



Department of Commerce Performance Excellence Program

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The Program Vision

- ◆ **Useful Dashboard of Metrics Guides Operations**
- ◆ **Process Management and Improvement**
- ◆ **Tactics Informed by Analytics**
- ◆ **Evaluation Informs Program Design**
- ◆ **Continuous Learning**
- ◆ **Engaged Employees**



DOC

First Steps to the Vision

Balanced Scorecard & Performance Reviews provide:

- Common definition of success;
- Objective assessment of progress;
- Routine USE of data for decisions;
- Basis for pre-emptive action & follow-up;
- Systematic strategic learning

Process Improvement Culture provides:

- Systematic approach to performance gaps;
- Better/faster service;
- Increased ROI;
- Agility;
- Employee engagement;
- Employee development;
- Systematic tactical learning



Uncomfortably Familiar

- ◆ 1949 Hoover Commission introduces unit cost to Federal government
- ◆ 1960s PPBS
- ◆ 1970s MBO
- ◆ 1970s ZBB
- ◆ 1980s TQM
- ◆ 1990s GPRA
- ◆ 2000 ROMA
- ◆ 2008 GAO Report
 - Measurement done but not used



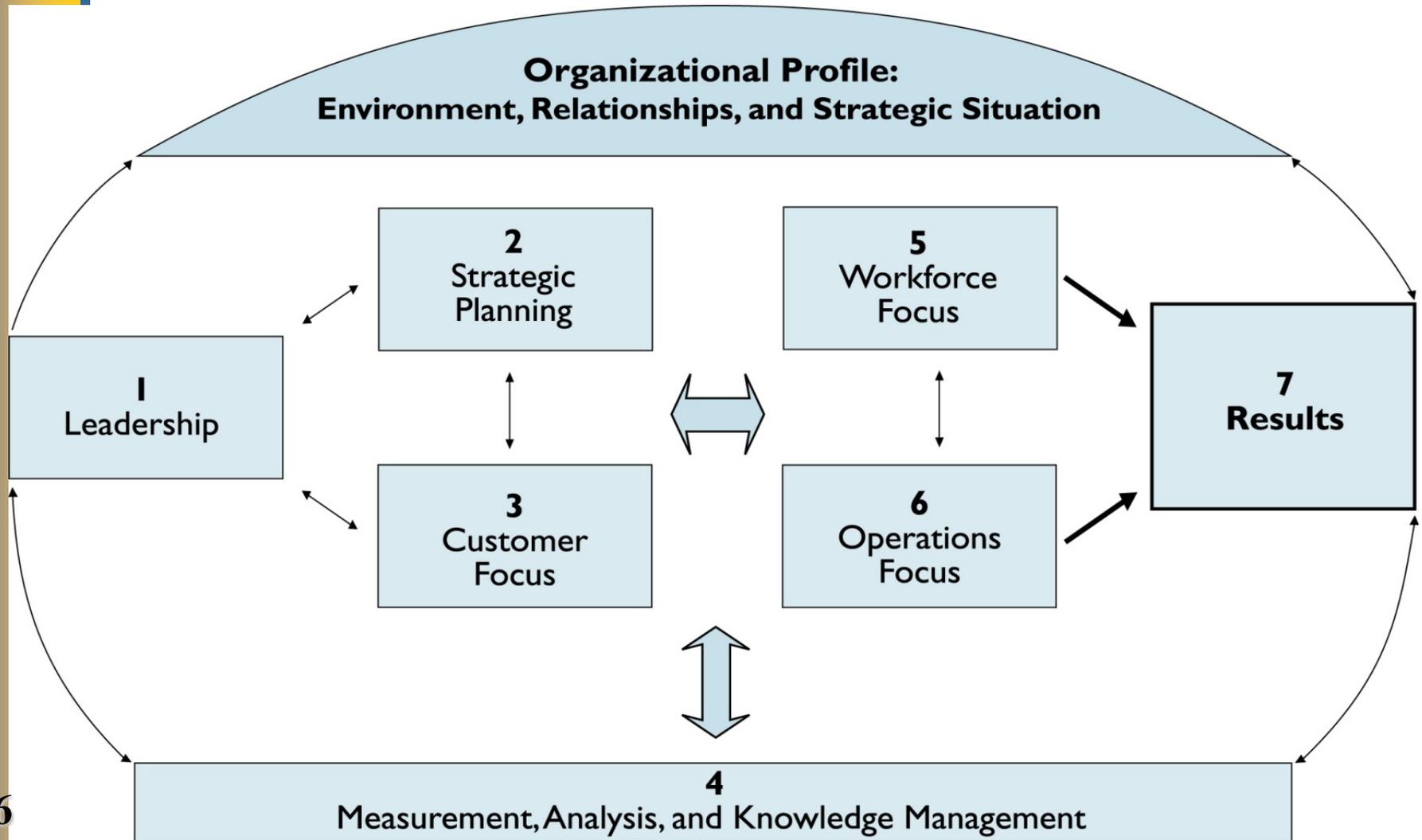
What Went Wrong?

