



Performance Management and Lean

Strategic Performance Improvement

November 17, 2015

Agenda

1. Overview

- a. Performance in NYS
- b. Principles
- c. What is Performance Management?

2. Performance Management Operationalized

3. OK But...We Have Competing Priorities!

4. Performance Management in Practice

Performance is a Defining Characteristic of the Cuomo Administration



Performance in NYS

- Vision
 - State agencies, committed to understanding and serving our citizens, that look beyond idealistic goals and anecdotal evidence of success to concrete demonstrations of results, backed by data, on organizational effectiveness
- Mission
 - To create a responsive, innovative and data driven culture of continuous improvement throughout state government while insuring effective communication on goals, performance measures and progress

What is Performance Management?

Definition

A rigorous, organization wide, process by which agencies align their resources, employees, and processes to strategic priorities and routinely use data to track progress, drive decisions, and improve areas of deficit.

Performance Management Principles

Leadership Drives Strategy Drives Structure

Culture trumps strategy every time

Seek a common approach at all levels, executive, management, individual

Without data...it's just an opinion

Don't ask for data you are not going to use

Performance Management 'System'



Operationalizing PM...

It's deceptively simple...

Being disciplined to repeatedly and persistently ask the following 4 questions **at all levels** of an organization:

1. What are we trying to accomplish?
 - What are our Goals/Objectives?
2. How are we trying to do it?
 - What core programs, initiatives, processes do we do to accomplish our goal?
3. How, at any given time, will we know we are on track?
 - Routine monitoring of results/progress on performance measures
4. If we are not on track, what is our improvement strategy?
 - What do we need to do differently?
 - Problem solve, prioritize, Lean

Ok But...

'Competing' Management Priorities

- We have to do a Strategic Plan
- We have to do Risk Management
- We have to do Lean Process Improvement
- We have Crises and Mandates

Not Competing, Interrelated or even Complimentary

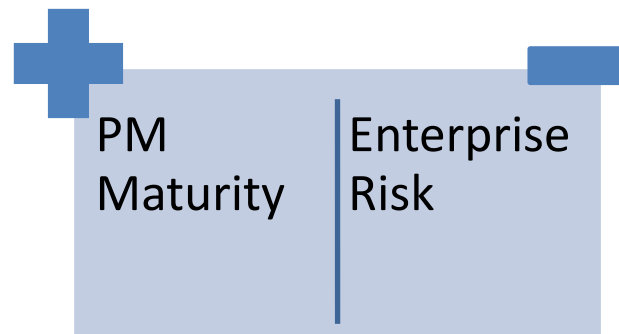
Strategic Planning

- Strengthen it with a Performance Approach
- Resulting priorities give guideposts to your PM efforts
- If done right, it can build consensus

Risk Management

Performance Management is a Risk Function

- PM is a means of measuring activities in all business lines (Financial, HR, Operations etc...) across an agency AND provides a warning signal and mitigation tool for risk.
- Enables a shift from a largely reactive approach of measuring and controlling variances, to proactively identifying, addressing, prioritizing, and mitigating potential sources of failure.



Risk Management Themes

- Organizations have limited performance measures metrics or do not actively manage to them
- Organizations do not have key data in areas of risk
- Organizations collect data but do not adequately report it to the executive levels
- Oversight bodies or other third-parties identify bad performance before the organization does
- High-profile, sensitive metrics are slow to move or are getting worse, requiring greater focus or creative solutions to move the needle

Crises and Unfunded Mandates

- Performance Management ensures you have the right people working on the right tasks
- PM allows an organization to move from the reactive to the proactive

Process Improvement: Lean

- We manage performance so that we can improve!
- Managing performance holistically can help ID the most strategic areas for Lean
- Using data and reporting performance to sustain the continuous improvement of projects

