

Management Maturity Model

Seven Fundamentals of Organizational Success

1. Set Goals and Targets – SCORE: 4

- *What is your organization's primary purpose?*
 - Deliver support services of the highest quality and best value to government agencies and the public

- *What specific targets or goals do you have for this fiscal year?*
 1. Improve efficiency and effectiveness of Purchasing and General Services operations
 2. Develop a quality, high performing workforce
 3. Improve customer relations and communications
 4. Institutionalize emergency preparedness

- *What methods or measures do you have in place to track progress toward identified targets and the organization's overall performance?*
 - **Service Plans** required by statute (UCA 63-1-111) to describe services provided, methods of providing the service, and performance measures and standards.
 - **Customer Services Summaries (CSS)** for each division provide operational metrics to customers.
 - **Utah Performance Management (UPM)** provided by DHRM allows us to tie department goals to individual performance plans through every level of the department.
 - **Balanced Scorecards** measure outcomes of the service plans monthly for managerial, executive, and Governor's Office.

Management Maturity Model

Seven Fundamentals of Organizational Success

2. Use Process Improvement and Thinking Tools – SCORE: 4

- *What methodologies or approaches does your organization use to improve processes and solve problems?*
 - **Process optimization/ Theory of Constraints** identifies bottlenecks in organizational processes and works to resolve those constraints.
 - **Professional organization best practices** – The division director, Deputy Directors and most of the staff belong to national professional organizations that compare operational approaches.
 - **Feedback from Customers** using Customer Service Summaries as the starting point for discussion. Purchasing has written a Service Level Agreement.
 - **Advisory Committees** provide outside support and perspectives into how we can improve operations Utah Procurement Policy Board, Education Purchasing Advisory Council, and Utah Higher Education Advisory Council.

- *Are these methods concentrated within management or used across the entire enterprise?*
 - **These methodologies** are used throughout the enterprise.
 - Process optimization/ Theory of Constraints was a pilot program in Purchasing that successfully optimized their operations. Purchasing provided training on this process in our Executive Summit and continues to be a resource to other Divisions.
 - Purchasing won the Achievement of Excellence in Purchasing Award from the National Institute of Purchasing for the third consecutive year. Kent Beers is the Chair of the WSCA Board of Directors, Paul Mash is on the NASPO Board of Directors and many of the staff participate in leadership roles in other public purchasing organizations.

- *What tools do you use when deciding what programs to invest in?*
 - **Tools listed above** in this section (Process Optimization, Best Practices, CSS, Advisory Committees) help us identify areas to invest in.
 - **Business Analysis** is used on large programs or initiatives to break them into defined steps and results.
 - **IT Council** comprised of Division Directors and DTS representatives provides a roundtable discussion and coordination to prioritize IT projects and merge similar projects across the department
 - **HR Council** comprised of Division Directors and DHRM representatives facilitates a roundtable discussion and coordination on department-wide and division specific personnel issues.

Management Maturity Model

Seven Fundamentals of Organizational Success

3. Create Your System and Strategies – SCORE: 4

- *What specific strategies and tactics do you have in place to meet your goal?*
 - **Annual review** of statutes, rules, policies, procedures to ensure we are on the correct path and that our goals align with policy directives. In some cases, redefining policy, rules and statutes to better meet goals.
 - **Weekly Staff meetings** to define and coordinate strategy and to train on statutes, rules and code.
 - **Purchasing Training and Continuing Education** is available to all agents and purchasing certifications are encouraged.

- *Have you defined the system and processes by which you will achieve your goal?*
 - **Yes**, see above. Our employees are our greatest resource in achieving our goals and consistent communication and coordination allows them to succeed.

- *How do you identify and mitigate your risks?*
 - **Enterprise Risk Management** assesses and prioritizes risks then assigns risk owners and teams to develop plans to mitigate the risk which are then implemented by executive leadership.
 - **Communication and Involvement of Stakeholders** (customers, executives, management, employees, Legislature, Governor's Office, etc)
 - **Purchasing Organizations** locally and nationally are a great resource of information and training. Many times working together on a local and/or national level to mitigate actual and potential risks.

- *Do your budget and building block requests align with and support your targets and goals?*
 - **Yes**, our top priorities center on cost effectiveness, developing a high performance workforce, and improving customer service.

Management Maturity Model

Seven Fundamentals of Organizational Success

4. Create Your Organization – SCORE: 4

- *What is your philosophy around organizational design?*
 - **Flexibility** to meet customer demand and institutionalize cost efficiency
 - **Shared Services** operations model to centralize common functions.
 - **Pay for Performance**
 - **Transparent** and Open Government
 - **Flatter** organizations reduce management overhead
- *Do you have consistent spans of control?*
 - **Yes**, however, the span of control is determined by the activities being performed.
- *Do you pay attention to your management to field staff ratios?*
 - **Yes**, that is why the spans of control are determined by the activity being performed.
- *Does your organization design align with your goals and strategies?*
 - **Yes**, however much of the organization is constrained by structure set in statute.
 - We were successful in changing statute to accommodate our organizational design of shared services using the internal service fund model. Purchasing has almost completely moved over to an ISF model.
- *How do you determine which functions should be centralized or standardized?*
 - **House Bill 80** from the 2012 General Session provided us the opportunity to examine centralization of services statewide in more depth. Several smaller agencies have been identified for help in the procurement process.
 - **Process optimization/ Theory of Constraints** helped identify a need within our customer base for a Procurement Coordinator to help with the smaller agencies as well as larger agencies who may have very complex procurements.
- *What are your administrative costs as compared to operations and client benefits?*
 - **Market Comparisons** in the internal service funds compare our cost of services to other states, localities, and/or the private sector.
 - **Overhead costs** are tracked by internal service funds as a percent of revenue.
 - **Statewide Cost Allocation Plan (SWCAP)** by the Division of Finance calculates the costs of centralized services allowable for federal reimbursement.
 - **Performance Measures** in our Balanced Scorecard and Customer Service Summaries assesses our services value to customers. We are working to identify and track more cost savings and/or cost avoidance measures.

