

Pursuing A Vision: Nebraska's Center of Operational Excellence

A Case Study Developed for the 2019 NASCA Institute on
Management and Leadership

Oklahoma City, Oklahoma – September 23-25, 2019





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Pursuing A Vision: Nebraska's Center of Operational Excellence

Early one morning in August 2019, eight employees from Nebraska's Department of Environmental Quality gathered in a small conference room for a focused meeting. They were surrounded by white boards containing swim lanes detailing each employee's workflow, metrics reflecting their progress, and finish lines where they could affix post-it notes celebrating progress.¹ The staff members, many of whom were sipping their morning coffee, updated the others about their priorities for the day and identified tasks where they might need help. Then, after sharing a few jokes, they put their hands together in a circle and raised them together as they started their day.²

Just a few years earlier, structured daily planning meetings like these rarely occurred in Nebraska state government, but thanks to a process improvement initiative launched by Governor Pete Ricketts upon taking office in 2015, they have become standard for thousands of employees across the enterprise.³ "I'm a former Chief Operating Officer, so I dig deep down about all of this stuff," said Ricketts, previously the Chief Operating Officer at TD Ameritrade. "We should always be thinking about how we can serve the customer better and do it in innovative ways that help us control our costs."⁴

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While Ricketts' passion for process improvement was a valuable catalyst for the initiative, it did not guarantee the program's success. Rather, he and his team had to grapple with—and continue to confront—difficult questions.

How should they staff the effort? Where should it be positioned in the enterprise? How should they build cross-agency support? What did they need to do to mitigate potential political challenges and mobilize stakeholders around a common vision? How should they measure progress? How should they keep a focus on process improvement as a long-term priority for the state in the midst of urgent demands, such as natural disasters? What could they do to position the initiative for long-term success?

1 For additional details on swim lanes, see "The Swim Lane Diagram for Process Improvement: Key Benefits," Agility System Integrated Process Management, available at <https://www.businessport.net/benefits-swim-lane-process-maps-diagram/> (accessed on August 18, 2019).

2 The description of this meeting is based on a video teleconference conducted on August 14, 2019.

3 "Process improvement is the proactive task of identifying, analyzing, and improving upon existing business processes within an organization for optimization and to meet new quotas or standards of quality." For additional details, see "What is Process Improvement in Organizational Development?" Appian, available at <https://www.appian.com/bpm/process-improvement-organizational-development/> (accessed on August 23, 2019).

4 Interview with Pete Ricketts, Governor, State of Nebraska, by telephone, July 29, 2019. Subsequent quotations from and attributions to Ricketts come from this interview.



2015-2016: Standing Up The Center of Operational Excellence

Upon taking office in 2015, Ricketts prioritized implementing a sustainable process improvement strategy. This was in part because of his experience in the private sector. The Administration also saw process improvement as a way to address Nebraska's fiscal challenges. These difficulties would come to the fore in 2016 when the State of Nebraska faced a nearly one-billion-dollar budget shortfall—an issue that had to be addressed because the state was required to have a balanced budget. What's more, Ricketts did not want to raise taxes or cut quality of services. Process improvement was therefore an attractive solution.⁵

Even as process improvement emerged as a priority, the State of Nebraska experimented with how to staff and structure the initiative. Initially, process improvement efforts were led by Felix Davidson, a longtime leader at TD Ameritrade who became the State of Nebraska's Chief Operating Officer. Davidson led several process improvement projects but returned to the private sector in December 2015. The Ricketts Administration then transitioned process improvement efforts to the newly created Center of Operational Excellence (COE) as a division of the Department of Administrative Services (DAS). DAS was seen as uniquely positioned to house the initiative because it served other agencies on an enterprise-wide basis.⁶ "DAS is really the perfect place to put this to begin with," reflected Bo Botelho,

5 Martha Stoddard and Emily Nohr, "Nebraska Lawmakers Facing Nearly \$1 Billion Budget Shortfall Next Year," *Omaha World-Herald*, October 29, 2016, available at https://www.omaha.com/news/legislature/nebraska-lawmakers-facing-nearly-billion-budget-shortfall-next-year/article_2a21f51c-9d4f-11e6-afa8-53028238ee09.html (accessed on August 20, 2019); Interview with Lee Will, Deputy State Budget Director, State of Nebraska, by telephone, July 23, 2019. Hereafter cited as Will interview; and Martha Stoddard, "Q&A: Amid Budget Shortfall, Gov. Pete Ricketts Says He'll Keep Trying To Cut Spending And Taxes," *Omaha World Herald*, January 3, 2017, available at https://www.omaha.com/news/nebraska/q-a-amid-budget-shortfall-gov-pete-ricketts-says-he/article_1086f1ff-a955-5270-992f-b78c596aab26.html (accessed on August 18, 2019).