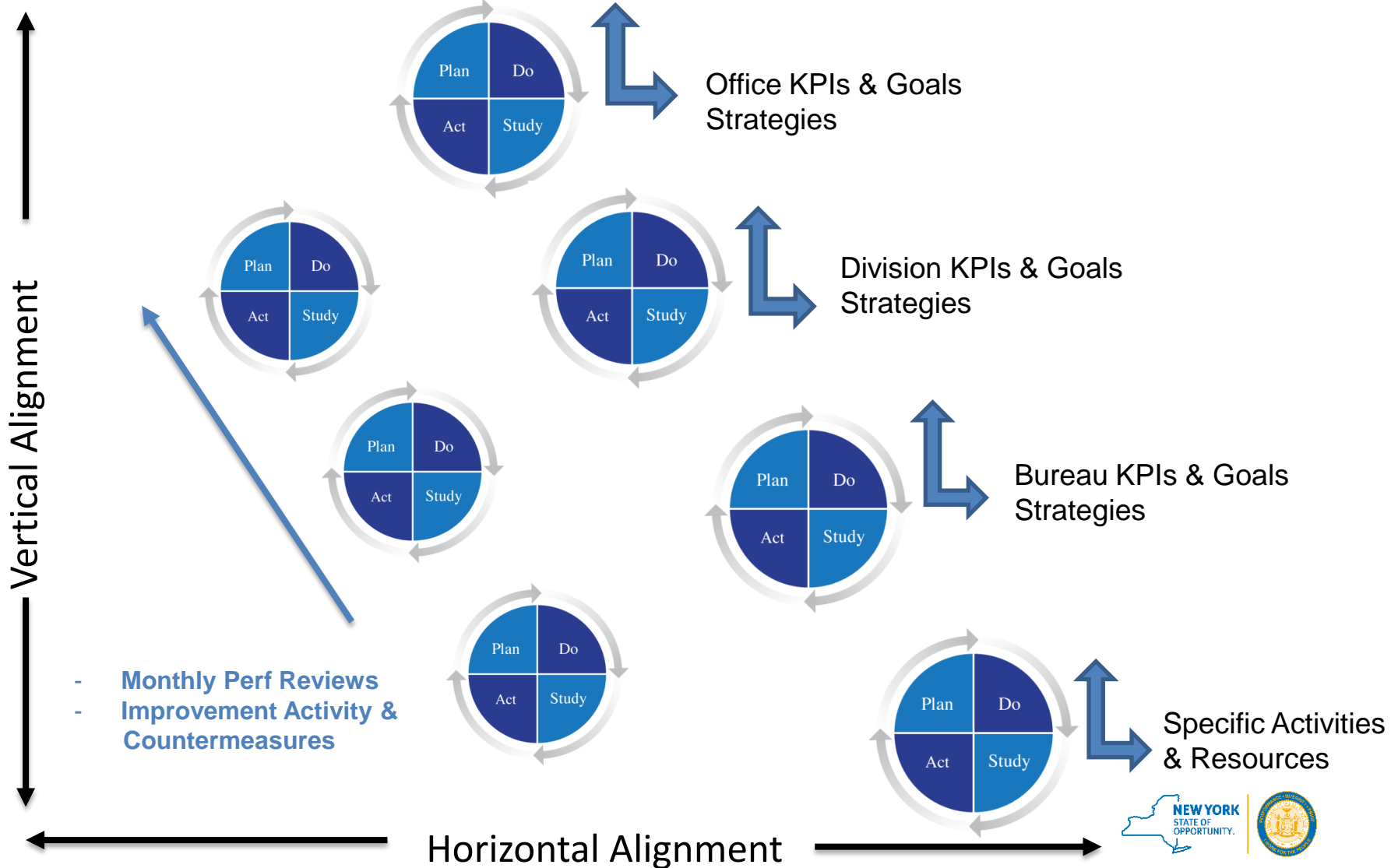
Performance Management in Practice

Hoshin












- Ensures that strategic goals of an organization drive progress and action at every level
- Strives to get every employee pulling in the same direction at the same time. It achieves this by aligning the goals of the company with the plans of middle management and the work performed by all employees
- Eliminates waste from inconsistent direction and poor communication
- Staff are clear of their role and objective and are involved in measure development, target setting, and improvement strategy