Management Maturity Model

Seven Fundamentals of Organizational Success

5. Engage Staff – SCORE: 3.5

- *How do you communicate the organization's purpose, goals, and strategies to staff?*
 - **Weekly Staff Meetings** communicate goals and direction for the staff as well as provide ongoing training opportunities.
 - **UPM Performance Plans** communicate what we expect of employees and how we will measure success.
- *How are employees involved in helping the organization meet its goals?*
 - **Work Groups and Team Projects** has given many of the staff opportunities for input into the problems faced by the Division in meeting its goals and in the creation of the solutions to those problems. This was especially the case in the **Process optimization/ Theory of Constraints** work done in the Division.
 - **UPM Performance Plans** align employee performance with the Department's strategic goals.
 - **Employee Recognition** at annual awards ceremonies acknowledges employees for exemplary innovation and efficiency initiatives.
- *How are performance plans used to reinforce the organization's goals and priorities?*
 - **Straight Line of Vision** from the employee to the Division to the Department to the Governor's priorities using UPM.
- *What incentive or compensation plans do you have in place?*
 - **Educational Incentive Program** promotes training and job development and recognizes employee performance.
 - **Pay for Performance** is a top priority, but budget constraints prevent us from fully implementing it.
 - **Statewide Compensation Funding** is a top priority of the Department. Our Department budget has been reduced significantly over the last five years which has reduced our ability to reward performance. We are vulnerable to top talent leaving for higher paying jobs.
 - **Parity with Internal Service Funds.** Even though ISF have a separate funding mechanism (rates) we have required them to keep compensation increases to the same standard as appropriated Divisions who have not received compensation increases.
- *Do you conduct employee surveys or receive feedback on managers and supervisors?*
 - **Enterprise Risk Management** provides an annual employee survey to give feedback to the Department on strategic goals and risks. The first year of the survey there was about a 40 percent response rate. This year, after incorporating many suggestions from employees we saw a 70 percent response rate.
 - **Annual Customer Satisfaction Survey** assesses the Division's ability to provide services to customers in a timely, effective, and cost efficient manner.

Management Maturity Model

Seven Fundamentals of Organizational Success

6. Synchronize Your Projects and Policies – SCORE: 4

- *What types of governance structures do you have in place to monitor and prioritize projects—including IT?*
 - **IT Council** comprised of Division Directors and DTS representatives provides a roundtable discussion and coordination to prioritize IT projects and merge similar projects across the department
 - **HR Council** comprised of Division Directors and DHRM representatives facilitates a roundtable discussion and coordination on department-wide and division specific personnel issues.
 - **Monthly Division Director Roundtables** provide a forum for discussing agency-wide initiatives and progress as well as decisions for additional projects.
 - **Enterprise Risk Management** provides a tool for ongoing discussions to assess what priorities the Department should focus on to address risk as well as how those projects are progressing.
 - **Feedback from Customers** through Customer Service Summary meetings and survey responses gives the Department feedback and allows us to understand how our progress is perceived from the outside.
 - **Guidance from the Legislature and Governor's Office** often dictates our priorities though we often have little influence or input into the decisions.

- *How do you monitor the ROI for projects that are developed and implemented?*
 - **Performance Measures** (BSC and CSS) track the value of division services to customers.
 - **Business Case Analysis** on the front end often provides metrics and measures that help track ROI after implementation.
 - **Cost Avoidance Measures** compare our services to other markets and benchmarks to assess our value to customers.

- *How do you evaluate policies to ensure they support your goals and targets?*
 - **Monthly Division Director Roundtables** provide a forum for discussing agency-wide policies.
 - **IT Council** comprised of Division Directors and DTS representatives provides a roundtable discussion of IT related policy
 - **HR Council** comprised of Division Directors and DHRM representatives facilitates a roundtable discussion of HR policies.
 - **Enterprise Risk Management** provides a tool for ongoing discussions to assess what priorities the Department should focus on and what policies should be implemented to ensure their success.
 - **Weekly Staff Meetings** provide a regular and frequent opportunity for employee feedback.

Management Maturity Model

Seven Fundamentals of Organizational Success

7. Stay Focused – SCORE: 4

- *What management meetings do you have to monitor progress?*
 - Weekly **Managers** Meetings
 - Weekly **Staff** Meetings

- *What types of dashboards or reports do you use?*
 - Balanced Scorecard
 - Customer Service Summaries
 - Enterprise Risk Management Heat Maps
 - Strategic Plans
 - Monthly Budget Reports

- *How do you stay focused on the key priorities?*
 - Monthly Enterprise Risk Management meetings
 - Constant and Consistent Communication
 - Weekly Management Meetings
 - UPM Performance Measures for individuals