- ◆ Availability of Data & Computers
- ◆ No Deployment Beyond Staff Offices
- ◆ No Involvement Beyond Staff Offices
- ◆ All About Reporting and Compliance
 - Need recognizance
- ◆ Measurement Theory Un-evolved
 - Need leading and lagging measures
- ◆ Performance Measurement Used as a Club not a Tool
- ◆ Too Much Too Fast



Baldrige Criteria

A Systematic Path to the Vision





2010 GPRA Modernization

◆ Requires:

- Agency Priority Goals
- Quarterly Review of Progress Toward Goals
 - ◆ *Between the Chief Operating Officer (DS) and the Principal of the Bureau*
- Transparent Results
- GAO Feedback to Congress



OMB's Role

- ◆ Performance Improvement Council (PIC)
- ◆ Working Groups to Share Best Practices
 - On Priority Goals
 - On Data Driven Reviews
- ◆ Cooperation with GAO
- ◆ Priority Goal (PG) Action Plans
- ◆ Cross Agency Goals
 - White House Leads



Factors that Support the Vision

◆ At the “Tipping Point”

- Model supported/used by “M” in OMB
- Key leaders “get it” and “want it”
- Expertise from past efforts
- Federal Community of Practice
- Taught in MBA/MPA programs
- GPRA and GPRA Modernization
- Pressure to do much more with less
- Customer focus increasing in the business culture



Guiding Principles of Strategy

- ◆ Explain what we are trying to do
 - **To anyone who will listen**
- ◆ Provide support, be supportive
- ◆ Establish a battle rhythm
- ◆ Intense leadership involvement
- ◆ Very short improvement cycles
- ◆ Don't let perfect get in the way of good
- ◆ **Utility at all levels**
- ◆ Do it; don't buy it



The State of the Program

- ◆ Regular Performance Reviews becoming increasingly substantial
- ◆ “Buy-in” by Executive Management Team
- ◆ Synchronized with OMB
- ◆ Quarterly Performance Improvement Team Recognition
- ◆ Standard measures for support
- ◆ Documentation on approach to key measures (jobs, investment, exports)
- ◆ Community of Practice (internal and external)
- ◆ Documented Procedures and Approach



“*To Do*”



- Performance Excellence structure in the bureaus
- Refined Measures
- Orientation and continuing education
- Deployment of “Lean”
- Further deployment and alignment of measures
- “Branding”
- Empowerment/Engagement
- Baldrige training



*Balanced Scorecards
Theory
Application in DOC
Developing Measures that Add Value*



What is a Balanced Scorecard?

- ◆ **Priority objectives of an organization organized by “themes”**
 - **mission;**
 - **customer focus**
 - **organizational excellence; and**
 - **employee focus/engagement**
- ◆ **Quantified performance measures/targets**
- ◆ **All objectives support the mission**
- ◆ **Leading measures to manage toward Lagging**
- ◆ **Reviewed at least Quarterly**
- ◆ **Relentless Follow-up**



