Evidence-Based Government

Sponsored by: Accenture
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October 2015

IDC GOVERNMENT INSIGHTS OPINION

Transforming to evidence-based decision making is a difficult and multidimensional journey that is needed for an organization to adapt current organizational processes, culture, and skills to better meet citizens' needs. In many government agencies, data is scattered in silos across the organization, resulting in inconsistent information that is not easily available for analysis or for delivering appropriate services to citizens. IDC Government Insights has observed that:

- Government agencies are beginning to understand the need to manage data more rationally, have developed and implemented strategies for working across functions and silos, and are progressing beyond data measurement to the management of data and to benchmarking progress in obtaining results.
- Evidence-based government requires a fundamental shift in thinking among not only agency leaders but also staff. A trust environment must be created to highlight problems and provide solutions. These efforts are considerable and take time to have an impact.
- Understanding and communicating complex and sophisticated insights are critical to efficiently coordinating, delivering, and prioritizing the enhancement of services. Organizations are putting more effort into developing their information visualization capacity to improve communication and shorten the learning curve.
- Government agencies are achieving better results and collaborating more as actions are guided and outcomes are measured by actionable data. Measuring what matters most to citizens and providing results that directly impact citizens' well-being across jurisdictional lines (such as school districts, local governments, and community organizations) accelerate the realization of efficient, effective improvement in government services.

IN THIS WHITE PAPER

The objective of this IDC Government Insights white paper is to offer insights to leaders of public institutions by providing best practice examples of tracking performance and measuring outputs, outcomes, and the impact of citizen-focused initiatives. Examples include:

- A presentation of the Compass Diagnostic developed by Dr. Antonio Oftelie, Public Sector Innovation Fellow at the Technology and Entrepreneurship Center at Harvard University and Executive Director of Leadership for a Networked World
- A summary of challenges and best practices deployed by government attendees at the Public Sector for the Future Summit: Leadership from Invention to Impact at Harvard University, June 2-4, 2015
- A best practice case study: The state of Washington
METHODOLOGY

This white paper is based on participation in the Public Sector for the Future Summit: Leadership from Invention to Impact at Harvard University, June 2-4, 2015, and discussions and interviews with government executives including:

- Wendy Korthuis-Smith, Director, Results Washington, and Rich Roesler, Engagement Manager, Results Washington
- Dr. Antonio Oftelie, Public Sector Innovation Fellow at the Technology and Entrepreneurship Center at Harvard University and Executive Director of Leadership for a Networked World

Peter Hutchinson, Managing Director, State, Provincial, and Local Government, at Accenture, also provided insights into the practice of Innovative Performance Management Tracking.

SITUATION OVERVIEW

The Public Sector for the Future Summit: Leadership from Invention to Impact event held at Harvard University, June 2-4, 2015, provided an opportunity for all levels of government attendees to share case examples, best practices, and lessons learned from Harvard faculty and researchers and public sector participants. Government entities are deploying citizen-focused initiatives that move from select adoption to full adoption across and beyond the enterprise. Oftelie provided insights into the evidence-based organization. As government adopts new capabilities to track the performance of policies and programs, benchmark results against those of peers, redesign operations, and measure outcomes, new levels and forms of public value will accrue. This new capacity for measuring results is enabled by government leadership and the intersection of technological platforms, social networks, and an explosion of data that allow better measurement of inputs, outputs, outcomes, and impact across enterprise. When these measures are put together, leaders can access performance from a wider perspective – across departments, agencies, and jurisdictions – as well as gain a granular perspective deep within programs and operating units. Oftelie presented a leadership Uptake and Edge Matrix that was used throughout the Summit to help public sector executives conceptualize and plan how to move from select adoption of initiatives to full adoption throughout the enterprise. Figure 1 illustrates this matrix. The x axis measures the sophistication of new government operating models, and the y axis measures the breadth or "pervasiveness" of operating models across the enterprise.
The spectrum of the evidence-based organization starts with the basic tracking of inputs and outputs, followed by measuring programmatic outcomes, then utilizing outcome measurement and analysis for organizational and programmatic innovation, and finally harnessing analytics, controlled trials, and evidence-based budgeting for transforming policies and programs. The challenge for government leaders is moving both uptake and edge innovations forward within the organization to full adaptation. Oftelie’s advice for leaders of an evidence-based organization includes:

- Demonstrate success and drive the narrative. Pilots are a prerequisite for early and fast failures as well as for examples of successful implementation. Leaders must drive the narrative and not only explain initiatives but also communicate expected outcomes and impact to facilitate adoption across the enterprise.
- Establish new training programs. There are many shifts in how work is done in an evidence-based organization. Training programs should focus on how work is done, how staff should be engaged, and how expected outcomes can be used as a way to build commitment and focus.
• Develop new enterprisewide data and analytic systems. Data must be extracted, cleaned, blended, and integrated to be properly analyzed.

