

STEP PROJECTS

Department/Project

Results

Administration

Graphic Communications

Tom Vesely
296-9884

This project recently changed project managers. The current project manager is pursuing the increased decentralization of personnel placement requirements.

Refining Services
Provided by Central
Stores

Ron Kovacich
296-8194

Project manager and team have examined several options for computerization. Currently, Central Stores is being integrated into the overall Materials Management Division. Further action on this project may be taken following this internal structural change.

Telecommunications
Services for Local
Government

Bob Johnson
296-7515

Implemented as pilot in two counties; to be institutionalized (position description written and in process of hiring two analysts to market and develop with other units of government.)

Agriculture

Strengthening Soil and
Water Conservation

Jim Birkholz
296-0897

Timetable revised because of effort required to launch Reinvest in Minnesota program. Accomplishments: state/local/federal agreement; employee and supervisor orientation programs; four pilot District Manager positions funded; position description and performance appraisal models in use; first round of annual workshops (attendance: 210 supervisors, 112 managers); first annual joint retreat September, 1985, next one January, 1987. In progress: district program evaluations (1/3 done); draft training plan; reassess state grants incentive approach; evaluation information being received but not yet utilized. Planning to use Cost of Quality concept for long-term measurement.

Commerce/Financial

Examinations Division

Using Computer Access to
Audit Consumer Financial
Institution
Transactions

Ed Bokusky
297-3780

Project was reactivated. Research disclosed that the direct "dumb" terminal interface was not feasible due to security concerns and and software/hardware interface costs. A viable alternative is being pursued; STEP status uncertain.

Department/Project

Results

Corrections

Correctional Industries
Expansion

Don Tomsche
642-0239

Partnership team has visited industries program in four correctional facilities; measurement process identified.

Sentencing to Service

John McLagen
642-0335

Pilot in Bemidji completed and being continued; obtained Blandin Foundation grant of \$85,000 for four staff for project with Arrowhead Community Corrections Program, will implement October 1, have hired project director; one service project brought savings of \$3500 in 6-week period for Department of Natural Resources; Department of Corrections preliminary budget request includes proposals for two regions FY 88, three more FY89 to maintain this program.

Information Systems
Planning

Mary Welfling
642-0296

Interview results analyzed and used for FY 88-89 planning and budgeting.

Education

Visitors With an
International Perspective

Robert Wedl
297-4256

Following pilot phase and assessment, project management was changed due to reorganization. Current staff are redefining project based on activities to date.

Management Assistance
to Schools

Dan Skoog
296-3116

Bob Buresch
296-2899

Substantially exceeded goal of using outside consultants to increase services to six school districts; 10 consultants produced 15 reports. Consultants' recommendations implemented; evaluation 12 months after adoption by participating districts.

Employee Relations

Human Resources
Information System
(Round 2)

Elaine Johnson
297-3859

Ten agencies represented 13 member team; work plan developed; drafting needs assessment tool; disseminated list of available data to potential users.

Alternative Delivery for
Employee Training

Mark Sundquist
296-8933

Research on public/private use of alternative delivery approaches is on schedule. Six computer-based courses are tentatively set for October and response is expected from two more vendors. Evaluation system being developed.

Department/Project

Results

Energy and Economic
Development

Economic Data Improvement

Lee Munnich
296-8341

Implemented seven projects to address five identified issues; two more are planned; ongoing activities are on schedule; evaluation survey planned and other measures under consideration. Products include the following vehicles which were both done in 1986 and in process for 1986 and 1987:

Economic Report to the Governor
Staff Resource Survey & Directory
Economic Staff Group conferences and quarterly newsletter.
Economic Issues Conference
Academic Interchange
Business, Labor, Community Dialogue
Joint Research Projects: Megamall,
Economic Development Strategy, Economic
Futures Commission, Tax Reform.

Developing Field Staff
Performance Measures &
Incentives

Jan Morlock
296-4039

Peer consultations done with five agencies; discovered overlooked field staff management needs which are being addressed but have interfered with project's schedules. Partner conducted 16 hours of training in performance management.

Tourism Marketing for
Corporations/Institutions
(Round 2)

Judy Hohmann
297-2121

Project has been refocused from marketing existing service to first identifying needs and adapting services to the market. Three partnership needs have been determined; all involve consultants.

Ethical Practices Board
Financial Disclosure
Reports

Mary Ann McCoy
296-1720

All completed phases done on or ahead of schedule: workflow analysis, computer and software purchase, user training. Published two Campaign Finance Summaries, two Public Financing Estimates on time, with more data, and at lower cost than previously. All statutory notices mailed on or ahead of schedule, compliance lists out on time, 1986 election year data summarized in timely manner. All results represent less time, lower cost, and increased service. Evaluation in progress on implemented activities. Word processing and software utilization expansions are on schedule.

Department/Project

Results

Finance

Improving Cash Management
of the State Treasury

Peter Sausen
296-8372

This project is maximizing the use of the state's cash by getting it to the bank and investing it as fast as possible. The process is being managed as a team effort by all agencies having major cash income. Significant changes have been made in cash management practices which are having substantial positive cash impact. Major partnerships have been formed with banking institutions.

Health

Services to Children
With Handicaps

David Giese
623-5170

Eleven recommendations were adopted and are being implemented to improve efficiency in their claims reimbursement system. Benefits include savings in processing time and costs; a measurement plan is in place.

Housing Finance Agency

Social & Human Service
Needs in Rental Housing
for the Elderly

Bob Odman
296-9821

Established advisory council; allocated project funds and hired 1 coordinator; designed surveys, trained 12 interviewers, and conducted 90% of goal of 750 resident interviews; developed survey for property managers; survey results being computerized; short- and long-range evaluation plans set.

Human Rights

Computerized Access to
Legal Information

Elaine Hanson
296-7518

Software developed and being tested on sample menu; internal litigation head noted; issue index compiled, and some key cases to include in data base have been identified; partners recruited to enable collection of data on private litigation; evaluation measures identified but not developed.

Effective Enforcement
of Discrimination Laws
Through Testing

Gary Hines
296-0962

Ten partners in various businesses will supply credentials for testers in housing and employment charges. Partners have been used in the two situations possible to date; both tests confirmed the alleged discrimination.

Department/Project

Results

Human Services

Utilizing Technology
Options in Inter-
governmental
Communications

Implemented and evaluated; cost savings and reduced turnaround time were documented. Program is being institutionalized.

Ken Hasledalen
296-6665

Jobs & Training

Excellence in Provision
of Analysis Services &
Labor Market Information
(Round 2)

All components on schedule; remodeling to provide reception area, will hire staff when ready to implement; completed user satisfaction survey and compiling results; established user group to explore response time issues.

Charles Cline
297-3086
User Accessibility

A needs assessment was completed which showed that the perceived problem did not exist; it was determined that current policy and practice adequately meet user needs and allow for occasional unusual service scheduling.

Mike Fratto
296-3574

Labor & Industry

Access to Legal
Information

Case law research, review, and summarization is current and continuing, and ready to publish on-line when technical issue is resolved. Technical problem is software/hardware incompatibility: need to create software for present equipment or use available software on equipment which would have to be purchased.

Mary Miller
296-2492
Gary Belisle
296-5674
Marvin Anderson
297-2084

Genesis - Analyze Cost
of Quality in
Processing Workers
Compensation
Claims

Joint partnership with Control Data and Sperry produced software-hardware compatibility; reduced time and records volume in claim processing; computerized First Report System piloted and being institutionalized; all results of project implemented and evaluation plan in place. Cost of quality projected to produce \$234,000 in savings internally and will also reduce costs for private sector.

Denise Fleury
296-1093

Records Maintenance and
Improvement System

This joint records management project has not been able to proceed as a whole. The projects combined by the Steering Committee do not contain enough common need and purpose to work jointly. The projects are basically proceeding independently.

Bonnie Venburg
296-2258
Myrle Erlich
297-4376

Department/Project

Results

Law Library

Access to Legal
Information (MINLIN)

Sara Galligan
297-2089

Two partners have been secured to provide services needed for implementation of the Minnesota Legal Information Network: one is a service bureau for maintenance of software and hardware, and will write a business plan for the project; the other will design software, and assist in the effort to obtain foundation funding. Evaluation measures and methods have been identified. Characteristics of the data files of four agencies have been studied to determine the size of the MINLIN data base.

Natural Resources

Develop Service
Marketing Approach for
State Parks

Bill Chiat
296-8162

First phase included advertising park permits, allowing purchase by mail and credit card; result was 325% increase in sales. Second phase marketing plan developed and in process. Marketing study implemented as third phase shows revenue up 20-25% over last year; attendance also up but figures not available until mid-September. DNR has made commitment to marketing its services as one of three top priorities for long-range development.

Registration and
Renewal for Recreational
Vehicles

Jeff Thielen
218-632-6329

Preliminary Cost of Quality assessment made; work plan revised on basis of this data; project has partner to assist in selecting alternatives for vehicle registration to reduce processing time and costs.

Natural Resources/
Agriculture

Forest Product Marketing
(Round 2)

Dick Haskett
297-3759
John Krantz
296-6491

Needed partner has been created: Minnesota Wood Promotion Council is a legal entity which will have first annual meeting in October. Trade Office has adopted goal of a foreign trade mission/show delegation for spring '87; project is receiving trade leads; invitation to National Agricultural Marketing Officials organization to hold 1987 annual meeting in Minnesota has been accepted; Agriculture is preparing change level request to fund Forest Products Trade Development Commission. All activities are on schedule per workplan.

Department/Project

Results

Pollution Control Agency
Regulator Role

Virginia Reiner
296-7319
Julie Podlich
296-7761

On schedule. Curriculum developed for four classes; one piloted in July and others will have piloted and be presented as needed within six months. Training participants will evaluate each session; effectiveness in terms of impact on service is a matter of perception of those regulated and measurement process has yet to be developed.

Public Safety

Developing Client
Orientation in Driver
and Vehicle Services
Division

Alice Gonzalo
296-2001

Developed and administered employee survey; tabulated and analyzed results. Customer survey being devised. Evaluation will be comparison of before/after surveys following implementation and review of phone room activity on the same basis. Four partners have been involved in survey design. Some activities are slightly off schedule but developing well: establishing service guidelines, implementing needed changes, and training staff; a pilot will be conducted in fall '86.

