

A full-page background image showing Mount Rainier in Washington state. The mountain is covered in snow and is illuminated by the warm, golden light of a sunset or sunrise. In the foreground, there is a body of water (likely Puget Sound) and a city skyline (Seattle) visible in the distance. The sky is filled with soft, orange and yellow clouds.

One Washington Service Delivery Strategy

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1.0 Deliverable Overview

1.1 Purpose

The Service Delivery Strategy brought together key State executives from across the enterprise to articulate the core principles or assumptions that should underlie the strategy for public service delivery in Washington over the next 20 years in light of changing population, resources and technology.

1.2 Key Question

The Service Delivery Strategy seeks to answer the following question:

What are the core principles that underlie Washington's strategy for delivering services to Washingtonians for the next generation?

1.3 Key Considerations

The development of this deliverable has taken into consideration the following:

- The content of this deliverable was developed during two all-day sessions, with key State executives as active participants and Accenture team members as facilitators. Analysis was conducted in advance of each session.
- This deliverable is not intended to serve as a detailed strategic plan, and rather is intended to help define the State's 'North Star' with respect to service delivery.
- The Service Delivery Strategy deliverable meets the requirement defined in Contract K2636 in the Compensation Section, as well as in the Statement of Work, Section 5.1, related to Phase 1, Deliverable #1.

2.0 Executive Summary and Recommendation

Replacing an Enterprise Resource Planning (ERP) system is a relatively rare and critically important activity for any State government. These systems enable the government's business processes and those business processes enable the state's strategy for serving its people. The design and operation of these core finance, human resource and procurement processes are determined by the organization's DNA - its operating assumptions regarding purpose, accountability, incentives, control and culture.

These assumptions, sometimes explicit but more often implicit, constitute the core operating principles for any government's strategy for serving its people. The purpose of this deliverable is to articulate these core operating principles explicitly so that they can serve as a basis for the redesign of Washington's business processes and the ERP systems that will enable those processes.

To articulate those principles, State leaders convened over two days to:

- Identify challenges that Washington will face in meeting the service needs of its people
- Identify the barriers to change and enhanced performance
- Develop a set of operating principles that will guide service delivery in Washington for the next generation

The operating principles defined by State leaders are as follows:

- **Purpose:** Do the right things right - Assume that actions are allowed unless they are explicitly prohibited, and assume that things can be questioned even if they are required. Focus on delivering outcomes for those we serve, anchored in our mission, vision, strategy, and values.
- **Accountability:** We are accountable to authorizers for what we do, and to those we serve for how we do it and how well. Our performance story is told through the use of data and analytics, and quality is defined by those we serve.
- **Incentives:** What matters are the outcomes we deliver and their quality (measured by the experience, timeliness, price, ease, etc.), as defined by those we serve. To make these things matter we recognize and reward delivering quality outcomes and learning from our work based on data and analytics, set performance targets and measure progress towards those targets, and pursue customer feedback that is direct, immediate and personal.
- **Control:** We focus on assuring delivery of quality outcomes with our authorized resources. Compliance is achieved primarily through motivating people to comply voluntarily, and control is delegated and supported. Decisions are driven by data and analytics and controls are risk-based.
- **Culture:** Ours is a service-oriented culture. We assume people will perform, and empower them to take risks and succeed. We combine data and analytics with flexibility and innovation to support learning and continuous improvement. We tell our story and the stories of those we serve – they connect people to what we do and why.

Recommendation: It is our recommendation that the Service Delivery Strategy Operating Principles be adopted for the One Washington project.

3.0 Future Design for Service Delivery in Washington State

Organizations produce the results they do by design. To change results, organizations have to change the design within the DNA of the organization. The One Washington team's discussion with State stakeholders discussed the five key strands of organizational DNA, as shown in the figure on the right.