Hoshin: Conceptual Design

Agency KPIs & Strategic Goals



Hoshin: Specific Example

Agency Strategic Goal	Improve Pop Health				
Agency KPIs	Improve Childhood Immunization Rate	Reduce Prevalence of Young Adult Smoking	Reduce Adult Obesity Rate	Reduce Heart Attack Hospitalization Rate	Operational Measure Progress
Provider enrollment in NYSIS					Increase enrollment to 80% of eligible
Vaccine fill process					Reduce % of vaccines lost to expiration
					Reduce vaccine contract approval time
Vaccine storage					
Children receiving doses based on eligibility					
Reduce approval time of contracts					
Underage sales stings					

KEY	
No Correlation	
Moderate Correlation	
Strong Correlation	

Enterprise Planning

Washington State Department of Enterprise Services

Grassroots approach to identifying core processes, clear outcomes, and useful measures for managing performance

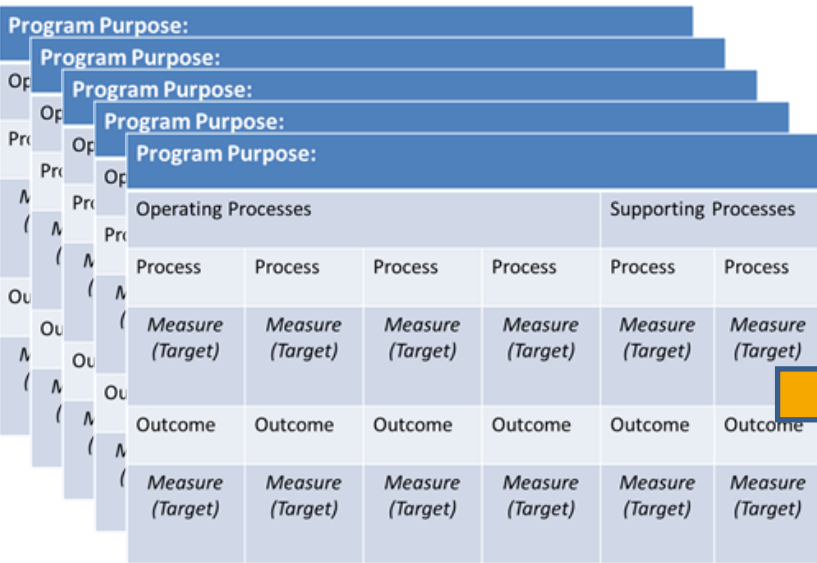
Did it all in house...No Consultants!

Guiding principles of forging executive leadership, inclusion, and leveraging willing partners

Move from planning to actionable measures

Organization Map

Connecting employees work to Agency goals



Agency Name		DATE					
		Mission		Vision		Values	
Foundations							
Strategic Goals							
Key Performance Indicators							
KPI Owner							
		Operational Processes			Support Processes		
Core Processes	CP1 Process Owner	CP2 Process Owner					
Processes	1.	1.					
Process/Op Measures							

Program Level Maps

What is the purpose of our program?

Program Purpose:

What are our core processes?

How do we know if we are doing them well?

What are we trying to achieve?

How do we know we are achieving it?

Program Purpose:					
Operating Processes				Supporting Processes	
Process	Process	Process	Process	Process	Process
<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>
Outcome	Outcome	Outcome	Outcome	Outcome	Outcome
<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>	<i>Measure (Target)</i>

Division of Criminal Justice Services (DCJS)