6 In Nebraska, DAS "has the responsibility to provide centralized support services to State agencies, boards, and commissions." Its work spans 13 divisions, including (among others) transportation services, accounting, and human resources. For additional details, see "About Administrative Services," Department of Administrative Services, State of Nebraska, available at <http://das.nebraska.gov/about.html> (accessed on August 21, 2019).



then DAS's Deputy Director, "because it is the only internal agency in the State of Nebraska."⁷ Ricketts added, "DAS is really the linchpin for this. We chose it purposefully because it is the organization that touches all the other agencies. So we knew that if we wanted to drive this change through every agency we had to have that center of gravity."

The question remained of how to staff COE and implement process improvement. At first, DAS hired a team of consultants to implement the process improvement effort as well as a full-time staff member, Matthew Singh, to direct COE and manage the consultants. Singh, who had an extensive background in process improvement in the private sector, recalled the enthusiasm he felt when he interviewed for the position. Singh said, "They started to paint a vision for what the Ricketts Administration wanted to accomplish. They saw tons of projects every year. They saw significant savings and operational excellence. When I heard this vision, I said, 'Wow, this is exciting. This is great.' We didn't have the details yet. That excited me."⁸

Upon beginning his work with the state, Singh quickly grew concerned that the consultants were unlikely to achieve the vision of a process improvement program that was sustainable, structured, and impactful. One concern was that the consultants' approach was not in alignment with the Administration's goals. Singh said, "It was very much, 'we might do this; we might do that.'" In addition, Singh spoke to participants who attended the consultants' change management trainings and discovered that the lessons were difficult to grasp. Singh recalled that attendees said, "We're on board, but to be honest, we don't really know what we were trained on. We spent a day in this training; we don't really know

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7 Interview with Bo Botelho, Chief Operating Officer and General Counsel, Department of Health and Human Services, State of Nebraska, by telephone, August 9, 2019.

8 Interview with Matthew Singh, Director, Center of Operational Excellence, Department of Administrative Services, State of Nebraska, by telephone, May 23, 2019. Hereafter cited as Singh interview. Subsequent quotations from and attributions to Singh come from this interview and follow-up telephone interviews.

what we were supposed to learn.” Singh added, “The people that were trying to do early projects were confused, nervous, scared, and had paralysis by analysis.”

Singh shared these concerns with DAS leadership and recommended that they move away from the consultants and instead operate an internally managed belt-based system. In this setup, state employees would receive different levels of process improvement training that corresponded to more advanced belts (e.g., white, yellow, green, and black). (For additional details on the State’s belt-based system, see Appendix A.) As Singh recalled, DAS leadership suggested that they reflect on the decision. There was a case to be considered for maintaining the consultants’ approach. Other states in NASCA, Singh noted, were very successful in having consultants provide trainings and videos in which participation was voluntary, allowing enthusiasm to develop naturally and gain momentum over time. What’s more, some felt this was preferable to the belt-based system, which, in the eyes of detractors, was overly structured and rigid and could even appear exclusive (e.g., if someone had a more advanced belt, he/she might seem superior to other employees). Over several conversations, however, it became clear that the belt-based system possessed several advantages for Nebraska. First, it would be organically grown and managed. That way, if a staff member was not grasping a concept and the state needed to extend a training, they could do so without having to book additional consulting time. What’s more, having an internally managed program would, as Singh said, increase “buy in” with staff. Finally, the rigor of the internally managed belt system would be more compatible with the goal of using process improvement to increase operational excellence. Singh recalled, “We needed to have the talk of, ‘Do we want to have a marketing campaign with a little bit of operational excellence, or do we want to have an operational excellence campaign with a little bit of marketing?’”

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Director, Center of Operational Excellence,
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DAS leadership and Singh shared their recommendation with Ricketts, who supported the move and added an additional charge: in a Cabinet meeting in fall 2016, the Governor announced that he wanted all 12,000 state employees to receive the introductory white-belt certification by the end of the year. “It was a mad dash, but we got there,” reflected Singh of the push to complete the white-belt certifications. “That really laid the foundation when we started to get projects done over the next several years.”

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2017: Expanding COE

In 2017, Singh shifted his focus to expanding COE's work by implementing more trainings; developing more robust systems, structures, and processes; and more formally introducing the initiative to key political stakeholders and Cabinet members. That February, COE completed its first green-belt trainings, which provided the first six Process Improvement Coordinators who would lead process improvement efforts in individual agencies. Then, in June, COE added nine more Process Improvement Coordinators. At the time, Singh was COE's lone staff member (he would later hire a Deputy Director), and the organization and team of Process Improvement Coordinators had approximately 12 projects that were either underway or completed.