Participants in the Strategy Lab offered compelling examples of high-impact service delivery that illustrated attributes within each of the strands:

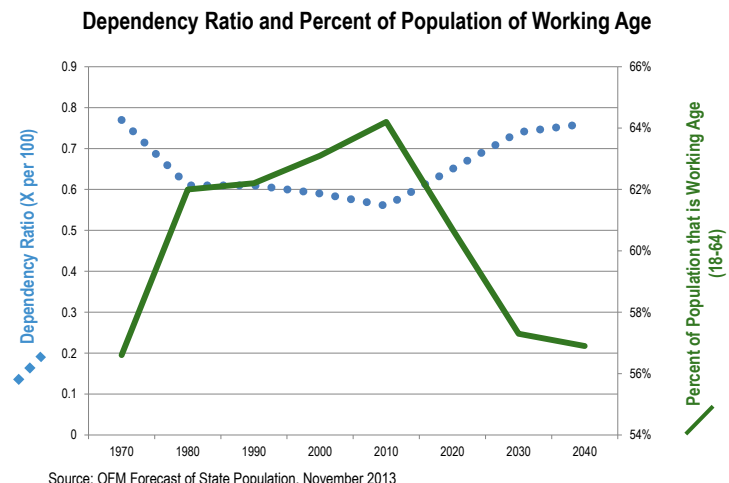
- **Purpose:** Focus on results for those we serve.
- **Accountability:** Use feedback from customers to improve performance.
- **Incentives:** Make results matter.
- **Control:** Give people the ability to perform and build systems for the 99% who seek to comply and perform.
- **Culture:** Favor innovation, collaboration, using data/information, telling stories that touch people's hearts.



The design and operation of the State's core finance, human resource and procurement processes will be determined by its operating principles regarding purpose, accountability, incentives, control and culture. The operating principles defined in this document will inform the state's redesign of business processes and those redesigned business processes will inform its approach to design and implementation of an ERP.

Challenges Washington Faces in Delivering Services

To consider the design for service delivery in Washington for the next 15-20 years, State leaders discussed challenges related to service delivery through a data-driven lens. Key challenges that were discussed include the State's aging population, which will drive future budget decisions for long-term care and health services. Washington's aging population will also mean an increasing share of the population dependent on a smaller share of working age, as shown to the right. The combination of a smaller share of the population working and increased service demands will mean



constant pressure on available financial resources. The pressure on finances is further increased by the legal requirement for increased K-12 spending. These structural challenges require new strategies – e.g., shared accountability with citizens, prevention, alternative delivery models – with a focus on greater value from every dollar.

Moving forward, these challenges are part of the State's 'new normal' for the next 15-20 years. It must consider these challenges in the design of services and service delivery to strengthen its ability to meet the needs of both the State and Washingtonians.

Barriers to Enhanced Performance

The challenges facing Washington with respect to service delivery are not the only forces at play in the State environment, and State leaders identified existing barriers that impede change and enhanced performance. The group discussed persistent resource constraints and the impact of limited financial, talent and technology resources. Prior actions and events have established norms and 'folk law' about what state programs and employees can and cannot do. Similarly, a command and control orientation has led to processes designed to control the 1-5% who don't follow the rules rather than empower the 95%, who do.

These barriers should be the focus of business process redesign activities ahead of an ERP implementation, to enable enhanced service delivery to Washingtonians while also changing the norms of the enterprise to align with the operating principles defined by the group in Section 4.

4.0 Operating Principles Recommendation

Any government's strategy for serving its people is guided by a set of core operating principles. The One Washington operating principles will also serve as a basis for the redesign of Washington's business processes and the ERP systems that will enable those processes.

Operating Principles For Serving the People of Washington	
Purpose: How does the organization define its purpose?	<ul style="list-style-type: none"> Do the right things right: Assume that actions are allowed unless they are explicitly prohibited, and assume that things can be questioned even if they are required. We deliver outcomes for those we serve, anchored in our mission, vision, strategy, and values.
Accountability: To whom is the organization accountable?	<ul style="list-style-type: none"> We are accountable to authorizers for what we do, and to those we serve for how we do it and how well. Our performance story is told through the use of data and analytics Quality is defined by those we serve.
Incentives: What matters and how are they made to matter?	<ul style="list-style-type: none"> What matters are the outcomes we deliver and their quality (measured by the experience, timeliness, price, ease, etc.), as defined by those we serve. To make these things matter we: <ul style="list-style-type: none"> Recognize and reward delivering quality outcomes and learning from our work based on data and analytics. Set performance targets and measure progress towards those targets. Pursue customer feedback that is direct, immediate and personal.
Control: What is controlled and by whom?	<ul style="list-style-type: none"> We focus on assuring delivery of quality outcomes with our authorized resources. Compliance is achieved primarily through motivating people to comply voluntarily. Decisions are driven by data and analytics. Control is delegated and supported. Controls are risk-based.
Culture: What are the unwritten rules?	<ul style="list-style-type: none"> We assume people will perform, and empower them to take risks and succeed. We combine data and analytics with flexibility and innovation to support learning and continuous improvement. Ours is a service-oriented culture. We tell our story and the stories of those we serve – they connect people to what we do and why.