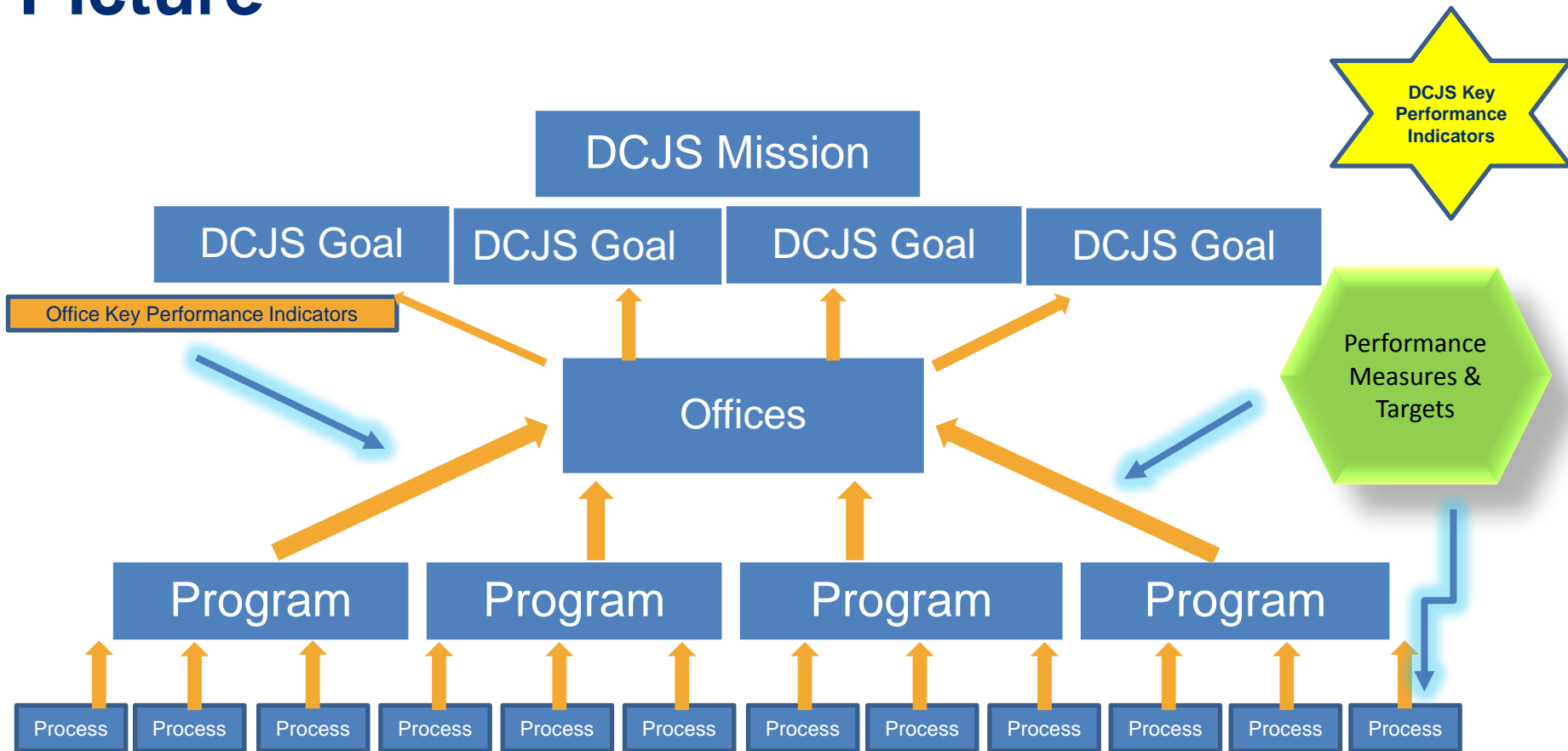
DCJS Performance Program

- Established in 2004
- Currently Collect over 250 data metrics from 11 offices
- Publish over 20 monthly, quarterly and annual performance-based reports, memos, and publication
- Important data, but not entirely reflective of the daily work processes of DCJS

Performance, Lean, and Strategic Planning

- Reinventing the Performance Program:
 - Goal: Tie Process Data to Performance Data to Key Performance Indicators (KPIs)
 - Challenge: Identifying the right metrics
 - Solution: Start at the bottom (i.e. what are the processes)

DCJS Performance Program – The Big Picture



DCJS Approach to Integrate Lean and Performance

- Inform all staff of the performance program re-design and expose them to Lean concepts.
- Catalogue all work processes by office and program area.
- Align processes with strategic goals of agency
- Re-evaluate current metrics for gaps in process data

Aligning Work Processes and Making Improvement

- Key data metrics are easily identified
- Process improvement can now be done systematically
 - Prioritizing Lean projects
 - Performance Management System loop is reinforced
- Processes are held accountable

Housing and Community Renewal

NYS HCR: Making sense of complexity

Eight constituent agencies:

- DHCR (executive agency)
- Housing Trust Fund Corporation
- Housing Finance Agency
- State of NY Mortgage Agency
- Mortgage Insurance Fund
- Affordable Housing Corporation
- Municipal Bond Bank Agency
- Tobacco Settlement Financing Corporation

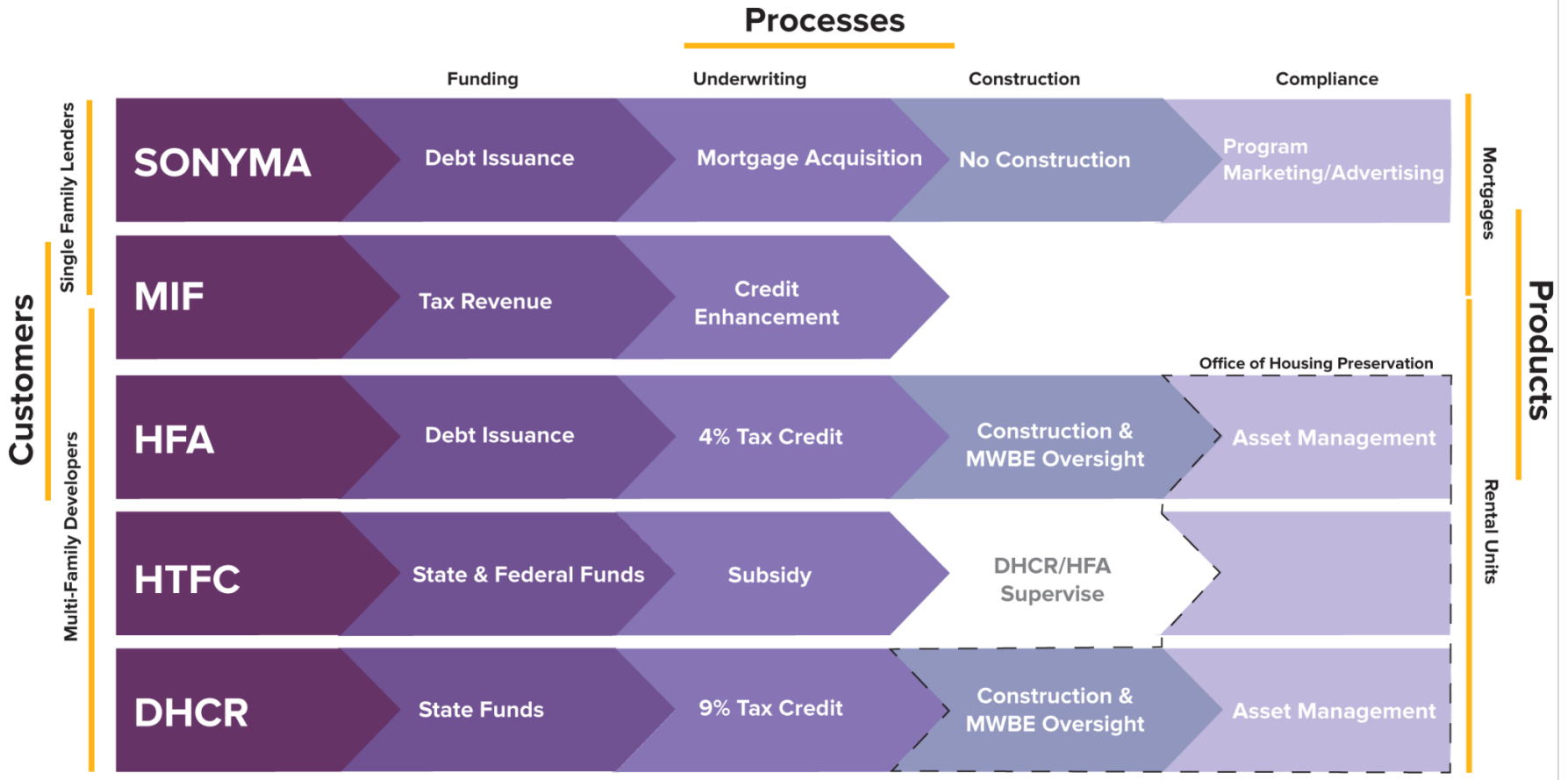
Integrated in 2011.

