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G O V E R N M E N T

Leading Large-Scale Change

September 22, 2010

## Creating and Managing Innovation in Service Performance at All Levels of City Government

### Welcome and Introduction:

Steve Hurst                      Managing Director, New York Health and Public  
Service Practice, Accenture

Stephen Goldsmith              New York City Deputy Mayor for Operations

### Panelists:

Alan Aviles                      President, Health and Hospitals Corporation

Chris Caruso                      Assistant Commissioner, Out of School Time  
Programs, Department of Your and Community  
Development

Seth Diamond                      Commissioner, NYC Department of Homeless  
Services

Joanne Jaffe                      Chief, Housing Bureau, NYPD

Meryl Weinberg                      Executive Director, Metropolitan Hospital Center

Jeanne B. Mullgrav                      Commissioner, Department of Youth and  
Community Development

Moderator: Paul Light                      Professor, New York University's Wagner  
Graduate School of Public Service

### Closing Remarks:

Linda Gibbs                      Deputy Mayor for Health and Human Services

Dennis Smith                      Program Manager, Research Center for  
Leadership in Action, Robert F. Wagner Graduate  
School of Public Service



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## Supporting High Performance Government: Leading Large-Scale Change

### “Creating and Managing Innovation in Service Performance at All Levels of City Government”

September 22, 2010

#### Executive Summary

#### Introduction

Accenture and the Research Center for Leadership in Action of the Robert F. Wagner Graduate School of Public Service, New York University are co-hosting an Executive Briefing series for public sector managers to discuss the multiple managerial and leadership challenges of implementing large-scale change. The series strives to:

- Encourage the exchange of ideas between senior managers of complex change programs and those emerging leaders charged with undertaking similar efforts.
- Support a cadre of new leaders interested in undertaking such challenges, providing them with the insights, learning and the collegial support that will help sustain their work over time.
- Promote further learning about how successful complex change initiatives are designed and managed, and capture this information in written reports.

Each session is organized around one aspect of managing large-scale change. The session held on September 22, 2010, entitled “” focused on how New York City agencies are addressing today’s challenges and how they are creating cross-sector and cross-agency partnerships to facilitate this work.

The panel included:

- **Linda Gibbs**, Deputy Mayor for Health and Human Services
- **Stephen Goldsmith**, Deputy Mayor for Operations
- **Alan Aviles**, President, Health and Hospitals Corporation and **Meryl Weinberg**, Executive Director, Metropolitan Hospital Center
- **Seth Diamond**, Commissioner, Department of Homeless Services
- **Joanne Jaffe**, Chief, Housing Bureau, NYPD
- **Jeanne B. Mullgrav**, Commissioner, and **Chris Caruso**, Assistant Commissioner for Out of School Time (OST) Programs, Department of Youth and Community Development

Moderator: Dr. Paul C. Light, NYU Wagner's Paulette Goddard Professor of Public Service and founding principal investigator of the Organizational Performance Initiative.

Deputy Mayor for Operations Stephen Goldsmith opened the conversation, providing background and a frame for looking at innovation in New York City Agencies. He stated, “Ideas come from

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shaping and molding experiences you hear from other people. In New York City, there are lots of creative people, but there isn't a good marketplace for ideas in government; barriers which make it difficult for creativity to grow. One barrier is the hierarchical structure, which is rigid in New York City. The procurement process is another barrier. Many good ideas come from vendors. The final barrier exists between agencies. There is currently no structured way for agencies share ideas.”

Each of the four agencies briefly presented their innovation. Commissioner Jeanne Mullgrav, Department of Youth and Community Development (DYCD), spoke first, explaining that the DYCD innovation, DYCD Online, is a web-based information management system designed to support after its school programs. DYCD's mission is to provide high-quality programming to youth and families in NYC and Out of School Time is the largest initiative in the agency's portfolio, serving more than 58,000 young people. It is designed to meet developmental needs of children and working families.