Mock Balanced Scorecard

		<i>Objectives</i>	<i>Measures</i>	<i>Targets</i>	<i>Initiatives</i>
1	Economic Growth	1.1 Increase exports 1.2 Increase jobs 1.3 Increase investment	→ \$ exports → # jobs → \$investment	25%/yr 20%/yr 25%/yr	National Export Initiative (NEI)
2	Customer Service	2.1 Increase accessibility	•# of website hits	% change	Map based information
3	Organizational Excellence	3.1 Re-engineer key processes 3.2 Targeted outreach	•%grant processes under 120 days •#leaders	•80% •4,000	•Performance Excellence •Partner program
4	Workforce Excellence	4.1 Recruit to fill skill gaps 4.2 Retain the excellent	•% gaps filled •% employees rated exceeds expectations	80%	HR process improvements



Strategy “Gets Legs” from Scorecards

DOC Level

*HOW
do we get
it done?*

Department Scorecard
Outcome/Impact
Strategies

DEPT. SCORECARD

- Mission
- Customer Service
- Organizational Excellence
- Workforce Excellence

Bureau Level

*HOW
do we get
it done?*

Bureau Scorecard
Outcome & Output Measures
Strategic Initiatives

*WHY are
we doing
this?*

BUREAU SCORECARD

- Mission
- Customer Service
- Organizational Excellence
- Workforce Excellence

Program Level

*HOW
do we get
it done?*

Program Scorecard
Output & Activity
measures
Action Plans

*WHY are
we doing
this?*

PROGRAM SCORECARD

- Mission
- Customer Service
- Organizational Excellence
- Workforce Excellence



*Any measure
(strategic, tactical or action plan)
relating to a **priority** or **critical**
issue can be on the top BSCs.*



Measures on lower level BSCs do not cascade up, if they have never been and are not expected to be a problem