Four office organization:

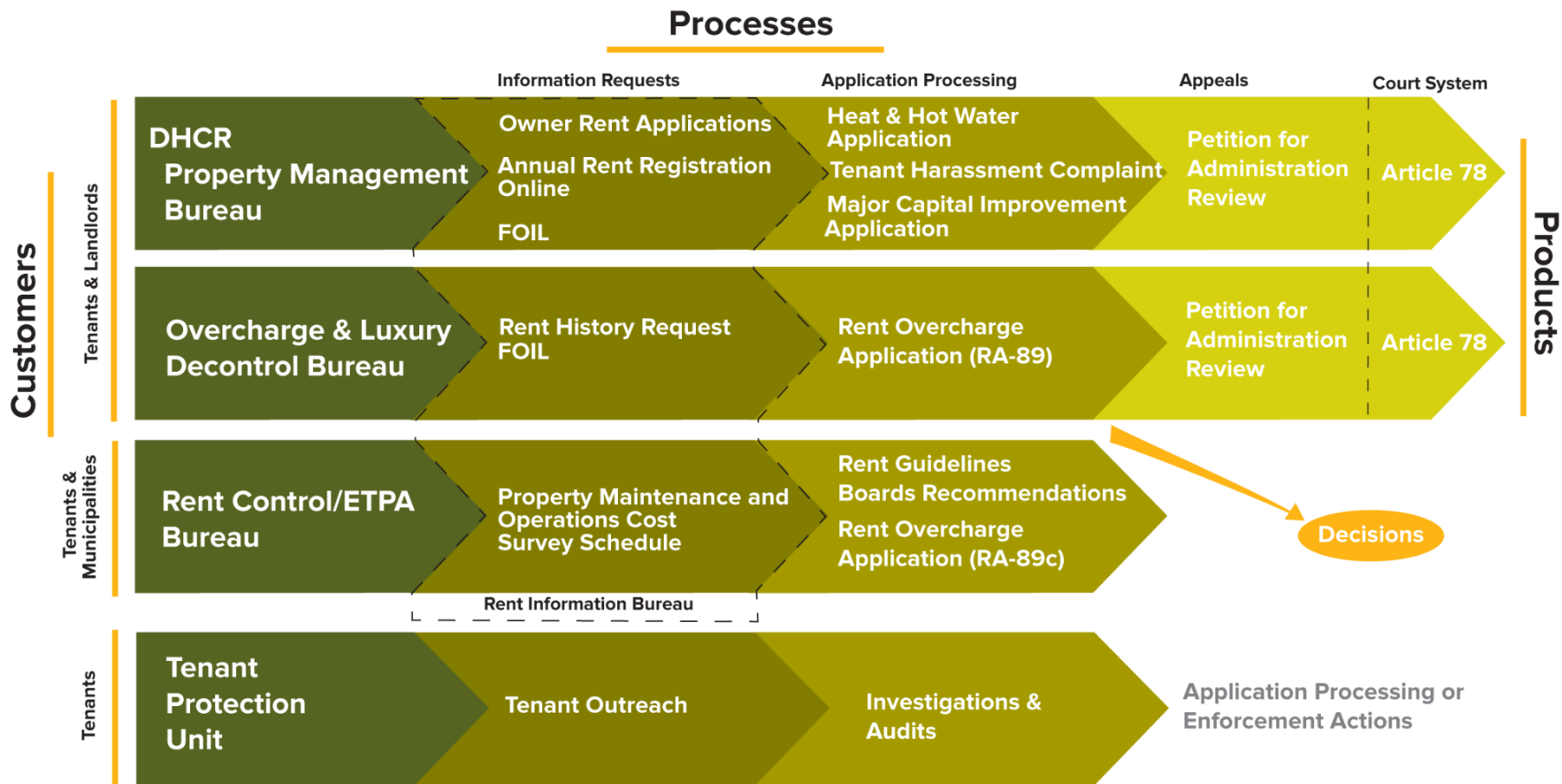
- Community Renewal
- Finance & Development
- Housing Preservation
- Rent Administration
- *Plus, support functions*

HCR: Making Sense of Complexity

HCR Office of Finance & Development: Value Streams



HCR Office of Rent Administration: value streams



HCR's Process Inventory

- Use existing NYS Internal Controls Act to identify ~330 processes by working with IC officers
- Work with HR and program areas to get FTE and paint the picture of the workload
- Gather one source for performance management reporting, IT applications rationalization, risk management, and so on.