In parallel to administering these trainings and helping to launch different projects, Singh was conferring with and visiting other members of NASCA, particularly Ohio and Washington, to learn about their well-developed process improvement programs. This dialogue yielded several valuable insights. One was that it affirmed their decision to position COE in DAS. In addition to being well placed to serve other state agencies, DAS had the advantage of being politically removed from the Governor's office, which made COE more likely to endure in future gubernatorial administrations. Another takeaway was that Nebraska would not have a steering committee. Singh and other state officials were originally leaning toward creating such a group to bring together a range of stakeholders (e.g. the Lieutenant Governor and Cabinet officials) to make decisions about the program's direction. The benefit of a steering committee was that it would help to build consensus among stakeholders who might have conflicting views, but Nebraska officials recognized that that might not be necessary given their state's political culture. Nebraska has a unicameral legislature, is a heavily Republican state, and is very conservative, especially as it related to the careful stewardship of taxpayers' dollars. This meant that there was significant built-in consensus, and there was a fear that a steering committee could inhibit progress with little tangible gain. "It would've slowed us down a lot," said Singh. "It was probably one of the best decisions that we could've made."

A final decision stemming from the visits with other states was that Nebraska would hire full-time Process Improvement Coordinators and create a dual-reporting structure with the agencies in which they were based and the COE. Many other states created part-time process improvement positions, but when layered on top of existing responsibilities, this created too much additional work. Nebraska therefore decided to create full-time Process Improvement Coordinators, who would report to both their agency leaders as well as COE. The Process Improvement Coordinators would help to manage and oversee projects in their agencies, and the specific number of Process Improvement Coordinators would vary depending on the agency's size.⁹ Of the significance of the dual-reporting structure, Singh said, "It's more a guidance and support mechanism for us...but there's a duality there. If the program goes off track, the COE intervenes to help put it back on track or to support it."

⁹ Larger agencies with multiple Process Improvement Coordinators would also have Process Improvement Supervisors to oversee the coordinators.

Building Support for the Program

While a major focus for Singh in 2017 was gleaning insights from other states about how to structure the program, he and other senior state officials also devoted significant attention to introducing COE to and building support for the initiative among other key stakeholders in Nebraska. To some extent, this involved strategically framing the program to mitigate potential political resistance. As Singh recalled, one early concern among some state employees was that process improvement could result in layoffs. This had the potential to attract the ire of organized labor. The legislature—which could exercise its oversight authority to inquire about the program—was likely to be monitoring COE as well. The Ricketts Administration therefore emphasized early on that the process improvement initiative would not result in layoffs but instead that the goal was to discover efficiencies by enhancing processes. They also highlighted another valuable benefit—helping to prepare the state for the “silver tsunami” that would arise when older state employees retired. According to Jason Jackson, who became Nebraska’s Chief Human Resources Officer in March 2016 and whose role expanded to include DAS Director in December 2018, state officials were aware of possible political issues when they created the program. Rather than taking a confrontational stance, they anticipated potential concerns from the legislature and organized labor and positioned the program in a way that would be unobjectionable.¹⁰

Simultaneously, Singh made a push to meet with all 22 agency heads to discuss their target outcomes and review the approach. At the time, all state employees were required to be white-belt certified, and all middle managers were expected to receive a yellow belt, which focuses on visual management, key performance indicators, and simple problem-solving tools. (For additional details on the different belt designations, see Appendix A.) The state also had a long-term goal of one green belt (a Process Improvement Coordinator) for every 250 state employees. At that point, Process Improvement Coordinators were expected to complete ten projects over 12 months, with a 50 percent reduction in lead time; score at least 80 percent on audits; and achieve a combined hard and soft savings equal to five times their salary, an industry norm from the private sector. Later, the state started modifying and simplifying those expectations, including reducing the total number of projects from ten to eight to free up more time for Process Improvement Coordinators to work with white and yellow belts in their agencies. In 2019, the governor would also introduce concrete budget savings requirements for process improvement for each agency. The evolution of these standards reflected that the state was always evaluating how to adapt the process improvement program to maximize its effectiveness. “It’s good to have standards,” Singh said. “It’s pretty hard to put in stone, ‘These are the standards you need.’ Because as you reach those standards, you realize there’s something else that needs attention and go put attention towards that.”