• Secure executive sponsorship. This includes buy-in at the highest levels of government, including the administration and agency heads. Form a narrative around the pervasiveness of support. When employees don't have or perceive executive support, they often revert to the old way of working.

• Budget for innovation and the new way of working. Plans for investments should include technology, people skills, citizen forums, and policy reviews.

• Create a culture of evidence-based government with top-down support and bottom-up feedback, engagement, and recommendations.

• Make the data meaningful, comprehensible, and actionable. Be open to the accountability that will result. Measure only what matters.

**Current Challenges**

Summit participants discussed their current challenges in providing better citizen services. Challenges include:

• Maintaining legacy systems that are 10-30 years old and consume over 60% of information technology (IT) budgets is one of the challenges. Often, these systems are no longer supported by vendors, and only a few staff members still have the knowledge to run these systems.

• The increased complexity of government delivery of services and information, coupled with flat or declining budgets and compounded by the size and complexity of many government organizations, makes it difficult for many organizations to innovate to enable operational excellence and workforce agility.

• Some government entities have deployed so many personnel cuts to resize budgets that now only the most senior people are left in the organization, creating a gap in generations, skills, and the ability to recruit.

• As a result of election cycles, government entities face new administrations with their own priorities. Too often, initiatives are kicked off and supported solely by a governor's office. Executive sponsorship is critical for resourcing and championing initiatives especially when they cross agency missions, but when the governor leaves office, the commitment to the initiatives often goes with the departing administration. This leads not only to initiative fatigue (with every new governor, agencies receive new initiatives) but also to middle managers "waiting out" administrative turnover with lethargy.

**Overcoming Challenges: A Leadership Journey**

Government is realizing that it must support administrative priorities, enhance operational efficiency, perfect services delivery, and make sense of the data in all aspects of government delivery of information and services, all while reducing the cost of daily operations.

Summit participants from the government provided insights into their leadership journey, from developing strategies for working across functions and silos to the importance of a compelling story and a road map that are citizen serving and outcomes based (as well as more efficient for the agency). Participants

“Make the data meaningful, comprehensible, and actionable. Be open to the accountability that will result. Measure only what matters.”

Dr. Antonio Oftelie
addressed the need to develop a strategic plan that leverages pockets of innovation and makes innovation scalable. Participants discussed new technologies (IDC refers to these as the 3rd Platform technologies of cloud, Big Data/analytics, mobility, and social business) that can build on existing information technology and expand government capabilities from siloed platforms to partnering on planning and delivering services. The 3rd Platform is driven by high growth in the volume and variety of information; citizens creating digital information such as text messages, blogs, emails, and videos; and the digital footprints left through GPS tracking and computer keystrokes. It is also driven by the velocity of information from videos to streaming data from satellites and mobile access to anywhere, anytime information. The technologies of cloud, Big Data, mobility, and social business are necessary for dealing with the explosion of data in the digital universe, require a dramatic transformation of government IT structure and business management processes, and are becoming the foundation for virtually all of government's new strategic investments.

However, participants emphasized that technology must be accompanied by effective business processes and a focus on the priorities of citizens as well as the administration. Some government organizations even structure their cross-agency initiatives to map to the administration’s strategic areas — such as workforce development, education, and healthy communities — and to measure cross-agency outcomes against social, economic, and environmental indicators.

Even within the current environment of significant workforce and budget constraints, successful public sector entities are transforming to increase citizen value, decrease costs, and deliver meaningful and impactful services and information to the citizens that they serve. This white paper highlights the best practice example of the state of Washington.

**The State of Washington: Deploying Evidence-Based Government**

The state of Washington is driving "edge" innovations through steps that start with executive vision and leadership, engaging all agencies involved in priority areas, establishing goals that are meaningful to the citizens, and deploying innovative performance management tracking to provide evidence of program outcomes and value.