Process Inventory on NYS Elements

New Process
New Process Type
Export to Excel

Process Inventory | Process Type | HCR Applications | HCR Products | Process Application Mapping

File Edit Tools [366 items] Page 1 of 15

Process	HCR Agency/Authority	HCR Office	Type	Volume Per Year	Process Time (minutes)	Cycle Time (minutes)	Quality Rate (%)	FTE	Internal Audit Risk	Legal Risk	CMM Rating	VSM Date	Kaizen Date	Sponsor	Customer
A&E Construction Monitoring	DHCR,	OHP	Inspection	4000	45	4	56	4.2	4	4	3	10/01/2014	10/28/2014	Ralf Torke	Building Management
A&E Funding and Award Process	DHCR,	OHP	Application											Ralf Torke	Grantee
A&E Handoff to Asset Management	DHCR,	OHP	Asset Management											Ralf Torke	Asset Management
A&E Housing Management Process	DHCR,	OHP	Asset Management											Ralf Torke	Building Management
A&E Pre-construction process	DHCR,	OHP	Inspection											Ralf Torke	Grantee
Accepting debit/credit payment	DHCR,	OHP	Accounts Receivable (Ar)									04/16/2015	04/28/2015	Woody Pascal	Owner
Access to Home Application review and project selection process	DHCR, HTFC,	OCR	Selection											Jerome Nagy	Local Program Administrator
Access to Home Disbursement process	DHCR, HTFC,	OCR	Accounts Payable (Ap)											Jerome Nagy	Local Program Administrator
Access to Home Grant Agreement process	DHCR, HTFC,	OCR	Grant											Jerome Nagy	Local Program Administrator

Department of Health (DOH)

The Office of Performance Improvement

- Created as a result of multiple projects in professional licensing. OPI was formed in September of 2014
- Responsible for implementing Lean process improvement methods across the Department.
- Completed 30 projects with 10 more in process
- Goal for 2016 is 48 additional projects
- New mission is to shift to strategically-planned, high-impact project Lean/QI Projects.

