

**2004 INNOVATIONS AWARDS PROGRAM
Application Form**

1. Program Name *Iowa Excellence*
2. Administering Agency *Iowa Department of Management*
3. Contact Person (Name and Title) *Steve Maslikowski, Executive Officer*
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8. Web site Address *www.dom.state.ia.us*
9. Please provide a two-sentence description of the program.

Through Iowa Excellence, state agencies engage in a rigorous self-assessment, reviewed by third-party examiners, to drive improvement plans and focus resources. Iowa's pioneering effort shows how state government can adapt the private sector Malcolm Baldrige National Quality Program and leverage it into better public customer satisfaction and more value for Iowans.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on May 1, 2004 to be considered. *The program was initiated in November 2000.*

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

With the establishment of a new administration in Iowa State Government in 1999, a set of 7 principles, listed below, were established to guide agencies in their work. However, no system was in place to gauge the degree to which state agencies were succeeding in applying these guiding principles. The Malcolm Baldrige criteria provided a framework for integrating guiding principles within a results-oriented framework.

We also wanted state government to be more responsive to customers and better able to identify and address their needs, while also keeping an eye on the results of our efforts. Before establishing Iowa Excellence, we attempted to address many of the principles, but we did not do so in an integrated way. We relied on a variety of approaches to addressing our guiding principles. Iowa Excellence has allowed us to be more focused and think about and the address the linkages between the various principles.

- *Collaborative Leadership*

- *Long-Range Thinking*
- *Customer Focus*
- *Data Based Decisions*
- *Employee Participation*
- *Continuous Improvement*
- *Result Orientations*

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

The Department of Management has established a three- year, rotating schedule for all executive branch agencies to conduct a systematic self- assessment of their operations in the following seven areas identified in the Malcolm Baldrige National Quality program.

1. *Leadership*
2. *Strategic Planning*
3. *Customer and Market Focus*
4. *Measurement Analysis and Knowledge Management*
5. *Human Resource Focus*
6. *Support Processes*
7. *Business Results*

Each summer, scheduled agencies assemble a team to answer a comprehensive list of questions linked to each of these seven areas and develop an assessment report, up to 50 pages. The area of business results also requires data to support organizational performance outlined in the first six areas.

The Department of Management receives these reports early in the Fall and assembles examiner teams to review the self-assessments. Examiner teams are comprised of employees from across state government who have been specially trained for this purpose. Examiners review and score the reports based on criteria established under the Baldrige program. Written examiner feedback reports are provided to agencies in early December. The reports include a comprehensive list of strengths and gaps which agencies use to build an overall improvement plan submitted to the Department of Management the following Spring and monitored by Management on an ongoing basis. These reports also provide excellent input into agency strategic planning and annual performance planning. In fact, we recommend that agencies use their Iowa Excellence assessment and feedback as the foundation for conducting their internal organizational review prior to initiating development of their strategic plan.

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

The State of Iowa is the first and only state government to utilize the Malcolm Baldrige criteria to assess organizational performance across the Executive branch. The Baldrige program criteria and awards were designed for the private sector environment, and while there are some barriers to applying the criteria to government, we have been able to work through those barriers to apply Baldrige to government. While the Baldrige program is moving toward developing a program for the non-profit and government sectors, Iowa has been a pioneer in adapting Baldrige to the government sector. Among state governments, the State of Iowa is unique in taking a comprehensive approach to assessing and improving the systems that are recognized as being linked to organizational performance. The State of Iowa will be well positioned to seek a Department of Commerce Baldrige award once a non-profit award category is established.

As the first state to implement Malcolm Baldrige across a branch of state government, Iowa Excellence has been showcased at several national events. Iowa Excellence was featured at the 2001 "All States

Conference" in Washington and at "The 2002 Ohio Award For Excellence." In addition, Iowa continues to receive numerous requests from other states on how to implement this process in the public sector. Recent inquires include Oklahoma, Mississippi, Montana, and the South Dakota Office of the Governor.

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.)

Initial training for the state agencies that piloted the program was conducted by two consulting groups at a cost of \$8800.