Supervisor/Manager
Training (Round 2)

Diane Dybevik
296-7096

Budget for centralized training has increased from \$0 to \$19,000; eight interagency partnerships have been developed to assess and contribute toward training needs; ongoing activities include: written needs assessment surveys, small group facilitation, compilation and analysis of data, automation of training records, and continuous project planning.

Public Service

Utility Division
Research Projects
Partnership

Ken Peterson
296-8295

Several research projects were initiated by partners recruited from William Mitchell Law School; one will result in an actual product. Project team and current manager are assessing outcome; specific topics for research have been identified; orientation may shift from class project to internship to expand appeal and involvement, as field is highly specialized and has limited job market.

Department/Project

Results

Revenue

Incoming/Outgoing Mail
System Improvements

Cyndee Hawbaker
296-1506

Studies completed on mailing and sorting equipment, verification to reduce redundancy, errors in machine audit, and batch movement and logging. Results compared with U.S. Postal Service studies, and through ongoing relationships with other federal agencies and state central mail service. Mail sorting study results analyzed and implemented. Equipment needs assessed, bids solicited; now in contract letting process. Evaluation will be cost and error rate comparisons.

State Planning Agency
Datanet

Jim Ramstrom
296-2559

Marketing partnership did not yield expected results due to time constraints; project has drafted its own marketing plan, compared it to private sector parallels, exploring alternative outlets; seminar is planned to review marketing plans. List of potential users being compiled from Department of Administration's records of modem purchases by state agencies. Datanet Open House in May yielded two client projects. Articles have appeared in Computer User and Citizen's League publications.

Transportation

How to do something
About the Weather

Dean Larson
296-3404

Weather conditions directly affect Minnesota businesses, travel, and recreation. Improved weather reporting can help alleviate potential problems. The project aims to help Minnesota citizens avoid weather-related problems by providing more localized and immediate weather information and disseminating this information to a wider audience.

Veterans Affairs

Improved Food Service
Delivery System

Pam Olson
729-9325

Two partners were referred to this project, but they did not meet its needs. Currently, the project team is pursuing improvement in food service on its own.

STRIVE
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EXCELLENCE IN
PERFORMANCE

STEP

STATE OF MINNESOTA

UPDATE

Vol. 1, No. 9

Department of Administration

December 1986

Wood Products Producers Unite

Sometimes you can't see the wood for the trees.

A joint STEP project between the Department of Natural Resources (DNR) and the Department of Agriculture is hammering away at the barriers that have limited the export of Minnesota's wood products outside of the state.

Many potential national and foreign wood products customers are not aware that Minnesota has some of the world's finest woodland.

Now the newly-created Minnesota Wood Products Promotion Council is working to change that.

The council was developed out of the STEP project created by **Dick Haskett**, director of the Minnesota Trade Office in the Department of Agriculture, and **John Krantz**, director of the DNR Forestry Division's Utilization and Marketing Unit.

The Council met officially for the first time on Oct. 7, and is now acting as a partner for the STEP project. It was created to organize state industry members who want to increase the sale of their wood products. The Council is now a legal entity with 151

members representing 8000 employees in wood products related jobs.

The project has helped develop a close working relationship between the forest product industry, the Minnesota Trade Office, and the DNR. "Our agencies work with council members to make them more aware of the services we have developed," said Haskett. "And since we don't have a traditional clientele, we need the help of producers to give us market information."

"The DNR and Agriculture Department compliment each other," Krantz said. "The project has helped us intertwine techniques to give us more opportunities. We want to be able to provide other states and countries with wood products not available to them or to provide them with a better product than they have."

The DNR and the Agriculture Trade Office have developed a set of objectives to help them meet their goal to increase the export of Minnesota's forest products. They have planned a series of one day seminars and have formed an advisory group to help forest products producers improve their marketing techniques.

Another objective of the project is to increase export opportunities. A delegation of council members will visit Europe to attend a trade show
(Continued on page 2)

Lippitt Dies Oct. 28

The STEP staff has learned of the passing of **Dr. Ronald Lippitt**, the well-known international consultant who facilitated at the STEP planning sessions in September. Lippitt died on Oct. 28, 1986, of congestive heart failure in his home town of Ann Arbor, Michigan.

Kent Allin, an analyst with the Department of Administration (DOA), and a member of the STEP staff, remarked, "We were very privileged that Dr. Lippitt could devote a week of his time to STEP. He was a marvelous role model for us as change agents and he gave us a psychological boost at a time when we needed it. I'm thankful to have met him."

Lippitt was professor emeritus of psychology and sociology with the Institute for Social Research at the University of Michigan, Ann Arbor. In 1948, Lippitt co-founded NTL (National Training Lab), a large national training organization for consultants.

Lippitt had shown a special interest in Minnesota's STEP program and he planned to return here in January to do some follow-up work with STEP staff. His valuable assistance will be missed.

"Dr. Lippitt was an extremely effective person who helped people and organizations reach their potential," said **Gregg Taragos**, also with the DOA and a STEP staff member. "The man was very warm and approachable."

Season's
Greetings

Project Update

Project Considers Needs of Elderly

What can be done to keep elderly housing residents in their homes and out of nursing homes longer? This was the challenge **Mary Stuber**, Occupancy Supervisor in the Housing Management Division of the Minnesota Housing Finance Agency (MHFA) faced when she wrote a STEP project proposal on Elderly Housing/Services Research in September 1985.

"It is my belief that availability of social activities and access to human services can substantially improve the quality of life of senior residents and promote independent living for an extended period of time," Stuber said in the proposal.

To kick off the project in January 1986, Stuber hired **Anita Suess DaHinten** as Project Coordinator. DaHinten established partnerships with **Tom Anding**, Associate Director of the Center for Urban and Regional Affairs (CURA) and **Professor Dick Bolan**, Director of the Masters in Planning Department at the Hubert H. Humphrey Institute at the University of Minnesota. MHFA, CURA, and the Humphrey Institute co-sponsored internships for four graduate students to work on the project as interviewers and analysts.

The four students — **Brigit Hurley**, **Franc Fennessy**, **Joel Narducci** and **Judy Snyder** — are public affairs students at the University of Minnesota with majors varying from policy analysis and management to planning and social policy. During the summer, the students traveled throughout the state to 62 of MHFA's subsidized housing developments for the elderly to conduct over 600 personal interviews with residents. Agency staff members were also involved in the data collection.

Hurley remarked, "We asked residents if they were satisfied with their housing projects. We also tried to determine how healthy and active they were and if they took advantage of the services and activities offered."

DaHinten also developed a set of questionnaires which was mailed out to survey the owners, property managers and site managers of the developments where residents were interviewed. Results of the survey will help MHFA staff determine how involved management is in providing activities and services, the costs and benefits involved, and whether available services are an alternative to premature nursing home placement.

According to DaHinten, the data will help MHFA staff determine exactly what human services and social activities are available, and assess how well the residents' needs are being met. The MHFA will analyze the data, which was computerized with the help of **Brian Zaidman** of the MHFA's Research Department, and make recommendations for improving the system. The students will submit reports on their analyses in mid-December when their six-month internships with the MHFA are completed.

When asked what she thought of her internship with the MHFA, Hurley expressed satisfaction, "I found it very interesting to work on such important policy issues. I wish we had time to stay and see how much they will help elderly residents," she said.



Wood Products (Continued from page 1)

this spring to familiarize themselves with foreign trade systems.

The Trade Office extended an invitation to the National Agricultural Marketing Officials to hold their annual meeting in Minnesota in 1987.

Haskett said, "Education is an important key to understanding the forest products industry structure as a whole. The Wood Products Promotion Council and the STEP program are the perfect models to show other organizations and nations that agencies can work together."

Producers and state employees have also been learning more about the industry structure. This knowledge helps identify who the forest products customers are and what they want. Learning the language, codes and regulations of this industry will also improve marketing efforts. Classification of wood products by SIC (Standard Industrial Code) has opened up more trade leads for the agencies and the wood producers.

Another objective of the project was to take inventory of the products in surplus and to keep track of products traded between Minnesota and other states and nations. This will help the agencies determine which products are not readily available or are unmarketable. A directory is also being compiled which will list available products and producers.

"The project has served two purposes," Haskett remarked. "It has helped to increase the interaction between our two agencies and at the same time will increase the sale of Minnesota's wood products. Things are beginning to roll now and it's real rewarding."

Update is a monthly publication of

STEP
Strive Toward Excellence
in Performance

Terry L. Bock, Executive Director
(612) 296-8034

STEP is an experimental program whose goal is to produce measurable improvements in the quality, quantity, or cost-effectiveness of Minnesota state government services. STEP tests strategies for improving productivity through projects initiated and directed by state managers working with public and private sector partners. Staff in the Management Analysis Division of the Department of Administration provides central support and technical assistance.

For inquiries, suggestions, or news items for Update, contact Marie Coutu, Communications Coordinator, or Donna Lindberg, Communications Specialist. (612) 296-5194.

Project Briefs

Sentencing to Service, the joint STEP project of the Departments of Corrections and Natural Resources, has been awarded a \$30,000 grant from the **Mardag Foundation**. The grant will be used to hire a coordinator for one year for Region IV, where the pilot project of using offenders for DNR work is being conducted.

The 1987 Economic Report to the Governor was presented Dec. 2 at the Hubert H. Humphrey Center. Produced by the **Economic Resource Group**, a STEP project, this second edition of the report represents an assessment by six state agencies of long-term economic trends of importance to Minnesota. A discussion panel addressed such issues as how Minnesota's economy

compares with other states, how Minnesota is influenced by changes in the world economy, what occupations offer the greatest potential for future job growth, and what industries offer the greatest potential for future job growth. Panelists were **Bill Byers**, research director, Metropolitan Council; **Med Chottepanda**, director of research, Department of Jobs and Training; **Lee Munnich**, assistant commissioner, Department of Energy and Economic Development; **Glenn Nelson**, state economist, Department of Finance; **Al Robinette**, director, Planning Information Center, State Planning Agency; and **Dan Salomone**, research director, Department of Revenue.