Recommendation: It is our recommendation that the Operating Principles be adopted for the One Washington project, and used explicitly as criteria in the redesign of business processes both before and during the ERP implementation and through those business processes in the configuration of the ERP solution. Further, these operating principles could be incorporated into the work of Results Washington and its Lean processes as well as into the strategic planning of individual agencies.

5.0 Connecting DNA to Business Processes

With the One Washington operating principles developed, State leaders identified the implications of applying those principles to finance, human resource and procurement business processes and categorized the processes in terms of strategic value, agreeing on those that are most critical to delivering services in Washington.

Impact of the Principles on Business Processes

Strategy Lab participants identified impacts of applying the operating principles to the state's business processes. Examples include:

Finance	Procurement	Human Resources
<ul style="list-style-type: none"> Develop a new chart of accounts to get greater consistency across the State Include outcomes in the chart of accounts Build in a data and analytics capability so the State can use data to improve results 	<ul style="list-style-type: none"> Roll out more flexible, risk-based controls and delegation levels Use Strategic Sourcing to reward quality and performance Utilize data on vendors and contracts to ensure quality 	<ul style="list-style-type: none"> Anchor recruitment in the purpose Enable performance feedback to be shared with ease and timeliness Develop the capability to align workforce needs with competencies

The operating principles will serve as an important guide to the redesign of business processes and the design and implementation of an ERP. Doing so will allow the State to strengthen its ability to meet the needs of Washingtonians for the next 15-20 years.

Assessment of Strategic Importance

Many of the State's core finance, human resource and procurement processes will change through the course of the One Washington project. These changes will be informed by the level of current 'pain' that exists in these processes, as well as by the processes' strategic influence or importance for service delivery. State leaders were asked to assess the strategic importance for each business process, with the resulting classification as shown below. These classifications directly influence our recommendations of which business processes to redesign ahead of an ERP implementation.

	Finance	Procurement	Human Resources
High	<ul style="list-style-type: none"> Accounting Reporting and Analytics Strategy, Planning, and Budget Development 	<ul style="list-style-type: none"> Procurement Strategies Reporting & Analytics Internal Customer Satisfaction/ Compliance 	<ul style="list-style-type: none"> Pay and Benefits HR Strategy and Planning Data and Analytics
Medium	<ul style="list-style-type: none"> Budget Management Asset Management Risk Management 	<ul style="list-style-type: none"> Purchasing and Contracting Procurement Operations 	<ul style="list-style-type: none"> Performance, Development and Recognition Recruitment Deployment and Utilization
Low	<ul style="list-style-type: none"> Organization Management Treasury Cross-Organization Initiatives and Infrastructure 	<ul style="list-style-type: none"> Fulfillment – Inventory Vendor and Contract Management 	<ul style="list-style-type: none"> Travel, Time, and Expense Management Worker Safety/Wellness

Note: A summarized list of categories from the Business Process Assessment was used to facilitate the Strategy Lab exercise, and the One Washington team reviewed and finalized the final classifications for use in the BPR Approach.

Appendix A: Strategy Lab Materials

Strategy Lab #1 Discussion Deck:



Strategy Lab #2 Discussion Deck:



Appendix B: Ideas for Applying Operating Principle to Business Processes

During Strategy Lab #2, participants were invited to consider the impact that the Operating Principles will have on Finance, Procurement and Payroll business processes. The ideas generated during the working session are provided below.