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

Two staff members dedicate 50% of their time to the administration of the program and another staff member contributes 33% of their time, at an annual cost of \$120,000. The 50 examiners dedicated to the program perform their responsibilities in addition to their regular job responsibilities and, therefore, have not been assigned a cost. Training materials and miscellaneous supplies total approximately \$2500 annually.

16. How is the program funded?

The positions are funded through the operational budgets of the departments of Management and Transportation. The Departments of Administrative Services and Management fund training materials and supplies.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number. *No*

18. What equipment, technology and software are used to operate and administer this program? *Existing PCs 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. *YES Linda Leto, Iowa Department of Management, State Capitol Building Room 12, Des Moines Iowa, 50319, 515-281-3853 linda.letto@iowa.gov*

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ? *No*

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

In 2004 we will complete the final year of our first three- year cycle. The first two years of the program were conducted on a pilot basis

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

Pro-We have a standardized set of criteria, including a common language, used across the entire Executive Branch to improve state government performance. As a result of applying the criteria across state government, all Executive Branch agencies now have a formal agency strategic plan. In addition, performance (operational) plans were developed by each agency, including performance measures to manage and improve agency operations.

While many agencies are in the process of implementing improvement efforts, agencies such as the Iowa Veterans Home and the ICN have already seen results. Iowa Veterans Home improved the oxygen therapy process resulting in a \$45,000 cost savings and reduced monthly reporting paperwork for a savings of more than \$60,000. The Veteran's Home also reduced outstanding accounts receivables by 66% and cycle time for vendor payments by 45 days. The ICN reduced outstanding billing trouble tickets by 85%, and reduced accounts receivable over 90 days old by 98%.

Establishment of the Iowa Excellence criteria set the stage for passage of the Accountable Government Act, which will integrate planning and performance with budgeting. All agencies within Iowa state government will now use a standardized approach to plan, resource, manage and improve service delivery.

Con- A substantial amount of time and staff resources are required to complete the assessments, examiner reports and improvement plans.

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

The program has grown and evolved in several distinct ways. We began by piloting the process during the first two years and incorporated lessons learned. Improvements allowed agencies to reduce the amount of time it takes to conduct the assessment from an average of 1400 hours to an average of 500 hours.

Since its inception the number of examiners has increased from 26 to 52. In addition, the state has added scoring in 2002 to provide a numerical baseline for agencies to gauge improvements from assessment cycle to assessment cycle and to more closely align with national Malcolm Baldrige program. Training was developed internally after the first year to expand knowledge within state government, reduce cost and to adapt course materials to best meet the needs of government agencies. Training materials and assessment tools continue to be developed and improved to facilitate both the assessment and feedback processes. Information was placed on the DOM Web site to ensure the dissemination of materials and tools. Iowa has been a featured speaker at several national events.

Since 2000, 30 state agencies have used Iowa Excellence criteria to evaluate performance. As a result, these agencies have identified a comprehensive list of strengths and gaps that have been incorporated

into agency strategic and performance (operations) plans. Improvements are continually implemented and results monitored on an ongoing basis by agency leadership.

Establishment of the Iowa Excellence criteria and assessment process set the stage for passage of the Accountable Government Act in 2001. The Accountable Government Act codifies the goal of achieving a comprehensive enterprise performance system and integrating planning and performance measurement with budgeting. All agencies within Iowa state government now use a consistent approach to plan, resource, measure and improve service delivery.

The Department of Management will look for opportunities to align the Iowa Excellence assessment criteria with the Accountable Government Act's performance audit component as it is developed in FY2005.

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

Leadership commitment is essential at both the Gubernatorial level and Departmental levels. The leaders need to understand the value of the process and commit staff resources to the process. A major commitment of time is needed in developing and reviewing the assessment. There is a learning curve for examiners, and the quality and value of the feedback reports improves as the examiners become seasoned. Piloting the program for two years allowed us to develop more and better-trained examiners.

Add space as appropriate to this form. When complete, return to:

CSG Innovations Awards 2004

The Council of State Governments

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DEADLINE: All original applications must be received by April 20, 2004, to be considered for an Innovations Award for 2004.

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