Stationary, Stickers Available

STEP has printed a supply of stationary, designed to coordinate with the STEP brochure and other printed pieces. In addition, stickers promoting the Ford Foundation/Harvard University award have been printed. A limited supply of letterhead, envelopes, and stickers is available for project managers who wish to use these supplies for STEP-related correspondence, such as communicating with partners. Contact Marie Coutu or Donna Lindberg, 296-5194.



STEP Readership Survey

The *STEP Update* newsletter is eight months old this month. We would like to know what you think of it so far. We want the *STEP Update* to reflect the STEP program philosophy of increased excellence through partner and employee involvement, closer contact with customers, risk-taking, and better performance measurements. Your suggestions will help us produce the highest-quality product — a newsletter that you will read, enjoy, and learn from. Please answer the questions below, cut out this form, and mail to **STEP Newsletter, Department of Administration, 50 Sherburne Ave., St. Paul, MN 55155**. Thanks for your help.

Do you read the *STEP Update* newsletter? Yes No

If yes, how much of it do you read? 1 or 2 articles About half All of it

Do you find the *Update* informative? Yes No

Do you pass your copy of *Update* on to others? Yes No

Would you like longer articles? Yes No

(If you need more space to answer the following questions, please use a blank sheet of paper and staple it to this survey before you return it.)

What would you like added to the *Update*? (Please be specific.)

Are there things you think should **not** be in *Update*?

Do you think *Update* gives accurate accounts of STEP activities? Yes No

If not, why?

Thank you again for completing this form. If you have any questions or know someone who would like to receive the *STEP Update* newsletter, call Marie Coutu or Donna Lee Lindberg at 296-5194 or Darryl Anderson at 296-7566.

Profile: Bystrom Intrigued By STEP

Marcia Bystrom accepted the invitation to become a member of the STEP Steering Committee because "the emphasis on improving the efficiency of state government intrigued me," she says.

A stock broker with Piper, Jaffray and Hopwood, Bystrom could see that STEP's commitment to making government more productive and less expensive would benefit all Minnesota citizens.

"As in any bureaucracy," she says, "change comes slowly. I think one of the goals has been achieved — to develop the model. The next goal would be to have that model embraced in many situations, and to have it become part of the planning process in state government."

Bystrom says STEP has benefitted her because of the personal satisfaction of being part of the movement of trying to improve services in state government. "I've become more knowledgeable and empathetic of how it feels to be a creative person in a bureaucracy who wants to be given permission to try new ideas," she says.

In The Limelight

A recent issue of the **Minnesota Government Professional** featured the STEP program and its recent Ford Foundation/Harvard University award. The Professional is a publication of the **Minnesota Association of Professional Employees (MAPE)**. STEP projects were listed with the names of team members who are represented by MAPE.

Government Information Services (GIS) of Arlington, Va., included STEP in its monthly newsletter. The STEP program was described in the GIS column, "Cost Cutting Ideas of the Month." The item pointed out that "the program does not seek cost reductions per se, but rather improvements in quality and in cost efficiencies."

Pam Varley and **Michael Barzelay** of Harvard University visited STEP Dec. 8-10 to obtain information for a Case Study to be used in coursework at Harvard's Kennedy School of Government. STEP was the first of the award winners for the Innovation Program, conducted by Harvard and the Ford Foundation, to be analyzed for the case studies. Varley and Barzelay met with STEP staff, project managers and teams during their visit.

STEP STEERING COMMITTEE

Made up of executives from business, labor, not-for-profit, and state government sectors, the Steering Committee shapes STEP policy and advises the Commissioner of Administration, Sandra J. Hale, on the implementation of the program.

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WHAT IS STEP?

The purpose of management in state government is to provide effective government. STEP is a tool designed to support this end by improving the quality, quantity and cost effectiveness of state government services. Some of the long-term changes STEP seeks to bring about are:

- That any efforts to improve productivity in state government must be built on the strength of the people who work inside the system.
- STEP looks for long-term solutions, not quick fixes.
- STEP encourages risk taking, stretching and changing the status quo.
- STEP utilizes partnership between public and private organizations to bring about improvements in state government.
- STEP emphasizes work measurement as the means of understanding performance.

The STEP program is experimenting with various methods to achieve these improvements. These experiments are called STEP projects. Each one tests one or more of the STEP hypotheses cited above.

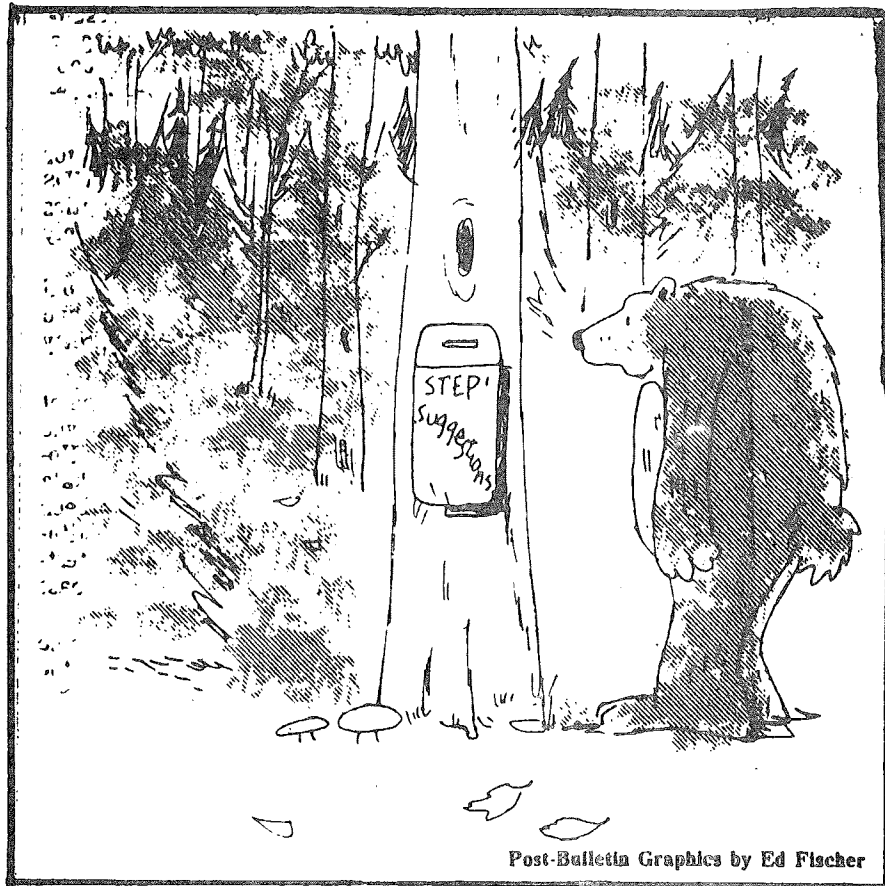
Governor Perpich formally launched STEP in the winter of 1985. Through the early spring the program was introduced to agency commissioners and managers. Employees were invited to submit project proposals testing their ideas for improving government effectiveness. Out of 300 proposals submitted in July, the STEP Steering Committee, which is comprised of members from state government, as well as business, labor and not-for-profit sectors, selected 35 initial STEP projects.* In a later second round in winter 1986, five more were added. These 40 projects have benefited from aligning with private sector partners, from training sessions sponsored by STEP, from a communication network with other STEP projects, and from a brokering of resources and red tape cutting that the STEP program has been able to provide.

Success for the STEP program will come about with the long-term acceptance and incorporation of the six changes into the ongoing culture of state agencies.

* See brochure for list of Steering Committee members

"EXPOSING GOOD GOVERNMENT..."

from MPR Journal Cover Story Sept. 26, 1988



Post-Bulletin Graphics by Ed Fischer

Minneapolis Star and Tribune

Established 1867

Roger Parkinson Publisher and President

Joel R. Kramer Executive Editor

Tim J. McGuire Managing Editor

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18A-

Saturday, September 27, 1986

Deserved applause for public service

Minnesotans are probably more interested in the fuss over state park managers who hire their wives than in the national tribute paid two Minnesota good-government projects Thursday. The disparity is especially regrettable in this circumstance because Minnesotans should be proud of the awards.

In 1985, the Ford Foundation established the Innovations in State and Local Government Awards Program "to recognize exemplary new programs and policies that address important social and economic issues." The first awards were presented Thursday. Of 1,347 programs submitted by state, county and local governments for evaluation, 10 were honored. Two of the 10 were from Minnesota.

One was the Striving for Excellence in Performance (STEP) program directed by the state Department of Administration. As befits Minnesota, STEP is a public-private partnership. The program is overseen by a steering committee that includes members from business, labor, the nonprofit sector and state government. STEP invites career state employees to propose innovations that promise to improve productivity, enhance service or reduce cost. From more than 300 proposals, 40 have been selected. Employees who submit accepted proposals receive training and help in finding the resources their project needs and in cutting the red tape that often smothers new ideas. Some projects also are assigned private-sector partners who pro-

vide special expertise.

The second Minnesota winner is the Block Nurse Program in the St. Anthony Park neighborhood of St. Paul. The brainchild of two St. Anthony Park nurses, the project seeks to help elderly neighborhood residents remain in their own homes for as long as possible. The nursing and volunteer staffs help the elderly with personal and health-care needs, provide companionship and help with chores. In four years, the program has helped more than 80 elderly neighborhood residents. Each month that one elderly person is able to remain at home saves more than \$1,000 in nursing-home fees.

Along with its award, STEP will receive \$90,000 to help prepare manuals and conferences to introduce the STEP process to county and local governments. St. Paul will receive \$80,000 to recruit new aides for the St. Anthony Park program and to provide education and training for the current staff.

The 10 award winners, in the Ford Foundation's words, capture "a spirit of innovation, displaying the qualities of leadership, creativity and dedication that exist in many places within state and local governments." Well said. We salute Minnesota's deserving award winners and all unheralded state and local-government employees who seek with equal dedication to serve the public good.

State program that used employees' skills honored

By Gregor W. Pinney
Staff Writer

A program to promote productivity and cost savings in Minnesota state government by letting employees become their own efficiency experts was named Thursday by the Ford Foundation as one of 10 outstanding state and local government management plans in the nation.

St. Paul also received an award for a program in the St. Anthony Park area using neighborhood people to help elderly residents stay in their own homes and delay admission to

nursing homes.