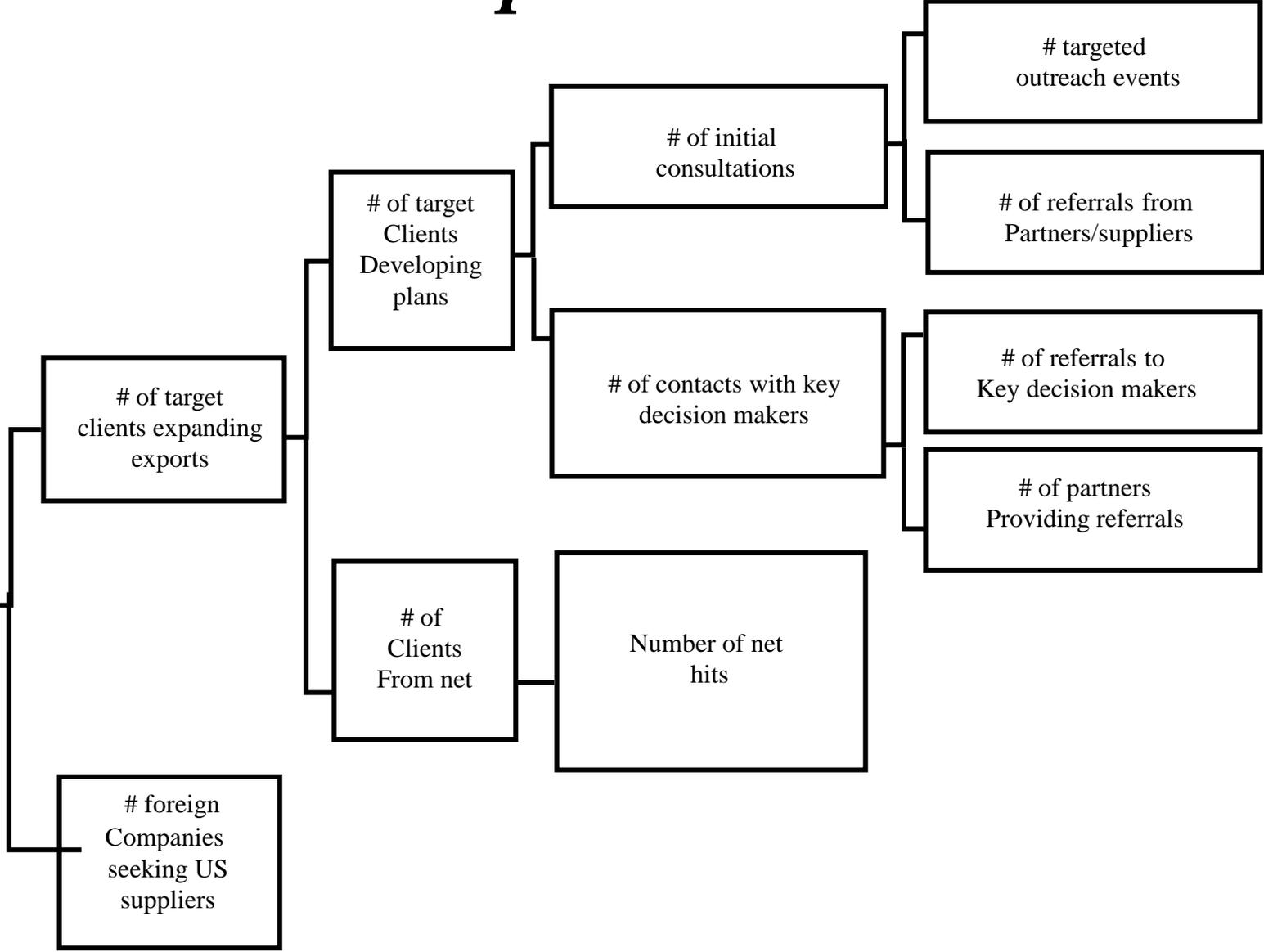
All top level measures cascade down

Structure Tree Example

Start with
measure &
ask what
drives it?



EXPORTS





Measure “Sets”

- ◆ **Cycle-time**
- ◆ **Quality**
- ◆ **Cost**

- ◆ % of tax refunds received in 30 days or less
- ◆ % of refunds correct
- ◆ Cost to process a refund

- ◆ % hires under 80 days
- ◆ # of highly qualified candidates per recruitment
- ◆ Cost per recruitment



Critiquing Your Scorecard Measures

- How would you react if the measure moved in the wrong direction?
- What measure would have predicted your last disaster?
- What measure relates to your biggest risk?
- Did a priority get missed because it is tough to measure?
- Are there too many measures?



*Process Improvement Concepts:
Omitting waste and removing
defects to improve performance*

Who is the customer?

End User: Individuals or groups who personally use the product to achieve a desired outcome. Folks the product was designed for.

Brokers: transfer the product to someone else who will use it. They may either act as an agent of the end user or the producer. As an agent of the end user the broker makes the product more accessible, easier to use or more appealing. As an agent or producer, the broker encourages the end user to accept the product.

Fixers: Transform, repair or correct the product at any point in its life cycle to the benefit of the end users.



Methods

- ◆ **LEAN and Six Sigma tools and techniques help systematically:**
 - **eliminate waste from your processes**
 - **reduce cycle time**

- ◆ **Results: fewer defects, lower costs, lower risks, better utilization of resources, i.e., less work produces better results**



Definitions

- ◆ **Value-added** is an activity that transforms or shapes raw material or information *to meet customer requirements*
- ◆ **Non-value added** (i.e., waste) is an activity that takes time, resources, or space, but does not add to the value of the product or service itself from the **customers' perspective**

Mapping the As Is Process (sticky example)

- Indicate areas of opportunity to remove waste (yellow bursts below)
- Mark ideas for improvement (orange bursts below)





Eight Categories of **Waste** in Lean

Remember: “OMIT What U DO”

- Over-production
- Motion
- Inventory
- Transportation
- Wait
- Underutilized people
- Defects
- Over-processing