Upon taking office, Governor Jay Inslee met with his executive team and cabinet to develop a list of strategic priorities. These were spelled out in an executive order in 2013 creating “Results Washington,” an innovative, data-driven, performance management framework. Building on the work of the previous governor, this order was established to improve operations and services of state government by using Lean management principles and to foster collaboration among agencies to collectively make progress on issues important to Washingtonians.

Results Washington's efforts are organized around an enterprisewide strategic framework with a common vision, mission, and foundational commitments to five priority goal areas:

- World-Class Education
- Prosperous Economy
- Sustainable Energy and a Clean Environment
- Healthy and Safe Communities
- Efficient, Effective, and Accountable Government

Ultimately, Governor Inslee and his Results Washington team developed dozens of objectives and metrics for each goal area. Those, in turn, were discussed in meetings with dozens of stakeholder groups and partners. This second step was crucial, both to establish that the objectives were things that Washingtonians truly cared about and to encourage nongovernment partners to align their own efforts with the goals.
Governor Inslee’s initiative wasn’t the state’s first experience with performance management. Instead, he built on initiatives initiated by his predecessors, broadening the effort to promote “a culture of continuous improvement” and promoting sustainability and transparency through an accountability cadence.

The structure of Results Washington has also changed the way that agencies work on challenges facing the state. Past improvement efforts focused largely on individual agencies working by themselves. Results Washington’s structure is deliberately collaborative, creating goal-oriented forums in which multiple agencies, working together, can share strategies, data, ideas, and resources to address specific problems. These discussions also routinely include both customers and partner organizations.

That structure consists of two key components.

First, 12-16 agency directors are grouped into one or more of the five “goal councils.” Each council focuses on one of the five goal areas. A dozen agencies and commissions representing a broad continuum from early learning through higher education, for example, focus on the objectives under World-Class Education. Each goal council meets monthly to review performance and data, discuss strategies, and collaborate on solutions. Figure 2 illustrates the cross-agency nature of the goals.

FIGURE 2

Bridging Goals

- Increase the percentage of K-12 students who score proficient or better on statewide exams and graduate college and career-ready from high school
- Increase the percentage of students who meet standards on all high school exit exams in or by 10th grade
- Increase the percentage of high school students who graduate from high school (Breakfast After the Bell Program, Health and Fitness Standards)
- Reduce the number of pedestrian and bicyclist fatalities on public roadways (Safe Routes to School Program)
- Reduce transportation-related greenhouse gas emissions (Safe Routes to School Program)
- Increase the number of Washington schools serving nutritious, Washington-grown foods to children (Farm to School Program)
- Increase/maintain timely delivery for state services
- Increase the number of Results Washington outcome measures and leading indicators improving

Source: Results Washington, 2015
The second structural component is Governor Inslee’s “results reviews.” Each month, the governor sits down with one of the five goal councils to discuss progress. These meetings – which are televised on the state’s public affairs TV network – are typically a mix of measures that are not on track and others that are. The discussions revolve around what the data indicates, action plans, and whether current improvement strategies are the right ones. As with goal council meetings, customers and partners are at the table as well.

The goal councils also help reinforce the message that the director of each state agency, board, commission, and other organization that reports to the governor is accountable for:

- **Citizen engagement** – making Washingtonians’ priorities the primary focus of operations by increasing continuous engagement and opportunities for involvement and enhancing the understanding of Washingtonians’ needs through listening to the voice of the customer (VOC). For example, students were brought to the discussion table as agencies developed services to support a World-Class Education. Understanding the unique situations of students with various types of special needs, such as homeless students, assisted in structuring cross-agency programs to nourish and house students so that they could thrive in the classroom. Agencies supporting the Healthy and Safe Communities goal area listened to former offenders talk about how difficult it is to get a job after release from prison without a driver’s license or ID. Depending on the level of government and the specific agency, the VOC is about engaging with Washingtonians, nonprofits, businesses, and other government agencies differently.

- **Employee engagement** – ensuring all state employees have the opportunity for increased engagement and involvement with administration and agency leadership and designing a more innovative and responsive government structure to enable all state workers to perform to the highest of their abilities. Lean management principles, which stress employee-driven continual improvement, helped empower early adopters at multiple agencies. The resulting early improvements to work processes and outcomes reinforced the value of Lean in employees’ eyes.

- **Cross-agency collaboration** – facilitating the exchange of new ideas and insights to achieve results across all five goal areas and creating a space for collaboration, shared data, and aligned efforts.

- **Executive reports** – ensuring regular reports are provided to the governor and legislature tracking the progress of Results Washington against defined measurable goals.