The state program, called Strive Toward Excellence in Performance (STEP), will receive a \$90,000 grant from Ford, and the St. Paul program,

Awards Continued from page 1B

known as the St. Anthony Block Nurse Program, will get \$80,000.

The state's award comes at a propitious time for Gov. Rudy Perpich, who is campaigning for reelection on a platform of efficiency in government. He already has begun using the award as a defense against campaign allegations of mismanagement. The DFL governor, along with two supervisors of the program, received the awards from the Ford Foundation in New York last night.

Other awards, selected from 1,350 entries, went to projects in California, New York, Illinois, Texas, Michigan, Arizona and North Carolina. A total of \$910,000 was given in grants, with no single project getting more than \$100,000. This is the first year of the awards program, called Innovations in State and Local Government, which is expected to be closed after two more years. Winners were selected by the Kennedy School of Government at Harvard University.

"The recent contraction of the federal domestic role — marked by consolidation and reduction of many federal grant programs — has posed new challenges and opportunities for state and local governments," said Franklin Thomas, president of the foundation. "Many have responded with imaginative new policies and programs. The aim of our program is to give greater public visibility to successful initiatives and to inspire similar efforts in other jurisdictions."

In Minnesota, the \$90,000 grant will be used to spread the STEP idea to local governments by producing a manual and holding a series of seminars for local officials.

The STEP program grew out of a statement by Perpich early in 1984 that greater efficiency and quality of service in state government were prime goals of his administration. Administration Commissioner Sandra Hale and her staff came up with the STEP program, with Perpich as its co-chair. State departments submitted 300 proposals for increasing production and cost-effectiveness, from which 40 were put into operation with the innovators themselves in charge. The idea was to make improvements without orders from above or consultants from outside. Hale said earlier this week that the award is "an affirmation of the importance of turning to your own people. It really recognizes the creativity and innovation and expertise within Minnesota state government that's right there now."

How much STEP has cost or has saved state government isn't known, Hale said, because it does not receive a distinct appropriation. But state officials offered examples of STEP's accomplishments:

■ Workers' compensation claims have been processed more quickly as a result of a project in the Department of Labor and Industry, in which Control Data Corp. participated. As a result, injured employees return to work sooner and administrative cost increases have slowed.

■ Sale of seasonal park passes has

more than tripled, and overall park revenue has increased at least 20 percent over last year, as a result of a plan in the Department of Natural Resources for better marketing of state parks.

■ An estimated \$1 million will be netted for the state this fiscal year as a result of a project in various departments to get cash receipts into interest-bearing investments sooner.

In the St. Paul program, approximately 30 elderly persons are visited regularly in their homes by hired nurses and volunteer counselors, who are themselves senior citizens. The nurses and counselors live in the neighborhood in the northwestern corner of the city.

The program has been operating for four years under sponsorship of the Ramsey County public health nursing service and the District 12 Community Council, one of 17 bodies in the city. It also receives money from client fees (based on ability to pay) and donations from individuals, corporations and foundations, said community organizer Roberta Megard.

A Ford Foundation press release said in-home nursing services cost about \$350 a month compared with \$1,200 to \$1,800 in a nursing home. Megard said private consultants last year found a 24-percent savings. The \$80,000 grant, she said, will pay for copying the idea in other neighborhoods, not for operation of the St. Anthony Park program.

PIONEER PRESS DISPATCH

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/ FRIDAY, SEPTEMBER 26, 1986

TWO STATE WINNERS

Wise grants enable spread of solutions

Buttons are popping like champagne corks this week over the news of two Ford Foundation grants — one to a St. Anthony Park program and one to the Minnesota Department of Administration. The worthy winners (about whom more later) were among 10 selected from 1,347 applicants nationwide.

The Ford Foundation's own corporate vest should be among those hanging happily undone. Mark its award program as exceptionally timely: The winners are state and local governments that have wrestled brawny social and economic problems down to the mat just as federal help has lost its muscle.

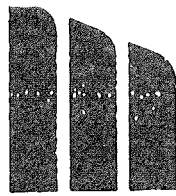
The foundation's aim goes beyond merely rewarding imaginative problem-solvers. Its hefty prizes will typically be used to inspire similar ventures in new locations. That means that 10 localized whiz-bang ideas will be spared bumping against the boundaries of purely local resources.

The whiz-bang idea of the folks in the St. Anthony Park neighborhood of St. Paul was inspired by the dilemma of elderly people pushed prematurely into nursing homes because they could not maintain independence without special assistance. Area residents came up with a program that combines home nursing care with homemaker help. Pairing paid nurses and health aides with neighborhood volunteers, the program can provide a warm bath or a hot meal, a pain-killing injection or a grocery-shopping expedition. And all at a fraction of the cost of a nursing home stay that could slide into permanent institutional care.

The whole thing seemed like such a good idea, community organizer Roberta Megard told us, that many people simply did what had to be done to get it started.

The Department of Administration award also came for a single good idea that has already taken off in 40 — count 'em, 40 — different directions. The catalyst was the department's STEP program, for Strive Toward Excellence in Performance. Why hire outside experts to improve government services, wise heads at the department reasoned, when state employees in the thick of things must have ideas at least as good? And ideas they had in abundance, for their suggestions have inspired 40 pilot projects in 22 state agencies. Results have ranged from a speed-up of the claims process for injured workers to a 300 percent zoom in the number of permits sold for use of state parks.

The two Minnesota programs, and the eight others so appropriately anointed by the Ford Foundation, are alike in this way: They build on the strengths of people who share communities and shoulder common concerns. In that sort of strength, this city and this state can take just pride.



MINNESOTA PUBLIC RADIO 45 EAST EIGHTH STREET, ST. PAUL, MINNESOTA 55101 612 221-1500

MPR Journal

Cover Story, September 25, 1986

on

Exposé of Good Government

Ford Foundation/Harvard University Award to STEP:
A Minnesota State Government Management Program

* * *

Hosted by Gary Eichten, story by Paula Schroeder

On our cover story today, we'll have an exposé of sorts.

"It's very hard to capture the public interest in managing government. One of my major goals is to expose good government...we hope this award helps to expose good government." (Sandra J. Hale, Commissioner of Administration, State of Minnesota.)

The Ford Foundation says that Minnesota has one of the most innovative government efficiency programs in the nation. The STEP Program, along with a St. Paul neighborhood project, are being honored today in New York as national models.

Governor Rudy Perpich accepted an award for a state program designed to improve efficiency in government...the Step program. Altogether, only ten such programs were chosen out of more than 1,300 applications from around the nation.

Faced with cutbacks in federal funding for the past several years...state and local governments across the country have had to grapple with myriad social and economic problems...and, in general, provide services that taxpayers have come to expect...with a reduced budget. Ten states and communities that have successfully experimented with new ways of dealing with these problems received the Ford Foundation's first awards for innovations in state and local governments.

"This represents a major initiative in terms of American government in this country and certainly highlights to us here at the Kennedy School the crest of the new wave in terms of where the emphasis is going to be over the next decade, and we believe it's going to be at the state and local level." (Walter D. Broadnax, Director of the Awards Program, Innovations in State, Local Government, Kennedy School of Government, Harvard University.)

Services once provided by the federal government are now the responsibility of state governments and with small budgets to work with...they need to keep a close eye on where the money goes. In Minnesota...that duty lies with the Administration Department...which two years ago initiated the STEP (Strive Toward Excellence in Performance) Program...one of the Ford Foundation winners.

Under the Step Program...22 state agencies have embarked on 40 pilot projects to improve the quality and cost effectiveness of state programs. Employees within each department come up with their own ideas.

"A lot of making government work is not the glory policy...a lot of it is just plain how do you make the drivers license station function. There is no glory in that...tons of people's view of state government is how much time does it take me to get my damn driver's license. Very basic functions, but if you screw them up, those are functions that poison the whole relationship between the person that's trying to get service and the state bureaucracy." (Pete Benner, Executive Director, Minnesota Council of American Federation of State, County and Municipal Employees.)

The Ford Foundation is awarding \$90,000 to the STEP Program...to be used for developing a manual detailing the program for cities, counties and school districts around the state. A small portion will be put into a pool to provide incentives and rewards to employees who contribute ideas for increasing the efficiency of state government. I'm Paula Schroeder.

State's STEP program gets \$90,000 award

By RON DREVLOW
Post-Bulletin Staff Writer

■ When the state Department of Natural Resources wanted to do a better job of selling its state park system to the public, managers turned to the new STEP program to develop a marketing plan. The result: The sale of park permits has climbed 325 percent and attendance has increased.

■ Six state agencies that collect economic data decided to coordinate their work to give a better

economic report card for the state. The agencies turned to the STEP program to shape a project for sharing economic information. Late last year they produced their first joint report, hoping their work will help the state plan for the future and compete with other states for jobs.

■ The Department of Corrections wants to expand its industries programs for prison inmates. A department team set up a STEP program and brought in a group of 3M

executives to give advice on production, marketing and financing new production. The team plans to make a search for new product lines that will not compete with private industry and provide jobs for at least 30 percent of inmates.

■ ■ ■
Cynics will tell you that government productivity programs mix contradictory terms — bureaucracy and efficiency. In Minnesota, state productivity programs have come and gone.

But the Ford Foundation is putting \$90,000 into an award today to the state government productivity plan, Striving Toward Excellence in Performance. From 1,350 applicants nationwide, Ford picked STEP as one of 10 top state and local government experiments in difficult social and economic problem areas.

At home, STEP is also drawing enthusiastic reactions from leaders in state agencies and private business.

Gov. Rudy Perpich asked Sandra Hale, commissioner in the Department of Administration, to design a productivity program in 1984. In his first administration, Perpich's shot at efficiency was quickly forgotten.

The program produced by Hale and her staff focuses on state employees, asking them to look for innovative ways to improve services to the public. It uses outside experts from private business as partners in their planning.

In July 1985, a steering committee approved the first 35 projects from state agencies. Five more were added in April 1986. Some of the projects have already produced results, leading STEP officials to call for continuation of the program and possible expansion to outstate governmental units.

Darryl Anderson, STEP program coordinator, said a crisis in governmental budgets nationwide brings urgency to programs like

STEP.