Commissioner Mullgrav explained that the quest for data-driven management is what drove the entire planning process of DYCD Online. The agency needed a system to better understand the demographics of the children they serve. So they built a system, spending \$3.1 million in funding from the Wallace Foundation, to tell them who is enrolled, where they are enrolled, how often they attend, and the frequency of services administered. Because DYCD Online tracks enrollment and attendance, DYCS has been able to implement performance-based contract services in the OST program which has saved the City more than \$3 million to date.

Next, Commissioner Seth Diamond, Department of Homeless Services (DHS), spoke. The DHS innovation is the automation of the inspection process. DHS' primary goal is to move individuals out of the shelter system into the community as quickly and smoothly as possible. In order to do this, process needs to be smooth. On the fiscal side, it costs the City \$3000/month to keep a family in shelter.

DHS looked at one aspect of the process that is in their control – inspection. Commissioner Diamond explained that before the innovation, during the inspection phase, inspectors would report to their office, receive daily schedules, do inspections, then return to headquarters and hand-enter data into system. The disadvantages included the long periods of down time during traveling and the doubling of efforts that occurred when taking information on paper and then reentering it electronically.

DHS automated the process by using a handheld device, which eliminated the use of paper and also meant inspectors no longer had to come into the office everyday. Inspectors now receive their schedule electronically at night and record results directly onto a handheld computer, which they can upload in real time. They are also able take pictures with the devices. DHS has been able to double the number of inspections – they used to move 70-80 families a week out of shelters and are now moving out 200 families a week. Additionally, they are not losing apartments because they are able to inspect quickly. Another result is that people feel better about their job.

President Alan Aviles, Health and Hospitals Corporation, explained that cost containment pressures are building with health reform and that a major challenge they face is how to maximize efficiency. They looked outside their agency and focused on Toyota while problem solving. They chose Toyota because the company has systematically empowered front line teams to re-engineer their own work processes and innovate. “This requires managers to rethink their way of working and being. Managers become the facilitators, not the resident experts and master problem-solvers,” stated President Aviles.

The HHC innovation focused on one-week “rapid improvement” events. Teams have a week to conduct experiments and innovate toward the goal of making targeted aspects of operations more efficient and teams have other expertise from within the organization at their disposal. HHC has been rolling this out for two-and-a-half-years. President Aviles stated, “This program has empowered our staff and has been transformative. It’s called ‘lean’ in the manufacturing industry, but we adapted it and renamed it ‘break-through.’ Despite the tremendous fiscal pressure at present, we make a pledge to our break-through teams that no one will lose his or her job if we gain efficiency due to their efforts; we promise to re-train and redeploy staff instead”

Chief Joanne Jaffe, Housing Department of the New York Police Department (NYPD) began discussing their innovation, the Juvenile Robbery Intervention Program. She explained that in public housing, a disproportionate number of crimes are violent as compared to City statistics as a whole. To start this program, they used the Real Time Crime Center to find everyone 17 years of age and younger arrested for a robbery anywhere in the City and lives in public housing in a specific focus area. They were able to identify 106 kids who were arrested for robbery in the prior year. NYPD decided to focus on those kids and their families in ways the police department doesn’t traditionally approach crime. First, they pulled together a taskforce from all different units of the police department, including school safety, transit, detectives, and others. Next, they proactively offered social service support to everyone in the household. To date, the program results showed a significant decrease in robbery arrests and positive spillover effects to all household members.

Moderator Professor Paul Light, New York University’s Robert F. Wagner Graduate School of Public Service, began the discussion session, asking whether any of the innovations was a response to a particular event or a story in the press, or whether another catalyst was involved. Commissioner Diamond (DHS) stated, “I think a relentless focus on the numbers within Bloomberg administration pushes agencies to innovate.” Chief Jaffe (NYPD) added that there is pressure from above and below, particularly when one looks at data and sees the number of crimes increasing.

Commissioner Mullgrav (DYCD) stated that the Mayor is focused on educational outcomes of young people, and that research shows the rate of participation matters. She explained that before DYCD Online started, they couldn’t tell how many kids were participating. They wanted to be able to answer questions and not pay for empty spots. President Aviles (HHC) added that there was a sense from the senior management perspective that they needed a way to more nimbly adapt to the fast-evolving changes in healthcare and also needed to demonstrate to the public the agency’s commitment to efficiency.