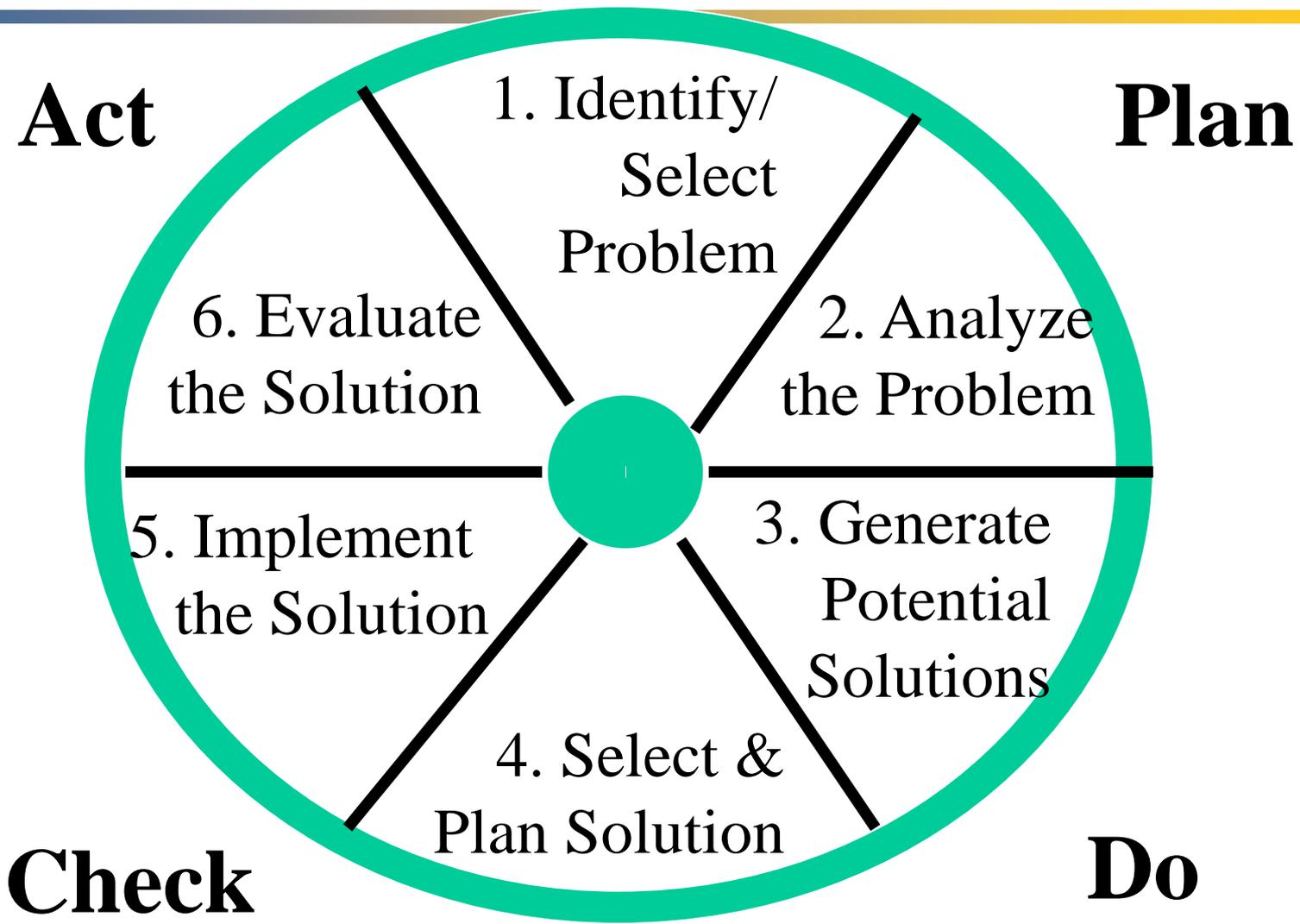
Mapping the Future State

- In this example, total end-to-end process time was reduced from 35.8 to 8.2 days





Six Step Problem Solving Process





Most Useful Tool – Segmented Data

1. **Define the Problem:** Increased ROI on CS efforts to support export successes
2. **Analyze:** Base line data segmented by country, industry, size of business, type of assistance, CS Officer, cycle time...
3. **Generate Solutions:** targeting, training in best practices, collaboration teams
4. **Test:** test alternatives & improve them
5. **Implement:** the best approach(s)
6. **Evaluate:** improved?



Managing Employee & Team Performance
The Myths
The Truth



Common Practices to Manage Productivity

- ◆ Nothing
- ◆ Establish objectives
- ◆ Set milestones
- ◆ Require reports
- ◆ Hold staff meetings
- ◆ Evaluate performance
- ◆ Reward/Recognize
- ◆ Coach
- ◆ Review
- ◆ Promote
- ◆ Provide development opportunities
- ◆ Post results
- ◆ Compare results
- ◆ Whimper



What Really Engages Staff?

- ◆ **Tangible actions to Facilitate Progress and Reinforce the Importance of the Work?**





Culture Trumps Everything

Highly engaged employees will figure out how to continuously improve results!