"There's a real crunch there and many units of government are coming to the conclusion that the way we're going to manage that crunch is through increased productivity," Anderson said.

STEP experiments with new management philosophy — spreading decision-making among all employees rather than having supervisors make decisions and employees carry out orders.

In STEP projects, workers identify problems in their agency and propose solutions. To help structure projects, many STEP groups ask private business professionals to serve as unpaid volunteers.

Dale Johnson, president and chief executive officer of Owatonna Tool Co., serves on the STEP steering committee. Johnson said STEP is introducing an idea that America is learning from the Japanese.

"They're just simply trying to use a teamwork approach to stimulate improvements on a project-by-project basis," Johnson said.

"I've witnessed a real openness and interest on the part of ever one involved. They're trying to learn from and take a page out of what private companies have done in recent years," he said.

But Johnson cautioned that the impact of STEP will not be known for several years, and the Ford Foundation award poses risks in giving the program notoriety before it has proven itself.

The Department of Administration is carrying out STEP without new state funding.

"The basic premise given STEP is that it is not a program in which agencies are going to be located new resources," Anderson said.

But STEP also will not be used as a method to cut budgets of state agencies, he said, because that would deter innovation.



Post-Bulletin Graphics by Ed Fischer

BUSINESS/ TWIN CITIES

B

ST. PAUL PIONEER PRESS AND DISPATCH

★ WEEK OF OCTOBER 21, 1985

State sheds productivity enforcer role

STEP takes lead from managers

By Lynda McDonnell
Staff Writer

During his first term, Gov. Rudy Perpich tilted at waste in state government by banning small coffee pots and forbidding the purchase of additional filing cabinets. On highways, he scolded state employees who sped past by holding up his fist and flashing five

fingers, twice, to remind them of the speed limit.

The press chuckled. State employees got angry. By and large, the state business of brewing coffee, boarding papers and ignoring speed limits continued as usual.

After his re-election in 1982, Perpich remained concerned about government productivity. This term, however, he has shunned the role of enforcer. "I really felt we needed something like that," Perpich said of his first-term efforts. "But this time, it had to come from within."

This time, at Perpich's request, the Department of Administration has designed a productivity

GOVERNMENT

STEP tries to do the state's work faster, better, at lower cost and in greater volume.

improvement program that takes its lead from state managers.

State managers have suggested how to increase the use of state parks, get tax receipts to the bank faster, boost the number of prison inmates who have "real-world" jobs and dozens of other ways to do

the state's work faster, better, at lower cost, in greater volume.

"It really focuses on managers and helping managers implement the ideas they have," explained Jean Erickson, technical director of the state's Strive Toward Excellence Program, or STEP.

In July, a steering committee headed by Perpich and retired Dayton Hudson chairman William Andres approved 34 projects in 24 state agencies and departments. Most are just getting under way. All will be completed within 18 months. A few have been paired with business partners and others will have partners assigned next month.

"We wanted to do a small series

of projects first" to enable the state to learn from the projects and apply the lessons elsewhere, said Administration Commissioner Sandra Hale, who oversees STEP projects. "Some of them will not produce what we hoped," she added, "but we'll learn from that."

At the Department of Natural Resources, information officer Bill Chiat is working with a task force of state park managers who want to boost attendance at underused parks.

Attendance at state parks has stagnated in recent years and the parks' budget is threatened periodically by cost-cutting legislators, Chiat notes. Consequently, "We can't just sit

back and polish our toilet seats and plow our roads and wait for people to come," he said.

Adding attractions and marketing state parks aggressively are timely and politically sound moves, he suggests. "A lot of what we have in the parks came in the 1950s and we haven't done much since then," Chiat noted. He added, "The more people who are users, the more who are supporters and are willing to have their tax dollars go to that."

Chiat's group has discussed issuing coupon books for discount camping, adding playground equipment for young children,

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Productivity/ Program tries partnership approach

Continued from Page 1

exempting some parks from the ban on alcoholic beverages, promoting day trips for senior citizens and accepting charge cards in gift shops. Changes will be tested in selected parks to see whether they boost attendance.

Some of the ideas have been kicking around in the department for a long time, Chiat says. STEP should "take it out of the idea stage and into the action stage" by helping his group find a private-sector partner with marketing expertise.

"Having the STEP program has pulled a lot of independent things together," Chiat explained. "The biggest thing is we've got lots of good ideas but none of us has any experience at marketing."

Limited budget

To pay for new equipment or marketing efforts, the department will have to divert resources from other programs or persuade its business partner to pick up the tab. Other than a \$25,000 grant from the Dayton Hudson Corp. to pay for in-house training and printed materials, STEP has no funds.

"What we're trying to do is be pragmatic within the limited resources available," Hale explained.

"The biggest thing is we've got lots of good ideas but none of us has any experience at marketing."

Bill Chiat
DNR Information Officer

But Peter Benner, executive director of Council 6 of the American Federation of State, County and Municipal Employees and a member of STEP's steering committee, worries that the dearth of resources could doom STEP efforts.

"The part we like about the project is the attitude 'Let's put some faith that good state managers can manage as well as anybody else can,'" he said. "But in the long run, it's not going to work unless somebody is willing to commit some serious bucks."

Contract complaints

State government "is abysmal in terms of how it trains managers," Benner contends, noting that legislators usually reject requests to increase management training

funds.

The union leader also complains that some STEP projects threaten the jobs of the state employees he represents. He objects to a project in the State Planning Agency that will contract with private companies to provide state services.

The public sector already contracts out much work to private companies, he noted. Instead of another demonstration project, the state needs a method to determine whether it is more cost effective to have work done by the private sector, Benner suggests.

"We need a set of criteria to figure out how much is rhetoric and how much is real," he said.

Benner also objects to plans by departments of corrections and transportation to assign offenders to work in state parks and to mow and collect litter along highways.

Hale says that offenders will be given tasks the departments cannot afford to perform. Benner responds, "Picking up beer cans by the side of the road used to be work done by our people. The fact that it hasn't been our work for five or 10 years because of budget cuts doesn't mean it shouldn't be. ... If the work is worth doing, let's raise the taxes and get it done."

Limited abilities

Hale points out that no matter how successful STEP is, it cannot substantially reduce the cost of state government. State government consumes only 10 percent of the state budget, she notes.

"One of the ironies here is that state government is already very lean," Hale said. "And yet it's such an easy target."

STEP's operation central is a small group of people in Hale's department who are led by Erickson and STEP executive director Terry Bock. The team trains and advises managers of STEP projects and monitors results.

Erickson, an MBA who came from Honeywell to state government in 1981 to run a federally funded productivity improvement program, notes several differences between STEP and prior state productivity efforts.

Most importantly, project ideas come from state managers rather than blue-ribbon commissions of outsiders. "The whole assumption underlying the other programs was that you can't trust public employees," she said.

In addition, productivity projects are being tried in every state agency, not just a few. Project di-

"... in the long run, it's not going to work unless somebody is willing to commit some serious bucks."

Peter Benner
Steering committee member

rectors must record what they do and measure changes in at least one important factor, such as employee attitudes or the quality, quantity and cost-effectiveness of work. This should enable state managers to apply the lessons learned elsewhere in government.

Optional buddy system

To fulfill their pledge to let state managers shape STEP, Erickson and Bock modified their original blueprint, which required that project leaders accept private-sector partners as unpaid advisers.

State managers who evaluated the plan pointed out a contradiction: STEP claimed to trust the

ability, judgment and good will of state employees, yet it forced them to accept business partners.

Since the buddy system has been made optional, Erickson notes, most project managers have requested them. "They want input into the choice of partner," she explained, "but they really want the outside perspective."

Lee Munnich, director of policy analysis for the Department of Energy and Economic Development, is directing a STEP project that will try to improve the state's economic planning system by linking the people who do economic analysis in six different agencies. "With the same analytical resources, we're getting a lot more analysis and interpretation of what's going on," he explained.

The group also would like to write an annual report focusing on long-range economic issues of importance to Minnesota. Since STEP has no budget to fund such projects, Munnich hopes to persuade its business partner to pay the publishing cost.

Moreover, he wants business to recognize the talent and hard work of state employees. "We'd like a

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10 Agencies Win Grants For Innovative Projects

By JOHN HERBERS

Sandy Steiner is a circuit-riding engineer who travels 17 counties for the State of North Carolina designing personalized mechanical devices that enable severely handicapped people to hold jobs.

So unusual yet successful is her work and that of her colleagues that their employer, the North Carolina Department of Human Resources, was one of 10 state and local government agencies around the nation that were granted awards yesterday by the Ford Foundation for outstanding innovations in public services.

One of the other winners was New York City's Department of Juvenile Justice, for finding new ways to rehabilitate young offenders in the "dead time" between arrest and trial rather than simply detaining them for days or weeks.

Because Federal aid and ideas for domestic programs are in decline, the Ford Foundation is spending \$2.5 million this year to initiate a three-year effort to help state and local governments take the lead in attacking economic and social problems.

Aim Is Inspire Similar Efforts

"The recent contraction of the Federal domestic role, marked by the consolidation and reduction of many Federal grant programs, has posed new challenges and opportunities for state and local governments," said Franklin A. Thomas, president of the foundation. "Many have responded with imaginative new policies and programs. The aim of the program is to give greater public visibility to successful public initiatives and to inspire similar efforts in other jurisdictions."

In the past, ever-increasing Federal innovations and programs provided common standards or guidelines for other levels of government and private organizations to follow. With the decline in Federal assistance in recent years, however, there has been a burst of new activity by states, cities, counties and other jurisdictions. But because those efforts are so widespread and scattered, there has been a lack of national standards or models to follow.

Officials of the Ford Foundation, which has been a leader in private efforts to improve the performance of government at all levels, said one purpose of the awards was to provide a way to set new standards.

The program is being administered by the John F. Kennedy School of Government at Harvard under a committee headed by former Gov. William G. Milliken of Michigan. The committee studied 1,347 applications.

Grants of Up to \$100,000

"We knew we would have no difficulty in finding worthwhile programs," Mr. Milliken said at a news conference at the foundation headquarters in Manhattan. "We were surprised by the depth and breadth of the innovations." Each winner received a grant of up to \$100,000 from the foundation.