In the course of these conversations with Cabinet officials, Singh discovered that, although the Governor had mandated that Cabinet members participate in the program, some had concerns. This included the need to devote funding to the salaries of the Process Improvement Coordinators as well as the rigid implementation process. For example, Jim Macy, the Director of the Department of Environmental Quality (DEQ), raised the question of whether an agency that was doing larger process improvement projects should be allowed to do fewer total initiatives, thereby enabling them to focus more energy on high-yield pursuits.¹¹ “This program has a very distinct basis,” Macy said. “Part of the good thing is that it has this basis that is etched in stone. Part of the bad thing about it is that it has this process that is etched in stone.”^{12, 13}

10 Interview with Jason Jackson, Chief Human Resources Officer, Director, Department of Administrative Services, State of Nebraska, by telephone, June 13, 2019. Subsequent quotations from and attributions to Jackson come from this interview and follow-up interviews conducted by telephone.

11 As Macy noted, the Department of Environmental Quality’s process improvement work was connected to a partnership with the federal government’s Environmental Protection Agency.

12 Interview with Jim Macy, Director, Department of Environmental Quality, State of Nebraska, by telephone, June 14, 2019.

13 Heather Behl, a Process Improvement Program Manager in the Department of Health and Human Services, noted that she and her colleagues in the process improvement community had been trained to adapt their approach to different agency settings. She said, “We were given some building blocks, and each agency inside the State of Nebraska has a different culture. And so we use the building blocks to look at the culture with our sponsor and see how best it would work.” Interview with Heather Behl, Process Improvement Supervisor, Department of Health and Human Services, by telephone, June 29, 2019. Subsequent quotations from and attributions to Behl come from this interview.

Singh and senior state officials employed several strategies to respond to these questions and concerns. Most commonly, Singh met with Cabinet members extensively to ensure that they felt like they were being heard and, where possible, to adapt and find compromises. Singh found this approach especially helpful with Macy, who, Singh noted, came to Nebraska from another state, just as Singh had. In that sense, they learned from one another. Singh reflected:

There was some disagreements early on...but I think what really helped both of us was that understanding of the vision... That respect [and] constant dignity for one another, disagreeing when appropriate and agreeing to disagree, but also knowing that we both are responsible for moving the needle forward is what helped us get to where we are.

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– Jason Jackson
Chief Human Resources Officer, Director,
Department of Administrative
Services, State of Nebraska

Singh, who emphasized that DEQ developed one of the strongest process improvement programs, added, “We have made significant strides in aligning our efforts but realized there is still more we can partner on going forward.”

In instances when Singh’s efforts to establish dialogue were unsuccessful, he sought support from more senior state officials, who sometimes intervened. Jackson explained:

There is broad consensus and support for the theory of process improvement and continuous improvement. Sometimes where an impasse is reached is where a Cabinet-agency director might understand the process improvement in theory but not always self-assess that their agency is the right target for continuous improvement. That’s where more support...might be necessary or even a more constructive conversation about what our expectations are of leaders to participate.

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Ricketts added, “Change is difficult, and so it really gets back to communication. You have to work with the folks you’re implementing the change with to help them understand why this actually benefits them.”

Initial Impact

This deliberate approach to structuring the program as well as building consensus and buy-in paid impressive dividends. By October 2017, one year after Ricketts had called for all state employees to be white-belt certified, the process improvement coordinators had finished 52 projects and cumulatively reduced service delivery times by 9,200 hours. This included partnering with the Department of Labor to up the number of Work Opportunity Tax Credit applications it processed from 1,000 to 2,500 per month and working with the Department of Corrections to reduce the time to package and distribute medicine to select prison populations by 45 percent.¹⁴ Singh also saw a deeper benefit to the program’s success—given that it was Nebraska’s third iteration of a process improvement program, it was critical to demonstrate “a preliminary proof of concept.” He said, “We needed to show it was having impact, and that it was not just something that’s going to be a six-month thing and disappear.... And we did it. We had a good amount of hard savings, we had over 50 projects, and we had some amazing stories to tell of impact.”

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– Matthew Singh
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State of Nebraska

14 “Gov. Ricketts, State Agencies Highlight Customer Service and Operational Excellence Successes,” *Antelope County News*, November 4, 2017, available at https://www.antelopecountynews.com/clearwater_ewing/news/gov-ricketts-state-agencies-highlight-customer-service-and-operational-excellence/article_67d4dd38-bfff-11e7-b481-0fdb0a3c6ee6.html (accessed on August 19, 2019).



2018: Refining The Program

While the success of the program in 2017 was a tremendous boon, it by no means guaranteed the long-term viability of the COE. Singh therefore saw 2018 as a critical period to continue growing the initiative. To some extent, this entailed simply expanding process improvement work. Singh said, “One research finding doesn’t prove anything. It suggests that something might have validity. So there’s replicational studies to prove the validity of the original findings...and that’s what 2018 was. It was, ‘OK, we’re off to a good start...Let’s show that we can keep moving forward..”