Professor Light next asked, “How do you innovate without money?”

President Aviles (HHC) explained that HHC spent \$4 million for consulting resources to help build internal capacity. As their improvements save money, they are able reinvest in building the infrastructure that supports expanding the rapid improvement program. HHC now supports more than 20 rapid improvement events per month. To date, they have seen combined productivity increases and cost savings of \$110 million.

Chief Jaffe (NYPD) explained their resources are people from other bureaus and spaces/facilities from which to house and deploy personnel. For NYPD’s innovation, saving money will be in the long term.

Deputy Mayor Goldsmith noted a common theme of using analytics to drive innovation.

Professor Light asked Commissioner Diamond what the social benefits to the DHS innovation are and Commissioner Diamond (DHS) explained that it all has to do with how quickly they can get people out of shelters. They have been able to reduce the average amount of time in shelters by 25 percent.

Next, Professor Light asked how the agencies generate ideas, citing the SAVE award conducted at the Federal level, which received 83,000 entries this year. He asked, “How do you elicit innovative ideas without scaring people?”

Commissioner Mullgrav (DYCD) indicated that they rely on nonprofit partners. Part of their shift was changing the paradigm of the way they work with nonprofits. They see it as working together to improve quality.

Commissioner Diamond (DHS) answered that people who come to work at DHS are committed to public service and that if you can harness that, you are tapping into something powerful. Conversely, he noted, people don’t want to be a part of system that delivers bad services.

Commissioner Mullgrav (DYCD) added that their hiring team looks for people who have both government and nonprofit management experience. They invest in their staff through professional development. She also stated her belief that opportunities to get together at the table are incredibly valuable for DYCD, noting that this can be a challenge for a larger organization.

Chief Jaffe (NYPD) explained that her JRIP taskforces are committed to their jobs. They are able to see results that make engagement worth their time. She added that this takes on a life of its own and moves transformational change into other areas. Also, she indicated the importance of engagement at all levels.

Professor Light opened the discussion to the audience.

A member of the audience asked about participants’ thoughts on barriers posed by unions.

President Aviles (HHC) answered that they have been able to negotiate support from their unions, for example, when teams come up with a plan that would realign traditional staff duties.

Commissioner Mullgrav (DYCD) added that they have not had a large push back from the unions. She stated that they have been able to “find gems within the agency that we could promote.”

Chief Jaffe (NYPD) explained that NYPD has worked with the union leadership in the past but there was no specific conferral with unions when JRIP was implemented (nor have any issues surfaced).

Another attendee asked, “If you could change the system, what would you change?”

Chief Jaffe (NYPD) indicated that her priority would be regarding legislative change and FERPA related to school records. She explained, “So much of what we do depends on truancy and a huge obstacle and challenge is to get records.”

An attendee asked President Aviles how middle managers reacted to the break-through approach to front-line team innovation at HHC.

He answered, “At first, they were quite skeptical and threatened. Now, we are finding superstars in the middle manager ranks that were previously unrecognized. The process has flushed out those staff with innate leadership talent and an aptitude for leading teams. The next challenge is how to incorporate an expectation of proficiency in facilitating innovation into the performance evaluations of our managers.”

Another attendee asked, “How do you identify bad ideas?”

President Aviles (HHC) explained that they have tried to establish a culture that there are no bad ideas because even the mis-fires create valuable learning that helps set up the next good idea.

Commissioner Diamond (DHS) stated, “You have to be able to measure an idea to know whether it is working. And you must decide beforehand what success is and how to measure it and evaluate it.”

A member of the audience asked whether DHS is experiencing management challenges with less face-to-face contact as a result of their innovation.

Commissioner Diamond (DHS) answered that they haven’t experienced many problems. The technology allows for more information at their disposal and they are getting more real-time information on how inspectors are progressing throughout the day with handheld devices.

At the request of the moderator, Deputy Mayor for Health and Human Services Linda Gibbs provided a summary of the discussion and concluding remarks.

Professor Dennis Smith thanked everyone for their time and their work on large-scale change and reminded the audience that these forums are off the record, and that nobody would be quoted without permission.

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