- **Alignment** – ensuring the development, implementation, and sustainment of a responsive, innovative, and data-driven culture that is helping align operations, legislative efforts, and regulatory or policy reforms and initiatives with the five Results Washington goals.

- **Accountability** – reporting data, tracking outcomes and improvement strategies, and coordinating with Results Washington staff. This information, as current as possible, is posted online for most of the more than 200 objectives and indicators that Results Washington is tracking.

The Lean principle of maximizing value to the customer while minimizing waste became an underpinning of this system. Value was defined broadly, including improved quality, safety, timeliness, simplicity, cost avoidance, and customer satisfaction. Governor Inslee has frequently said that, ultimately, he wants to see a state government culture in which every employee is focused on continual improvement.

“VOC is not a bureaucratic phrase; it is the breakfast of champions fueling everything that we do.”

Wendy Korthuis-Smith, Director, Results Washington
At the agency level, Lean-based improvement efforts have helped optimize the flow of services or products so that work requires less effort, space, capital, and time to produce results with fewer errors. Employee-driven Lean improvements at dozens of agencies have resulted in measurably faster services, better outcomes, streamlined processes, easier-to-understand forms, cost avoidance, more transparency, and higher customer satisfaction.

At the macro level, Lean principles are helping state agencies focus on solving problems at their root cause and looking for continual improvements rather than treating symptoms. By pairing data collection with collaborative strategies, agencies are partnering with each other as well as nongovernmental entities to work on complex challenges. Examples include improving high school graduation rates, improving Washingtonians’ health, helping restore endangered wildlife, reducing air pollution, and reducing recidivism among offenders released from prison.

It’s important also to note that Washington State has had significant pro bono help from Lean experts at many private companies, government entities, and nongovernmental organizations (NGOs). Organizations that adopted Lean principles and were willing to share their experience and expertise included Alaska Airlines, The Boeing Company, Group Health Cooperative, King County, Nordstrom, Puget Sound Naval Shipyard and Intermediate Maintenance Facility, Premera Blue Cross, Seattle Children’s Hospital, Starbucks, Terex/Genie Industries, the University of Washington, and Virginia Mason. In the space of just a few years, Results Washington recruited more than 200 Lean experts from more than 130 organizations to provide coaching, advice, and tours of their Lean operations. Dozens of these experts also teach, pro bono, at the state’s annual Lean government conference, which draws more than 2,000 attendees.

**Results Washington Timeline**

The strategic framework, measure maps that link multiple agencies to the key goal areas, goal councils, and stakeholder previews were developed in 2013 with extensive facilitation provided by Accenture. In the exploration and initial implementation stage that year, Results Washington worked with Accenture to develop an implementation road map that included over 270 stakeholder groups. The road map stressed the power of VOC, collaborative partnerships, and empowering employees to deliver results. Accenture worked closely with the governor’s executive team and cabinet to facilitate consensus, offer insights, coalesce ideas, and chart an implementation plan that helps ensure sustainability through innovative performance measurement tracking and building a statewide culture of employee-led improvement. Figure 3 shows the Results Washington Timeline, including:

- In 2014, the governor launched the first results reviews, and the goal councils developed improvement plans, tracked data, and shared early results.
- In 2015, the focus has been on standardization, refining, and continuous improvement. This work also includes expanding private/public partnerships and building a community of state Lean practitioners from over 50 agencies, boards, and commissions.

The process continues to evolve. Results reviews with the governor, which were initially largely a series of presentations, have become true discussions, with 40% or more of the meeting time now devoted to dialogue around the table. The goals are periodically refined, often because targets have been met.
As an example of the breadth of the goal areas, Figure 4 shows a measure map for Goal 4, Healthy and Safe Communities. Outcomes measured range from healthy weight in school children to decreasing traffic-related fatalities and decreasing homelessness.
Conclusions

Government entities at all levels are forging new relationships with the citizens they serve, collaborating across traditional boundaries, and breaking through traditional organizational silos to be guided by — and measure outcomes based on — actionable data. Measuring what matters most to citizens and providing results that directly impact citizens’ well-being across jurisdictional lines have accelerated the realization of efficient, effective improvement in government services. This section summarizes the critical success factors or key efforts undertaken by the state of Washington to ensure the sustainability of its effort:

- **Leadership**: The governor shared his vision of focusing work on what Washingtonians value to ensure that government is delivering the right products and services when and where needed. In addition, the governor is actively engaged in monthly review meetings.