A Supportive Culture

At the same time, Singh sought opportunities to enhance the program. One facet of this was ensuring that the Process Improvement Coordinators felt supported by and connected to one another and the COE. This was a priority in part because the process improvement community had grown from just a handful of staff members in 2016 to more than 30 Process Improvement Coordinators two years later. Singh reflected, “It started off with this small group of bandits... Then the dynamic changed when you’ve got 30 people. With that came the decision: ‘do we hope they feel supported enough...or do we set some structure in place to really reinforce and drive that we’re one community?’” It was also important to foster a supportive dynamic because the process improvement work could become tense. At the end of each quarter, each process improvement coordinator underwent an audit led by the COE. “People get afraid of the word audit,” said Andi Bridgmon, formerly a Process Improvement Coordinator in the Department of Labor and now the COE’s Deputy Director. “But we use it as a learning opportunity. Something might have been missed, so let’s coach through that, let’s work through that.”^{15, 16}

15 Interview with Andi Bridgmon, Deputy Director, Center of Operational Excellence, State of Nebraska, by telephone, June 19, 2019. Subsequent quotations from and attributions to Bridgmon come from this interview.

16 Bridgmon and Singh are COE’s lone full-time staff members.

Singh and his team took several steps to create this supportive environment. To begin with, they tried to create a sense of community in the hiring and training process. Each new Process Improvement Coordinator was part of a cohort to which he/she would be permanently connected, and when hiring Process Improvement Supervisors or COE's Deputy Director, Singh promoted from within the process improvement community. He said, "We want to build that sense of community and ownership." Singh also created a series of structured meetings—including quarterly "lunch and learns" and Process Improvement Coordinator retreats—that provided opportunities to build community and discuss best practices.¹⁷ Finally, after originally being housed in a pair of small offices in a relatively remote building, COE moved to a larger space in the Capitol that was centrally located and contained sizeable conference rooms where Process Improvement Coordinators were encouraged to drop by to discuss their work.¹⁸ This was emblematic of the organic, familial environment that COE hoped to foster as a complement to its structured approach. "We've always had an open-door policy," Bridgmon said. "That everybody is comfortable coming over here and talking to us if they have questions... We have that formal relationship, but we also have the informality to it where we're all just comfortable working together and creating that culture."

Measuring Impact

Along with building a sense of community, another critical aspect of Singh's efforts to refine the program was ensuring that COE had a robust method for measuring the impact of and savings from its work. This was a priority in part because one of the concerns regarding the consultants who had previously led Nebraska's process improvement efforts was the absence of key performance indicators. More broadly, evaluating the impact of COE's work was seen as integral to fulfilling a broader commitment to being responsible stewards of public funds. "We're very serious about how we regard taxpayer dollars," said Nebraska Tax Commissioner Tony Fulton. "It's a sacred thing. It's a measure of somebody's work."¹⁹ Heather Behl, a Process Improvement Program Manager in the Department of Health and Human Services, added, "I think that every single person that works for the State really wants to do good. We're serving. I think that servant leadership is a part of the culture in every agency and I think in every state employee."

One aspect of COE's evaluation system was an enterprise dashboard that looked at each government agency and highlighted the total number of staff trained for different belts, total program activities, total savings, program performance, and any relevant comments. (See Appendix B.)

Dating to early 2017, Singh had also worked diligently with an array of state officials to create a Return on Investment sheet to measure each project's

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17 Singh also established leadership and communications committees that met monthly, giving COE forums in which it could identify high-level issues and curate stories that best illuminated its impact.

18 Interview with Don Arp, Executive Director, Nebraska Commission on Law Enforcement and Criminal Justice, former Deputy Director, Center of Operational Excellence, State of Nebraska, by telephone, August 6, 2019.

19 Interview with Tony Fulton, Tax Commissioner, State of Nebraska, by telephone, June 11, 2019.



impact. (See Appendix C.) Singh first introduced a template that he had used to evaluate process improvement efforts in the private sector. However, as he began workshopping the template with Cabinet members and leaders from the state budget office, they realized that they needed to tailor the approach to the context of state government. The most important change involved separating out hard and soft savings. Hard savings refer to actual dollars saved (e.g., the benefit of moving from a name-brand prescription drug to a generic version), while soft savings apply to time saved from doing a task more efficiently. In the private sector, it was common to combine hard and soft savings when quantifying the impact of process improvement, but in the public sector, it was not valid to integrate soft savings measurements because the state would still be spending money on employees' salaries.²⁰ COE therefore worked carefully with the budget office, Cabinet members, and the Governor's office to ensure that each Return on Investment calculation was rigorous and that each stakeholder signed off on the final result.