Finance	
Budget Development and Strategy Planning	<ul style="list-style-type: none"> ▪ Connect operating and capital budgets to outcomes ▪ Use planning and budget to tell the story
Budget Management	<ul style="list-style-type: none"> ▪ Align budget with outcomes ▪ Track progress ▪ Delegate budget authority ▪ Savings incentive program ▪ Data access
Accounting	<ul style="list-style-type: none"> ▪ Align Chart of Accounts (COA) with outcomes ▪ Flexibilities on COA ▪ Simplify ▪ Make Federal connection ▪ Make local government connection ▪ Internal error prevention
Data and Analytics	<ul style="list-style-type: none"> ▪ Align with outcomes ▪ Simplify process of recosting ▪ Improve data consistency ▪ Greater public transparency ▪ Greater data accessibility – Business Intelligence (BI) / Analytics
Risk Management	<ul style="list-style-type: none"> ▪ Better data to evaluate risks ▪ Rewards for risk management ▪ Retrospective rating
Asset Management	<ul style="list-style-type: none"> ▪ Simplify and improve asset inventory system
Treasury	<ul style="list-style-type: none"> ▪ N/A
Cross-Organization Initiatives and Infrastructure	<ul style="list-style-type: none"> ▪ Consistency of payment methods, such as purchase cards (P-Cards)
Organization Management	<ul style="list-style-type: none"> ▪ N/A

Procurement	
Purchasing and Contracting	<ul style="list-style-type: none"> Focus compliance efforts on avoiding corruption, not ensuring fairness Further delegation of control Risk-based controls Streamlined purchasing process Value based on end user, not 'fairness' of process
Vendor and Contract Management	<ul style="list-style-type: none"> Visibility into spend Increased flexibility with terms and conditions Tracking and reporting of contracts/vendors
Fulfillment – Inventory	<ul style="list-style-type: none"> Flexibility based on business need
Procurement Operations (Pricing, P-Cards)	<ul style="list-style-type: none"> Cost effectiveness Cross-agency community of practice P-Card improved for finance – data and detail P-Card cost to small vendor
Internal Customer Satisfaction and Compliance	<ul style="list-style-type: none"> Multiple standards for purchasing Timeliness – streamline Transparency – Contracting and Purchasing User-driven – not vendor
Data and Reporting	<ul style="list-style-type: none"> Visibility into spend and outcomes Procurement dashboard Tell the story (Minority Business Enterprise (MBE), Disadvantaged Business Enterprise (DBE), Veterans) Tracking and reporting of performance-based contracts P-Card data
Procurement Strategies (Sourcing, Category Management)	<ul style="list-style-type: none"> Strategic Sourcing Incent and promote desired procurement actions and outcomes <u>More</u> use of requalification lists Qualified vendors for Disadvantaged Business Enterprises (DBEs)

Human Resources	
Recruitment	<ul style="list-style-type: none"> ▪ Anchor recruitment in the purpose ▪ Drastically change the recruitment system <ul style="list-style-type: none"> ○ Reach out to Higher Education ○ Address existing barriers ○ Connect with community-based organizations ○ Diversity ▪ Move from agency to enterprise platform
Deployment and Utilization	<ul style="list-style-type: none"> ▪ Enable employees for success ▪ Align compensation with outcomes and expectations ▪ Incentive + Culture → Telework → Design for the 99%
Performance, Development, Recognition	<ul style="list-style-type: none"> ▪ Succession planning ▪ Training → Ongoing development ▪ Align incentives to increase retention ▪ Anchor in the purpose ▪ Enable feedback to be shared with ease and timeliness ▪ Provide more recognition ▪ Ethics laws – policies ▪ Increased \$ amounts
Pay and Benefits	<ul style="list-style-type: none"> ▪ Benchmark against local government and other entities → parity ▪ Align incentives ▪ We don't tell our story very well on benefits → also helps with recruitment
Time, Travel and Expense Management	<ul style="list-style-type: none"> ▪ Accountability of \$ ▪ Streamline document tracking for time and expense accounting ▪ Sync with calendars ▪ Look at incentives to reduce per diem costs (fly out on Saturday)
HR Strategy and Planning	<ul style="list-style-type: none"> ▪ Empower employees to succeed ▪ Multi-generation planning to align outcomes ▪ Succession planning ▪ Align with policy development (facilities in the future, around tools)
Data and Analytics	<ul style="list-style-type: none"> ▪ Align workforce competencies to needs ▪ Tell our stories – use data on demographic profiles – predict where we need to hire
Worker Safety/Wellness	<ul style="list-style-type: none"> ▪ Provide employees with what they need to succeed ▪ Agencies need to set aside time for employees to participate in wellness ▪ Incentives for healthy lifestyles ▪ LNI rebate on premium – based on # injuries – retrospective rating