- **Goal councils**: Washington built a structure to foster collaboration, accountability, and results through multiagency "goal councils," teams that meet and focus on goals and action items. The governor holds monthly results reviews to discuss strategies and data. This serves to create an accountability cadence.
Cross-agency and partner collaboration: Collaboration occurs not only within agencies but across agencies, partners, and stakeholders with an "all hands on deck" approach. By focusing on the top 5 goal outcomes, 53 agencies, boards, and commissions collaborated to establish goals and structure within each of the five councils (one for each strategic area).

Customer value: Agencies invite participation from and listen to the voice of the customer. Customer value from initiatives is quantified and communicated.

Culture: Change management was built with a top-down and bottom-up approach using Lean practices. Staff members are encouraged to experiment, innovate, and build a continuous improvement culture, identifying:
- Problem statement
- Root cause
- Improvement plans
- Strategies
- Action plans

Building capacity and leveraging resources: Washington built a strong network of private sector and nonprofit partners with expertise in Lean to provide complimentary coaching and advice. Washington also developed a fellowship program to cultivate talent within agencies and established a centralized "go to" team for support. Early Lean adopters within agencies evangelize internally and externally about results.

Results focus: Washington is matching data and objectives through performance management tracking. Target baselines of improvements are established, and actual results are reported across agencies with yellow ("needs improvement") and green indicators. Measuring what matters most to citizens and providing results that directly impact citizens' well-being across jurisdictional lines (such as school districts, local governments, and community organizations) are accelerating the realization of efficient, effective improvement in government services.

At the agency level, employees see the value of Lean in streamlining their own work, and agencies are using Lean to help handle growing caseloads and work with existing staff and resources. Washingtonians are seeing simplified paperwork, better customer experiences, and shorter wait times for processing driver's license applications, business documents, traffic data, and public records. Figure 5 illustrates some recent results.
Lesson Learned

Results Washington staff provided these lessons learned:

- Evidence-based government requires a strong, vocal, and ongoing commitment from top leaders.
- Priorities and steps to obtain results should be transparent. Washington posts all data and televises monthly meetings with the governor.
- Cultural change takes time. Embrace early adopters and keep reinforcing themes throughout the organization. Work at all levels, including supervisors, executives, line staff, and middle managers. Middle managers often have an established way of doing things, and it can be a challenge for them to learn and embrace a new Lean role of being a coach that removes roadblocks and develops the problem-solving skills of employees versus simply "telling them what to do." Washington launched a fellowship program to bring in people from agencies and give them intensive Lean training and coaching.
• Collaboration is critical, both with other agencies and with external partners. "It really helps," Korthuis-Smith said, "when everyone's pulling on the rope in the same direction."

• Do not underestimate the power of asking for help. Washington accelerated its Lean efforts dramatically by contacting dozens of leading companies and nonprofits in the state and asking them to share Lean expertise with government employees. This pro bono support included coaching, training, and workplace tours.

PARTING THOUGHTS

In just a few short decades, information technology has moved from the back office, IDC’s 1st Platform, to the front office, the 2nd Platform, and has finally embedded itself into nearly every aspect of government and citizens’ lives, fueled by 3rd Platform technologies – mobile, social business, cloud, and Big Data and analytics. Governments are entering an era in which the technologies and processes deployed are so tightly linked to their missions that the boundary between internal operations of the organization and its external ecosystem (e.g., citizens, businesses, other government agencies, and NGOs) is rapidly disappearing. Government leaders are challenged to move their organizations to the next level – digital business transformation – employing digital technologies coupled with organizational, operational, and business model innovation to create new ways of operating and growing businesses. Digital transformation now enables governments to focus on using information to optimize services by analyzing more extensively the input-output-outcome relationships, thus allowing every stakeholder to make better decisions to proactively offer a better experience to citizens, prevent risks, and react in real time to limit liabilities. However, many government agencies do not have a culture that encourages a fundamental shift in thinking among leaders, but most importantly among staff, to successfully cultivate and curate ideas that lead to better services and better citizen outcomes. To succeed, government agencies should:

• Create a trust environment to highlight problems and provide solutions. These efforts are considerable and take time to have an impact.
• Demonstrate value and measure what matters most to citizens. Capture progress (or lack of progress).
• Transform initiatives from agency led to an enterprise level of evidence-based government.
• Shift to a culture of accountability.
• Improve data management to improve decision making.
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