Accurately capturing these savings was critical for several reasons. For one thing, COE was establishing its credibility. Singh said, "Showing quantifiable results with standardized methodology is essential for long-term buy-in and understanding for executives at all levels, including the budget office and the legislature." What's more, to Singh, the deliberate process to develop the ROI sheet was emblematic of a broader lesson: it was important to be patient and keep iterating, especially if the initial strategy did not work. He said, "It's not going to be a home run the first time. You sit down to figure out what you think will work and you try it. Then you come back to the table, and you say, 'Half of that worked.' Don't feel defeated. Keep at it."

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²⁰ Will interview.



2019: The Path Ahead

In 2019, Singh continued to confront challenges connected to implementing COE's work. One was solidifying the Cabinet's commitment to process improvement. Singh said, "We have come a long way in helping display the value created with process improvement to the Cabinet members and c-level staff in the different agencies, but we still have opportunity to show its value." Singh, along with the Governor and other senior officials, were therefore continuing to push process improvement as a priority in Cabinet meetings and other gatherings and events. "I talk about this wherever I go. I'm not just talking about it internally," said Ricketts. "When I do town halls, a key portion of what I'm talking about is what we're doing on process improvement to do a better job serving people."

Another challenge arose in March when Nebraska was hit by a "bomb cyclone" that caused massive flooding and more than \$1.3 billion in damage.²¹ This created what Singh described as "a duality." "It's a precise dance, but it's a dance that needs to be done," he elaborated. "These flood efforts absolutely take precedent. They need to be handled—it's for the citizens of Nebraska. That doesn't necessarily mean we take our foot off the pedal of process improvement." More concretely, striking this balance entailed working with departments involved in the flood response to determine how process improvement dovetailed with their current work and what lessons they could learn for future efforts. A case in point was the Nebraska Emergency Management Agency (NEMA). After the floods, NEMA shifted its process improvement focus from tracking normal projects to monitoring the recovery programs. As part of a more forward-looking approach, NEMA was also planning to restructure its organizational chart and create a Deputy Assistant Director heavily focused on process improvement. "We adopted continuous process improvement concepts about three years ago," said NEMA Assistant Director Bryan Tuma. "So the mindset for response and recovery was really in place before the event started."²²

21 Matthew Schwartz, "Nebraska Faces Over \$1.3 Billion in Flood Damage," *NPR*, March 21, 2019, available at <https://www.npr.org/2019/03/21/705408364/nebraska-faces-over-1-3-billion-in-flood-losses> (accessed on August 20, 2019).

22 Interview with Bryan Tuma, Assistant Director, Nebraska Emergency Management Agency, by telephone, August 7, 2019.



As individual agencies looked to the future, so too was Singh developing a strategy to position COE to continue thriving after Ricketts left office. This included exploring different ideas for long-term funding.²³ Singh—who travelled to Michigan and Minnesota to learn about their strategies to make process improvement sustainable—was also brainstorming new ways to align COE training and services with the Administration’s strategies in state agencies. Singh framed this as a challenge for him and his team. He asked, “How do we make sure it’s more user friendly to the Cabinet members and the executive middle management?” Finally, COE was initiating a more expansive communications strategy to spread the word about the program’s impact. Since May 2017, COE had issued a periodic newsletter highlighting the organization’s work. Moving forward, Singh and his team were planning a COE month (with weekly educational videos, press releases, and ceremonies highlighting the center’s work and impact), active LinkedIn and Facebook pages, and a podcast. The hope was that this would help to foster more bottom-up support for COE. “Now that we have the technical skills, that change management piece is going to be increasingly important,” Singh said. “That’s the biggest piece: it’s not just a cultural change but a sustained cultural change, which can look very different.”

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State of Nebraska

Even as Singh and other state officials pondered COE’s long-term prospects, the program had already made an enormous impact. For one thing, the program had become immensely popular. Behl, a Process Improvement Program Manager in the Department of Health and Human Services, noted that she was one of 50 candidates for her initial Process Improvement Coordinator position in the Department of Corrections. More broadly, COE had trained over 12,000 employees, completed more than 245 projects, and saved more than 290,000 verifiable hours. Process redesign projects, in addition to the strategic decisions of executive green belts, had allowed the Administration to minimize budget increases and produce actual budget reductions, all while improving services in a variety of areas, ranging from water permits to licensing processes to administrative tasks. To Ricketts, that the Administration had simultaneously saved money and improved services was a critical takeaway. He said, “A lot of people think, ‘Oh, well, you’re controlling

²³ The money for Singh’s and Bridgmon’s positions came from discretionary funds in DAS. COE also obtained some revenue from process improvement trainings it performed for other government entities (e.g., state colleges and municipal governments), though it did all of these trainings at cost, not for profit. Singh interview.



costs or cutting spending...That means you have to cut services.' Well, we've actually demonstrated, just like the private sector, you can actually improve the level of service while controlling your costs, that you can do both at the same time."