In North Carolina, Ronald Loftin, assistant director of the engineering program for the severely handicapped, said in Raleigh a few days ago: "One way or other the state must take care of these people. We think it is better to equip them to take jobs than to leave them on the welfare rolls."

Ms. Steiner, who is 27 years old and holds degrees in biomedical and mechanical engineering, says she invents or fashions contraptions as needed. She designed, for example, a detachable device to filter and humidify air breathed by a factor worker who, as a result of surgery, was forced to take air through a hole in his neck. She makes alterations in automobiles and vans and in homes and factories that enable workers in wheelchairs to come and go on their own.

Much of the work done by the circuit-riding engineers, who are paid by the state, is subsidized by the private businesses and industries that employ the handicapped, state officials said.

Other winners and their programs are these:

The State of Arizona, for a comprehensive law to conserve underground water used for commercial, household and industrial uses. The foundation said the law had brought under control the excesses in water use that have plagued western states most of this century.

The City of Rochester, for finding a way to fairly assess property taxes and demonstrate results on video screens to irate citizens. Answers to the assessment issue have alluded

governments for many years and caused turmoil in politics.

The Illinois Department of Family Services, for its "One-Church One-Child" program, in which black families adopt black children through their churches. Before the program began in 1981 a backlog of more than 700 black children in Chicago were awaiting adoption, as against fewer than 60 now, the foundation found.

The Illinois Department of Public Aid, for devising a way to improve nursing homes through incentives for employees.

Los Angeles County, Calif., for developing an efficient system of distributing free food daily to more than a million needy citizens.

Ingram County, Mich., for providing child care, counseling, transportation and social services to teen-age parents in a rural area through community-wide cooperation.

The City of St. Paul for serving elderly people at home rather than removing them to nursing homes, and at less cost.

The State of Minnesota for a systematic approach to finding new ways to make new innovations in the full range of state services.

Mr. Milliken and other committee members said that underlying the winning entries were the common themes of new ways to attack old problems; a willingness to spend more tax money now in ways that would save in the long run, although some of the winning programs did not involve new spending; dedication of the public servants involved; and involvement of private interests in the efforts.

Kerry Heuer & Suzanne Zorn

Minnesota's STEP: Strive Toward Excellence in Performance



Kerry Heuer was communications coordinator of Minnesota's STEP program working under Suzanne Zorn, marketing and communications director for STEP, as well as assistant to the Commissioner of the Minnesota Department of Administration. Heuer is a freelance writer and a business development specialist at Barr Engineering Company in Minneapolis. A graduate of Northwestern University in Evanston, Illinois, Heuer is currently doing graduate work in marketing at the University of Minnesota's School of Management. Zorn holds a B.A. from the University of Colorado, an M.A. from the University of Nebraska, and is working on a Ph.D. in English Literature through Washington University-St. Louis where she taught college English. She has worked for the Foreign Service, worked as a recruiter for the Peace Corps and held administrative posts at the University of Minnesota.



IN HIS STATE of the State Address in 1985, Minnesota Governor Rudy Perpich said he hoped that when he leaves office, "our state will be run with such efficiency . . . that stockholders throughout the United States will ask, 'Why can't business be run like government in Minnesota?'"

Of course, nearly every governor wants to improve the productivity of state government services. Minnesota governors are no exception. In the 1950s, Governor Orville Freeman established a little Hoover Commission; in the early 1970s, Governor Wendell Anderson established a Loaned Executive Action Program (LEAP), similar in design to the current Grace Commission. In Perpich's first term as governor, he established a small task force to identify ways to reduce administrative costs.

While these efforts had their successes, many of the recommendations were never implemented and the changes which occurred were short-lived. When Perpich began his second term as governor after four years in private industry, he set as one of his goals long-term, meaningful improvement in how state government is managed.

"At (Governor) Perpich's request, the Department of Administration designed a productivity improvement program that takes its lead from state managers. State managers suggested how to increase the use of state parks, get tax receipts to the bank faster, boost the number of prison inmates who have "real-world" jobs and dozens of other ways to do the state's work faster, better, at lower cost, in greater volume."

So wrote columnist Lynda McDonnell, *St. Paul Pioneer Press and Dispatch*, on STEP (Strive Toward Excellence in Performance). STEP is Governor Rudy Perpich's long-term productivity improvement program that has gained national prominence through the National Asso-

ciation of Public Administration. In June 1986 STEP was chosen from over 1300 proposals as one of 25 finalists in the Harvard University Ford Foundation awards competition for "Innovations in State and Local Government." Perpich calls STEP a "giant step" toward realizing his goal of making Minnesota the best managed state in the union.

A Change in Our Work Culture

"Good communications has been key to this program from the very start," said Terry Bock, director of the state's Management Analysis Division and the STEP staff. "Good communications within state government, and externally are essential if a program is to be successful."

"Public perception of government at all levels is poor. There is confusion about what government agencies do. There is outdated information about how government works. And there are stereotyped perceptions about government employees.

"What the STEP program does in Minnesota is communicate a new message to the public, different from the one that has been hanging around for a couple of decades. This new message is that state government, like any top notch organization, is working on improving itself, its delivery of services, and its relations with citizens. Improved quality, quantity, or cost effectiveness will result from our efforts.

"We are accomplishing this change in Minnesota by trusting line managers and increasing their discretionary authority; staying closer to our customers, and encouraging risk-taking," said Bock. "We are aiming at long-term results rather than quick fixes, because a change in our work culture is what we are trying to bring about.

"Development of partnerships between STEP projects and managers in the private sector are a special feature of the STEP program. These partnerships are an excellent means of getting our message across, of communicating with the public about what government is doing."

A New Twist for Government

STEP is a radical departure from past public sector efforts to improve productivity. STEP is long term rather than a quick fix; it emphasizes closeness to the customer; and it relies on managerial discretion. STEP encourages state managers to take risks and test innovative strategies for measurably improving the productivity and quality of state services. To date, forty individual productivity improvement projects are underway at agencies state-wide. State employees plan and implement these projects themselves, and "partners" from both public and private sectors volunteer their skills to these projects. Just a few projects are improving cash management, combining and completing economic data from different agencies, devising management training programs, and improving investigations of housing and job discrimination.

State managers are the program's driving force. Governor Perpich and the Department of Administration saw that if change is to be meaningful, the ideas for change and the responsibility for implementing change must come from state managers themselves. While there is an important role for consultants from the public or private sector, it is to serve as members of project teams, not as outside experts imposing solutions.

With this inside ownership of change, employees are likely to feel more commitment and enthusiasm for an improvement project. If enthusiasm is a sign of success, state employees have submitted over 300

project proposals to STEP. AFSCME's Executive Director, Peter Benner, emphasizes that employee involvement is most important for STEP's survival.

Innovation and Risk

Risk-taking by state managers in pursuit of innovative management strategies is encouraged, rewarded, and celebrated by STEP. Innovative change is difficult to come by in government because of its ever-changing leadership, tight budgets, and public scrutiny—not to mention red tape. In this environment, it is no wonder that employees tend to cling to the status quo and avoid trying out new ways of doing things. With budget squeezes, risk-taking is even less comfortable—although that's the time innovation is most needed to provide quality services at less cost.

STEP is a stamp of approval on innovation and risk. This kind of problem-solving could be as simple as introducing the use of credit cards for charging park permits, or as radical as combining state-wide and non-confidential employee data into one accessible system. Because of the experimental nature of STEP, improvement strategies are tested and failures are learned from. What's important are the analytical stance and the innovation to improve productivity.

Just one example of this innovative and analytical approach is a project to speed the processing of workers' compensation claims at the Department of Labor and Industry. A typical solution might be cutting services or signing on more employees. This project, however, uses computerized process flow analysis that Control Data provided to streamline the workflow, and some pilot tests of this processing began at the Department of Transportation. Thus a careful and innovative answer to this long-standing need is gradually being put into effect. Pam Olson, the head of a difficult project to improve veterans' food service, remarks, "I think the name STEP signifies what it is. It's one step at a time. It's a gradual process."

Customer Focus

With the goal of improving services, customer focus is a pillar of STEP. Getting close to the customer is a new emphasis for government because agencies serve many masters and the control function, rather than the service function, tends to be the familiar one.

What does improving customer service mean for STEP? Just a few programs are simplifying access to public records, combining economic data, putting non-violent offenders to work at tasks that otherwise wouldn't be done in state parks, and reducing the turnaround time for registering recreational vehicles.

Measurable Improvements

STEP aims at measurable improvements. It emphasizes identifying goals, measuring successes and failures, and providing constant feedback on work efforts. Even if a project fails, the team's efforts are to be documented so that lessons can be shared across agency lines.

One example of measurable improvement is a project to help local governments plan and reduce costs of their telecommunications systems; by combining compatible systems, the project has saved state and local governments \$1200–\$2000 a month. Another project improved weather information by adding eighteen weather charts and four radar maps to a local weather channel on Minnesota cable television.

Empowering Communications

Central to the STEP program has been its use of many communications techniques. Very early in its development, focus groups were called together, joining productive and creative employees from different agencies and departments; mixing their ideas, energies and interests; and encouraging them with empowering sessions. Directors, managers and employees talked strategy and innovation together. STEP staff were present to help break through barriers that were real, but bureaucratically created and so, subject to reshaping. Participation by private sector partners reinforced a "can do" attitude and added communications and perspectives that are not usually seen in government agencies.

When the first projects began, a videotape was produced about them and widely shown throughout government agencies and the private sector. A special showing with accompanying explanation was arranged at the Minnesota Press Club for the media. The video described STEP's failures as well as successes, showing how even failure provides an opportunity to learn.

A monthly newsletter was developed to provide STEP participants and leaders in government and the private sector with updated information about the program. It features reports on current STEP projects, new projects, and passes along announcements and other useful information. Also featured are insights on the problems of change in large and complex organizations.

The newsletter helps to further the communications concept of giving credit where recognition is due, both to government agencies and to private sector partners. Recognition and rewards are an essential part in any effective communications program, and have been featured in training sessions for STEP project managers.