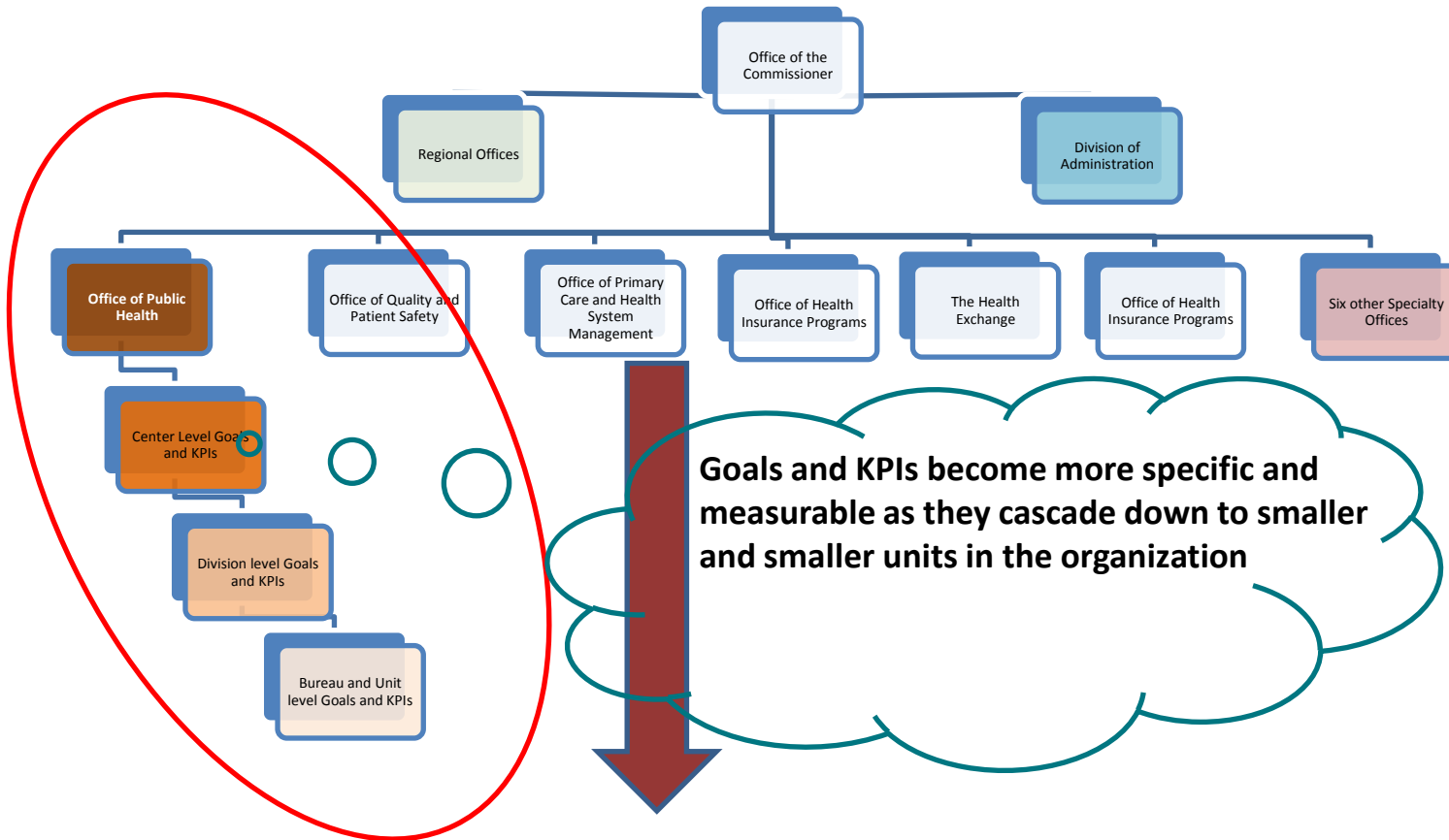
The Quality Improvement Plan

- The Quality Improvement Plan (QIP) will be the tool to organize and align the Department's activities to our Strategic Goals.
- Each Strategic Goal has Key Performance Indicators (KPIs) to help create performance drivers and measures
- KPIs are more general at higher levels in the organization and become more specific as they cascade to the unit level.
- Enumerates responsibilities at all levels (Exec, Management, Staff)

NYS Dept. of Health – Six Strategic Goals

1. Promoting Public Health
2. Promoting Patient Safety
3. Assuring Access to Affordable, High Quality Health Services
4. Reducing Health Disparities
5. Providing Health Focused Services in Emergency Situations; and,
6. Promoting Efficiency in all Crossing-Cutting and Administrative Services

DOH Organizational Chart



Example of a Cascading Goal/KPI

Goal # 5 - Providing Health Focused Services in Emergency Situations

KPI #1 - Health Emergency Preparedness Measure

There are several key staff that may be required for each emergency. Rapid notification of staff depends on maintaining accurate contact information in the Department's Communication Directory

Performance Metrics:

Baseline - 60 minutes

Target - 60 minutes

Metrics

The start time is when the notification alert is sent and the end time is when the last person reports. This information is reported to the Centers for Disease Control annually.

Most recent drill* results include the following:

CY 2013: 12 minutes

CY 2014: 34 minutes

PM and Lean in Your Organization

What's in a Name?

Office of Lean and Performance Improvement

Office of Performance Management

Performance and Operations Management Group

Quality Improvement Unit

Closing Thoughts...

- Leverage the *coalition of the willing* to get started
- Need *consistent and concise messaging*
- We manage performance so we can *improve*
- We can *sustain improvement* through managing performance

Closing Thoughts...

Not Mine...Yours!

Any AHA moments?

Any examples tools, strategies you'd be willing to share?

Any burning questions?

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