More broadly, Nebraska's process improvement work had yielded lessons about how to drive enterprise-wide change in state government. Ricketts identified four factors—having a vision and strategy, evangelizing that strategy, hiring the right people, and setting goals for them and holding them accountable—to drive change; he placed an especially large emphasis on evangelizing. "I choose that word evangelize purposefully because it really has to be that kind of fervor you have to have," Ricketts said. "You've got to communicate both inside and outside the organization so that everybody knows what you're about and what the goal is." Jackson, the DAS Director, emphasized the importance of having "strong executive commitment with the tone set from the top" as well as positioning an initiative not as something that is adversarial but rather a program that can benefit everyone. Finally, Singh pointed to the importance of exhibiting courage, persistence, and passion. He concluded, "If you have those three things, some of these other decisions are important but those three bullet points can override everything else because ultimately it's about culture change."

"I choose that word evangelize purposefully because it really has to be that kind of fervor you have to have. You've got to communicate both inside and outside the organization so that everybody knows what you're about and what the goal is."

– Pete Ricketts
Governor, State of Nebraska

Appendix A: Overview of Belt-Based System

The State of Nebraska introduced a belt-based system for its process improvement work that involved multiple levels of certification.

- The white belt—which is mandatory for all state employees—is part of the State of Nebraska’s onboarding process and provides a 60-minute introduction to process improvement. “We call it the inoculation,” Singh said, “just introducing people to what process improvement is.”
- The yellow belt can be obtained after four hours of training and exercises. It focuses on visual management, key performance indicators, and simple problem-solving tools (e.g., fishbone diagrams).²⁴ This was aimed at all middle managers but is not just for middle managers. Some agencies required all staff members to complete this training for what Singh described as “the cultural push.” High-functioning yellow belts can also complete an additional two days of classroom training to become a certified lean leader. Those trainings are heavily focused on simulations and not academic because, as Singh said, “The more complicated we make it, the fewer practitioners we can have doing it.”
- Green belts undergo three months of training to become full-time process improvement coordinators in agencies. The focus of the training is process mapping, eliminating waste, and then mapping future states. As Singh explained, the green belts are the “basis for the project execution and large transformational projects” in their agencies. In 2019, Nebraska had approximately 30 process improvement coordinators and hoped to expand that number to 50, which would be the equivalent of approximately one process improvement coordinator for every 250 employees. Highly successful process improvement coordinators can also become process improvement supervisors, who oversee other process improvement coordinators. Nebraska made a conscious decision to create these opportunities for advancement within the process improvement coordinator community to prevent attrition.
- The executive green belt is focused on executive decision making and, as Singh explained, was “created out of a need from the governor’s office” for training for senior officials who would be driving process improvement across an agency. This program—which employs decision sciences, embedded with Lean Six Sigma tools—is directly tied to a hard savings number.²⁵ Approximately 150 C-suite-level-staff across the state have completed this training and are helping the state to achieve its budget-reduction targets.
- The black belt is for process improvement coordinators who have received additional training to take on enterprise-wide projects. Upon certification, the coordinators become Process Improvement Program Managers. This additional training lasts for approximately three to four months and prepares staff to take on some of the most-advanced projects in the state (e.g., an IT integration initiative across the Department of Health and Human Services). Singh has a master black belt and leads these trainings.

Sources: This appendix draws on interviews with Matthew Singh, the Director of the State of Nebraska’s Center of Operational Excellence.

24 “A fishbone diagram, also called a cause and effect diagram or Ishikawa diagram, is a visualization tool for categorizing the potential causes of a problem in order to identify its root causes.” For additional details, see “fishbone diagram,” TechTarget, available at <https://whatistechtarget.com/definition/fishbone-diagram> (accessed on August 21, 2019).

25 “Six Sigma focuses on reducing process variation and enhancing process control, whereas lean drives out waste (non-value-added processes and procedures) and promotes work standardization and flow.” Lean Six Sigma blends both techniques. For additional details, see “What Is Six Sigma?” available at <https://asq.org/quality-resources/six-sigma#Lean%20Six%20Sigma> (accessed on August 21, 2019).