Public/Private Partnership

A successful government, like any other organization, will seek to harness all the resources at its disposal. For additional expertise and objectivity, STEP pairs project teams with volunteer professionals from other agencies and from business, non-profits, and academia. Other partners work with STEP staff on training, communications, and other administrative issues. Unlike many government programs, STEP requests "hands-on" involvement from partners.

The results have been good. Minnesota Dept. of Natural Resource employee Bill Chiat, who heads a project to market the state parks, says, "Without my STEP partners, I doubt we would've ever gotten involved as heavily or as successfully as we are in marketing."

The appreciation is mutual. Parks partner Rich McNeill, a private training and marketing consultant, remarked, "The project team has been very open, very intelligent, and very involved. It's increased my respect for people that work in state government."

With 119 partners to date, STEP is reaching its goal of creating long-term relationships with the private sector.

Development

Designing the program were a small group of state government managers headed by Sandra Hale, Commissioner of Administration, and business leaders headed by William Andres, former chair and CEO of Dayton Hudson Corporation. The design phase began in 1983 and STEP was announced in February 1984.

The Steering Committee began meeting in 1985. It consists of leaders from government, private business, non-profits, labor, and academia. The current co-chairs are Governor Perpich and chairman and CEO of First Bank System, Inc., D. H. Ankeny. The reasoning behind combining these forces is that non- and bi-partisan support for STEP outside the bureaucracy increases the chances of the program's success and survival. As Perpich says, "Governors come and go; commissioners come and go. STEP will go on for many, many years through many administrations and that's why it's going to be successful."

STEP is administered by a small staff made up of analysts from the Department of Administration's Management Analysis Division and professionals on-loan from other state agencies. The staff provide project consultation, partnership development, central communications, and training. Recently, STEP formed a partnership with Honeywell, Inc. to provide substantial quality management training to program participants.

A Model for Public Sector Innovation

As co-chair of the Steering Committee, Governor Perpich is enthusiastic about STEP. "I believe that we have developed a model for public sector innovation that can be replicated and used by all other state and local governments," he wrote in submitting STEP to the Ford Foundation/Harvard University Innovation in State and Local Government Award Program.

Others, from project teams to partners, are also excited about STEP. In the recent state legislative session, STEP was cited as a positive approach to the budget shortfall that the state was experiencing. State labor organizations and two state manager organizations have pledged their support of STEP. Outside organizations such as the Minnesota Business Partnership, the Minnesota Association of Commerce and Industry, and the national Coalition to Improve Management in State

and Local Government have publicly endorsed STEP.

As a program of cultural change, STEP seeks to strip away the apparatus that masks the commitment, competence, and creativity of people who work in state government. It's long-term effort is driven from within, harnessing the latent potential within state government organizations.

The Ford Foundation announced on September 25 that Minnesota's STEP program--Strive Toward Excellence in Performance--was chosen as one of ten recipients of the national "Innovations in State and Local Government" award.

IN RECENT YEARS, responsibility for many social programs and citizen services has shifted to state and local governments, notes Franklin A. Thomas, president of the Ford Foundation.

"As a result, state and local jurisdictions are playing an ever-larger role in shaping the quality of life for all of us. Many of them have addressed these new responsibilities with imaginative, innovative approaches to providing services and meeting a range of needs," said Thomas.

Teaming up with the John F. Kennedy School of Government at Harvard University, the Ford Foundation has announced a national \$2.25 million competition entitled "Innovations in State and Local Government." Its purpose is to give greater public visibility to exemplary programs and policy initiatives, and to help spread successful efforts to other state and local jurisdictions.

A grant of \$1.5 million was given to the Kennedy School to administer the competition and to handle related activities in research and public education over a three-year period. A National Committee on Innovations in State and Local Government, chaired by Foundation Trustee William G. Milliken, former Governor of Michigan, will oversee the awards program and make the final selection of recipients. The committee consists of twelve men and women drawn from state and local governments, business, universities, and community organizations.

The competition focuses on initiatives in areas of major national concern, such as job creation and economic development; the welfare of people unable to support themselves; neighborhood and community revitalization; education and training; and health care and other social services.

The Foundation expects to make ten awards a year over the next three years. Most of the awards will be in the \$25,000 to \$50,000 range, although a few may go as high as \$100,000. The funds will enable award-winning jurisdictions to strengthen or refine the programs being recognized or to substantially extend their coverage. The first group of award recipients will be announced in September 1986. "Our new program is meant to acknowledge their achievements, to give them national recognition and financial support, and to encourage replication of successful approaches in other jurisdictions," said Thomas.

Selection of award recipients will be based on several criteria, including creativity in responding to social or economic needs, effectiveness and results, adaptability to other jurisdictions, and considerations based on size, location, and type of governmental unit.

Award-winning programs need not involve direct services; they may include new uses of state or local powers—tax incentives to create

jobs, for example, or loan guarantees to spur business development. Particular attention will be paid to successful public-private partnerships in providing essential services. The awards program seeks to identify, recognize, and enhance successful efforts to resolve urgent public problems and to improve the quality of life of a broad range of people.

The John F. Kennedy School of Government, through its State, Local, and Intergovernmental Center, plans an extensive outreach and promotion effort to solicit applications for the awards. Potential applicants include agencies of the fifty states and some 30,000 local jurisdictions throughout the nation.

The deadline for applications for the 1986 awards was January 15, 1986. Following an initial screening of 1,300 applicants, 25 finalists were named, and experts in state and local government and community action programs are making site visits to evaluate the finalists' programs.

The committee chaired by Governor Milliken will select ten award recipients based on a review of the applications and the results of the site visitors' evaluations.

The Kennedy School will prepare a booklet describing the award-winning programs and distribute it to major state and local professional associations. It will also sponsor seminars on the programs' innovative features; serve as a clearinghouse for general information about them; and explore various uses of the print and broadcast media to promote wide public awareness of the programs.

In addition, the school will draw on data gathered during the site visits and from other sources to develop a series of case studies analyzing the innovations for use in graduate and professional schools. It also plans a three-year faculty research project on the process by which new policies and programs are introduced in state and local governments in order to help learn what does and does not work under differing circumstances.

The Kennedy School's participation in the awards program is directed by Walter D. Broadnax, a Kennedy faculty member with broad experience in government and teaching. He has held posts in the U. S. Department of Health and Human Services, in the Kansas state government, and in the city government of Topeka, Kansas. Before joining the Kennedy School faculty, Professor Broadnax was a Senior Staff Member of the Brookings Institution's Advanced Study Program.

For more information, contact the JFK School of Government, Harvard University, 53 Church Street, Cambridge, MA 02138, (617) 495-0557.

Seeding Innovations In Government



Department of
Administration

NEWS RELEASE

50 Sherburne Ave. • St. Paul, Minnesota 55155 • 612-296-3862

EMBARGOED UNTIL 11:00 A.M.
Thursday, September 25, 1986

Contact: Darryl Anderson
296-7566
Suzanne Zorn
296-4276

STATE GOVERNMENT PROGRAM WINS NATIONAL INNOVATION AWARD

ST. PAUL -- The Ford Foundation announced today that Minnesota's STEP program -- "Strive Toward Excellence in Performance" -- has been chosen as one of 10 recipients of the national "Innovations in State and Local Government" award.

Governor Rudy Perpich, who launched the program, was in New York to receive the award, along with Administration Commissioner Sandra Hale, whose department oversees the program.

STEP is a productivity and management-improvement effort begun in 1985. It seeks to experiment with methods to improve the quality, quantity and cost effectiveness of state government services.

The prestigious innovations award program is sponsored by the Ford Foundation, in conjunction with the Kennedy School of Government at Harvard University. STEP is one of 10 winners selected from an initial pool of 1,350 applications.

The award carries a \$90,000 grant, which will be used to enhance the STEP program and offer its use to other units of government.

Perpich has described STEP as one of his key strategies for improving management in state government.

"This award is proof that there are bright, hard-working people in state government who are dedicated to efficiency and innovation,"

Perpich said.

(more)

William Milliken, a former governor of Michigan and chairman of the innovations selection committee, said: "The winners are providing a wellspring of innovation from a source too long neglected, state and local government of America. We can all learn from their courage and skill in building these programs."

The Minnesota STEP philosophy involves five key elements:

- * That any effort to improve productivity in state government must be built on the strength of the people who work inside the system.

- * STEP looks for long-term solutions, not quick fixes.

- * The basic philosophy should be built around the idea of superior customer service.

- * STEP encourages risk taking, stretching and changing the status quo.

- * STEP utilizes partnership between public and private organizations to bring about improvements in state government.

"We are tremendously pleased to have been chosen, given the number of topnotch programs that were submitted, and the number of other states which also have productivity programs," Commissioner Hale said.

"During the Ford Foundation's selection process, STEP was subjected to intense scrutiny by external juries. It is very affirming when experienced, objective viewers think so highly of STEP."

When the STEP program was launched in July 1985, state managers submitted more than 300 proposals to a steering committee. Of these, 40 were selected to become STEP projects.

(more)

The long-term goal is to make the STEP philosophy integral to the management of government in Minnesota, says Terry Bock, executive director of STEP.

"In the next five years STEP will continue to experiment with pilot projects and begin to decentralize the administration and operation of the STEP program," Bock said. "Each agency will become responsible for operating its own program and projects, and for integrating STEP into its ongoing management."

Perpich and D.H. Ankeny Jr., chairman and chief executive officer of First Bank System, Inc., are cochairs of the STEP steering committee.

