

The Drive to Excellence began with and continues to utilize existing resources for all of its primary activities. This includes the time of nearly 1,200 state employees who have contributed to the Drive to Excellence while retaining their "official" job responsibilities. The Drive to Excellence Transformation Roadmap phase included a \$2.5 million contract with Deloitte Consulting, which was funded with existing technology development dollars. The only direct expenditure for the Drive to Excellence is the salary of the project director, which is funded through reallocating priorities within the Department of Administration budget. Project-specific funding is sought by the Governor from the Legislature. State agencies have designated carryover funds to the Real Property, Licensing, E-mail and Data Center Consolidation projects, and agency funding has helped the Office of Grants Management continue its work.

15. What are the program's annual operational costs?

\$97,000 for salary and benefits for the program director. "Begging, borrowing and stealing" from Executive Branch agencies covers all other operational costs. Some agencies have funded full-time Drive coordinators; in other cases, project expenses have been spread across participating agencies by agreement. No assessments or mandatory cost allocations have been made.

16. How is the program funded?

The overall Drive program is funded through existing appropriations. Agency sponsors of projects seek appropriations through the Legislature. The Governor sought just over \$30 million from the 2007 Legislature for five Drive projects. The Legislature approved just under \$12 million for four projects.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

The Drive to Excellence initiative itself did not require any of these; however, several projects have required legislative authorization or merited the issuance of Executive/Reorganization Orders for emphasis. As mentioned previously, the Governor issued Executive Orders and a Reorganization Order to launch the first six projects, and the creation of the Office of Enterprise Technology required legislation (MN Statutes 16E.01-02). The 2007 Legislature approved the codification of construction codes oversight consolidation and statutory changes enabling strategic procurement and first-ever enterprise grants governance processes. Later in the year, the Governor issued an Executive Order for workforce planning, which has as its foundation a statewide policy developed under the auspices of the Drive to Excellence.

18. What equipment, technology and software are used to operate and administer this program?

Deloitte Consulting utilized proprietary software for analyzing the state's technology assets during the development phase of the Transformation Roadmap in 2004. An enterprise fleet-management system has been implemented utilizing existing fleet program funds from across agencies. Minnesota also became the first state in the nation to implement a new "data mining" spend intelligence system for strategic sourcing. The cost of the system was funded by reprioritizing work in the Department of Administration. Beyond these, the Drive to Excellence has relied on standard office equipment, technology and software.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

The Drive to Excellence is uniquely Minnesotan, though it borrows ideas from similar reform efforts in other states and the private sector. It is innovative, we believe, because it involves more than developing and completing projects. It illustrates that the workers in the trenches of state government can affect policy and programs for the betterment of government and citizens, without extensive consulting support (another state, for instance, is reported to have spent over \$80 million to implement a similar program). It also differs in that it seeks to transform how Minnesota's Executive Branch views and manages its activities from disconnected silos to a unified, coordinated enterprise. Another difference is Drive's emphasis on instilling a culture of continuous improvement into every agency, program and process.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

Although similar programs exist in other states (Texas, Illinois, Iowa, Pennsylvania), Minnesota's project is enabled not by consultants and political appointees, but by the people who are doing the work of government every day. No other state has embarked on such a broad, complex and multi-faceted reform effort.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

The Drive to Excellence is a continuous program for government service improvement. It is a cultural change for the Executive Branch in which state government acts as an enterprise, focused on serving citizens and businesses, rather than as individual departments acting solely for the benefit of their unique constituencies. There are currently nine open/continuing projects, while the remaining five have been closed out or are continuing at the agency level. Other candidates for reform are under evaluation and some are likely to develop into new projects.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

Minnesota agencies are well on their way to understanding the importance of thinking and acting as an enterprise, though breaking the agency silo culture always remains a challenge. The Drive to Excellence strives to do so by illustrating the benefits of its work and engaging cross-agency teams in the redesign.

The implementation of the License Minnesota, Disability Minnesota and Office of Grants Management web sites, for example, are helping customers get to the information they need

online, in less time and with less work. Agencies benefit because their customers no longer have to navigate the state bureaucracy to find what they need. License Minnesota portal is the first step for purchasing or renewing a license for an average 13,500 citizens and business owners and operators each month.

The development and implementation of standards for personal computer equipment, mobile communications devices and multi-function copiers are examples of the Drive's ability to leverage state purchasing for the benefit of the enterprise and for local government (cities, counties, school districts and state colleges and universities can purchase from state contracts). Until the adoption of cell phone standards, agencies could choose from dozens of device models and nearly as many service plans, making volume purchasing difficult if not impossible. Rather than enacting standards by top-down executive edict, the Strategic Sourcing Team convened a work group, with representation from across state and local governments, to research, recommend, communicate and implement a solution. When the standards were announced, the team's work dramatically improved the opportunity for success. The fact that the new standards would reduce cell phone costs 20 percent, on average, sealed the case.

Little by little, the Drive to Excellence is making inroads into the agency silo culture, for the benefit of Minnesota government and the state's citizens. Testimony to Drive's success in creating a fertile environment for change is the fact that one of the more recent projects, Enterprise GIS, was the result of the GIS community coming together across state government, recruiting a commissioner as executive sponsor and asking to be constituted as a Drive project.

23. How has the program grown and/or changed since its inception?

The Transformation Roadmap originally estimated potential cost reductions of \$386 million over six years with an investment of \$87 million. Without dedicated funding, the Drive to Excellence has adjusted accordingly by focusing efforts on solutions that could be developed and implemented through the "sweat equity" of employees using existing resources. It is truly a credit to these employees that so much – including a projected \$223 million in cost savings over five years on goods and services – has been accomplished with so little. Additionally, the Enterprise Lean project has proven successful beyond our wildest expectations. Since its inception, agencies have held more than 55 improvement events (Kaizen, 5S, value-stream mapping) and more than 400 state employees have received Lean training, with over 100 of these now capable of conducting Lean training and facilitating Lean Kaizen events in their agencies.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

First is convincing employees (and their bargaining units) that it is not an employee elimination or job outsourcing scheme. During its formative stages, skeptical employees, including managers, were fond of calling the Drive to Excellence the Drive to Extinction. By involving many people and delivering results that actually improve service delivery and make government work processes easier for employees, the Drive to Excellence continues to earn the respect of state workers and customers.

Second, state government improvement is not a sexy subject beyond government. The public instead focuses on education, transportation, public safety and similar high-profile issues, so the level of public interest in the reform of administrative processes is low.

A third obstacle, related to the second, is procuring needed implementation funds from a Legislature focused on high-profile issues such as transportation and education and larger budget deficits. Nevertheless, with the assistance of key legislators and committed sponsors and a history of successes, Minnesota's Drive to Excellence is gaining support – and project funding – from the Legislature.