Appendix B: Enterprise Dashboard Template

COE Enterprise Dashboard																					
<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: red; margin-bottom: 5px;"></div> <small>Off Track based off of monthly expectation ((Year End Goals/12)*current month)</small> </div> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 15px; height: 15px; background-color: green; margin-bottom: 5px;"></div> <small>On Track based off of monthly expectation ((Year End Goals/12)*current month)</small> </div>	Belt Training (Total Team Members Trained)							Program Activities			Total Savings						Program Performance				
	Executive Decisions			Lean Six Sigma			On Track = ≤ 1 Red Column		Needs Improvement = 2 Red Columns		Off Track = ≥ 3+ Red Columns		Developing = No PIC/Not Certified PIC								
	White	Yellow	Yellow Goal	Yellow Progress	Green	Exec. Green (EGB)	EGB Goal	EGB Progress	Projects/ Kaizens Completed (YTD)	Projects/ Kaizens Target	Projects/ Kaizens Progress	Exec. Decision Savings Realized (YTD)	Exec. Decisions Assigned Savings Target	Exec. Decision Savings Progress	LSS Hours Saved (YTD)	LSS Hours Target	LSS Hours Progress	Number of Audits	Audit Passage Rate	Overall Program Status	Months at Current Status
Administrative Services			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Agriculture			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Correctional Services			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Environment and Energy			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Health and Human Services			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Labor			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Revenue			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
State Patrol			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Transportation			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Veterans' Affairs			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Banking and Finance			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Economic Development			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Insurance			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Crime Commission			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Fire Marshal			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Pardons and Parole			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Motor Vehicles			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
Natural Resources			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			On Track		
COE	0	0	0	#DIV/0!	0	0	0	#DIV/0!	0	0	#DIV/0!	\$	-	\$	-	#DIV/0!	0	0	#DIV/0!	0	#DIV/0!
	White Belt	Yellow Belt	YB Goal	YB Progress	Green Belt	Exec. Green Belt	EGB Goal	EGB Progress	Projects/ Kaizens Completed	Projects/Kaizens Target	Projects/ Kaizens Progress	Exec. Decision Savings Realized (YTD)	Exec. Decision Assigned Savings Target	Exec. Decision Savings Progress	LSS Hours Saved (YTD)	LSS Hours Target	LSS Hours Progress	Number of Audits	Audit Passage Rate Average		
Governor			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			No Program		
Lieutenant Governor			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			No Program		
OCIO			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			No Program		
Energy			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			No Program		
Military			#DIV/0!				#DIV/0!			#DIV/0!			#DIV/0!			#DIV/0!			No Program		

COE's evaluation system included an enterprise dashboard that broke out performance by agency and highlighted the total number of staff members trained, program activities, total savings, program performance, and relevant comments.

Source: Personal communication by e-mail with Matthew Singh, Director, Center of Operational Excellence, Department of Administrative Services, State of Nebraska, August 30, 2019.

Appendix C: Return on Investment Sheet

ROI Cost Detail Worksheet						
Project Title:						
PIC(s):						
Agency:						
Last Revised:						
	Item Description and Assumptions Supporting Cost	Expected 1 yr Total Savings	Cumulative Savings			
			Total @ 30-day	Total @ 60-day	Total @ 90-day	Total @ 6 months
HARD SAVINGS						
	Total	\$0	\$0	\$0	\$0	\$0
SOFT SAVINGS (Hours Only)						
	Total	0	0	0	0	0
COST AVOIDANCE						
	Total	\$0	\$0	\$0	\$0	\$0
PROJECT COSTS		Expected	Actual			
Hours						
Total		0	0			
Hard Costs						
Total		\$0	\$0			

	Savings	Costs	ROI
Expected Hours	0	0	
Expected Hard	\$0	\$0	
Actual Hours	0	0	
Actual Hard	\$0	\$0	

Nebraska developed a rigorous system for documenting its hard savings, soft savings, and cost savings from its process improvement work. These analyses were documented through the above Return on Investment Sheet and an accompanying Return on Investment cover sheet that is available in NASCA's resource library.

Source: Personal communication by e-mail on August 30, 2019 with Matthew Singh, Director, Center of Operational Excellence, State of Nebraska.



Acknowledgements

This case study is developed under the direction of Dr. Antonio M. Oftelie of Leadership for a Networked World and the Technology and Entrepreneurship Center at Harvard, part of the Harvard John A. Paulson School of Engineering and Applied Sciences. Leadership for a Networked World and NASCA would like to thank all the individuals who contributed to the development of this case – particularly the leadership and staff of the state of Nebraska. Additionally, credit and thanks are due to David Tannenwald for research and writing, Lauren Hirshon for strategy and research, Amy Ramsay for editing, and Todd Gillenwaters for graphic design.

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