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STEP MODEL



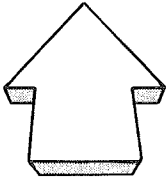
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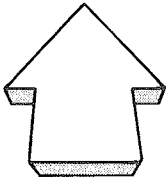
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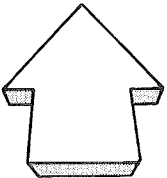
STEP STRATEGIES



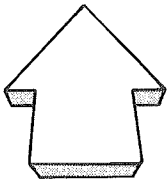
Closer contact with customers



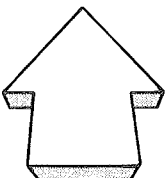
Productivity improvement techniques



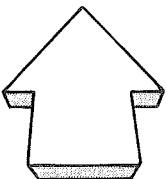
Increased employee participation



Work measurement



Increased discretionary authority of managers and employees



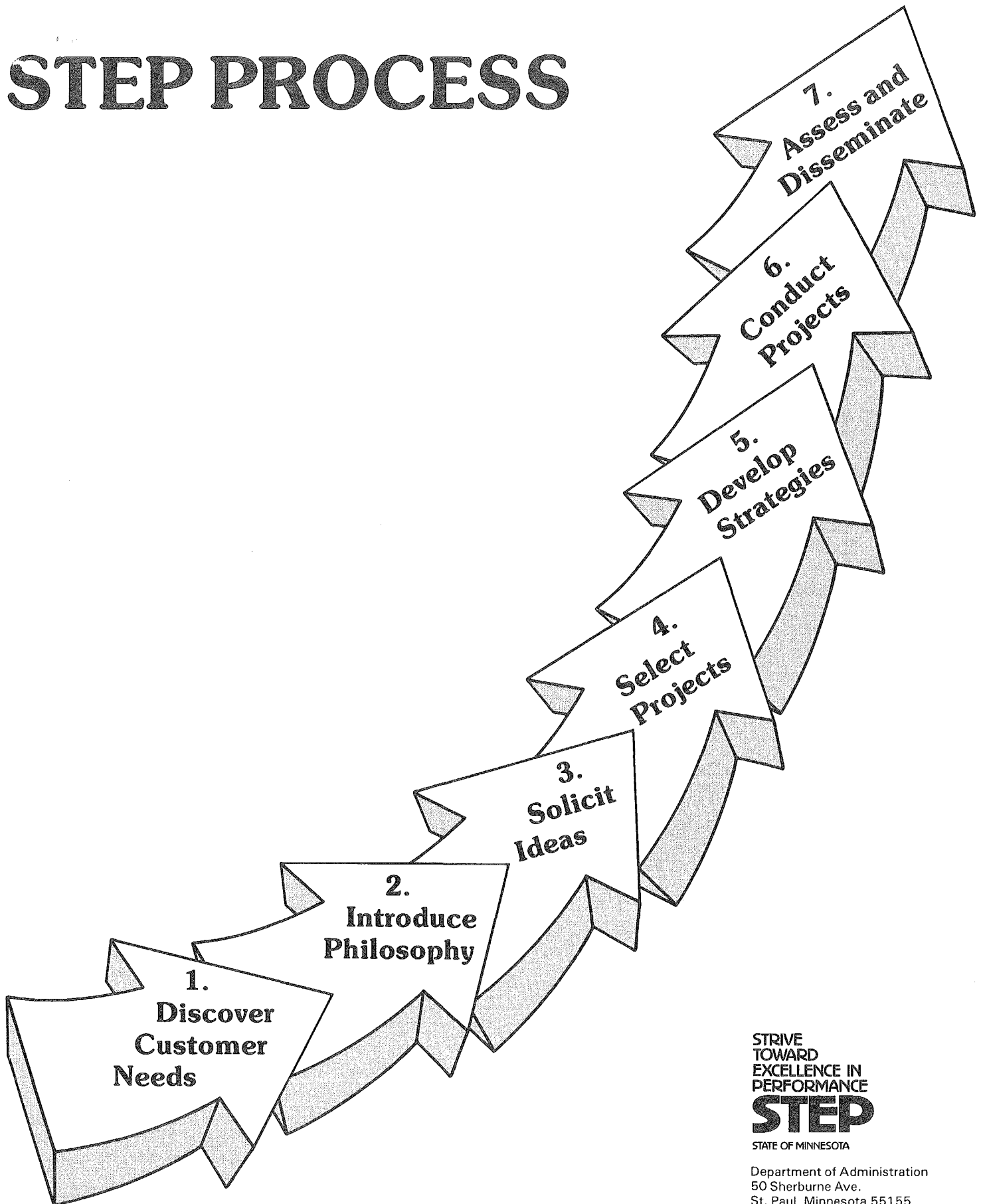
Use of partnerships

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STEP PROCESS



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★
innovations
IN STATE AND LOCAL GOVERNMENT

1986

An Awards Program of the Ford Foundation
in cooperation with
the John F. Kennedy School of Government



Toward Excellence in State Government

State of Minnesota

An unusual partnership between mid-level government managers and their counterparts in the private sector is making innovation easier to achieve throughout Minnesota state government. A small staff in the state's Department of Administration has been charged by the director with encouraging career employees to suggest ways of improving or expanding the government services they deliver. Good ideas are approved with a minimum of red tape. The ideas' initiators are then given responsibility for implementing them—with private-sector assistance if necessary. If the idea is successful, the originators are honored in an awards ceremony.

Some forty pilot projects have been initiated in twenty-two state agencies to improve productivity, service, and cost-effectiveness under the program, known as STEP (Strive Toward Excellence in Performance). Among the innovations: an advertising program that increased sales of park permits by more than 300 percent; a work and training program for welfare recipients; an improved system of cash management that has increased the state's interest earnings; and the opening of the state's low-cost telecommunications system to local governments.

STEP differs in important ways from many previous attempts to make government more effective. Prior efforts have often been adversarial, focused on cost reduction, and imposed from the top down. Such efforts, often recommended by *ad hoc* groups with little understanding of the history or details of government operations, provoke resistance among public managers and also undermine both their self-esteem and public image.

STEP, in contrast, is a voluntary partnership, usually initiated by a mid-level public manager. It is focused on quality of service rather than on cost, and it is designed to create long-term change. STEP also has had strong support from the state's private sector, which should help assure its continuance in subsequent state administrations. On its steering committee are seven chief executive officers of major companies, as well as the leaders of three major unions, representatives of four public service

organizations, and heads of six state agencies.

To broaden the impact of STEP, Department of Administration staff will work with management consultants to develop a comprehensive manual documenting and analyzing the STEP program. The manual will serve as the focal point of a series of conferences and training workshops designed to present the STEP model to local government managers in Minnesota's cities, counties, and school districts and to officials from other states. A Foundation grant of \$90,000 will partially support both the manual and the conferences. A modest portion of the grant will provide seed money to establish an employee incentive fund, which will reward innovative management ideas suggested by state employees.

GOVERNOR RUDY PERPICH



130 State Capitol • St. Paul, Minnesota 55155 • 612-296-3391

NEWS RELEASE

For Immediate Release
Thursday, September 11

Contact: Sandra J. Hale
296-3862
Terry Bock
296-8034

STATE EMPLOYEE WINS GOVERNOR'S AWARD FOR MANAGEMENT EXCELLENCE

ST. PAUL -- Denise Fleury, director of the state government unit charged with processing and payment of workers' compensation claims, has been chosen for this year's Governor's Award for Excellence in State Government Management.

The award, sponsored by the Minnesota Business Partnership, was presented to Ms. Fleury at today's annual meeting of the MBP by John M. Stafford, president and chief executive officer of the Pillsbury Company, and by Governor Rudy Perpich.

Ms. Fleury is director of the state claims division of the Department of Labor and Industry. Her division pays compensation claims for state government and University of Minnesota workers who are injured on the job.

She was cited for a management program which helped cut cost increases in workers' compensation. Cost increases had been running at 20 percent a year but were trimmed to 9.5 percent in 1984 and 1985.

Ms. Fleury's project is one of 40 pilot projects under the state's STEP program (Strive Toward Excellence in Performance). STEP is a nationally recognized productivity effort launched by Perpich in 1985.

(more)

STEP recently was named one of 25 finalists out of 1,350 nominations for an award in government innovations, given by the Ford Foundation and Harvard University.

Ms. Fleury and her team formed partnerships with several private sector companies in order to build the award-winning cost control program. Private partners included Control Data Corporation, Sperry Corporation and Honeywell, Inc. Richard Booth of Control Data, and John James and Winston Benson of Sperry worked with state employees throughout development of the project, while Honeywell provided advice on the evaluation process.

In making the award, Stafford cited the Fleury team for participative management techniques, work measurement to help define service quality, and state-of-the-art productivity tools.

The cost control effort pioneered by Ms. Fleury can be used as an example in other areas, Stafford said.

As part of the STEP project, Control Data and Sperry developed compatibility between Control Data software and Sperry computer hardware.

The Minnesota Business Partnership has been an adviser to the STEP program since its inception. Five MBP members serve on the STEP steering committee, and at least 15 member companies have provided support for projects.

The selection committee for the award was chaired by Stafford. Other members were Peter Benner, executive director of American Federation of State, County and Municipal Employees Council 6; Jean King, a business consultant and former president of the Citizens League, and Dale Olseth, president of the Darol Corporation.

(more)

"It was a hard decision. Our selection criteria were rigorous, and each of the five STEP managers we interviewed had accomplished significant improvements," Stafford said.

Other finalists for this year's award were James Birkholz, Department of Agriculture, for management improvements in soil and water conservation; Mary Welfling, Department of Corrections, for a project to identify information requirements; Peter Sausen, Department of Finance, for a cash management project, and Lee W. Munnich Jr., Department of Energy and Economic Development, for a state economic resource project.

Ms. Fleury, 34, is a resident of Minneapolis and has been employed by the Department of Labor and Industry since June 1984. She is a graduate of Macalester College and previously worked in the insurance industry.

Last year's winner of the Governor's Award was Raymond B. Hitchcock, director of the forestry division in the Department of Natural Resources.

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EDITORS: the award is being presented as part of the Minnesota Business Partnership's ninth annual meeting, 5 p.m. Thursday, September 11, 1986, Hotel Radisson, St. Paul. For further information, please contact Charles Slocum, MBP, 370-0840.



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Department of Administration • 50 Sherburne Ave. • St. Paul, Minnesota 55155 • 612/296-8034

STEP CHRONOLOGY

- February 13, 1984
Commissioner of Administration, Sandra J. Hale, announces the Governor's long-range plan for Minnesota's productivity initiative.
- February 7, 1985
First Steering Committee meeting kicks off STEP program.
- May/June 1985
300+ proposals prepared by state agencies. 84 nominated by Commissioners.
- July 30, 1985
Steering Committee selects 35 first round STEP projects to test strategies and assumptions of STEP philosophy.
- August 29, 1985
Initial training and orientation for STEP participants. Kick-off of STEP projects.
- September 12, 1985
Minnesota Business Partnership award to DNR's Ray Hitchcock for "Excellence in Management in State Government" at annual meeting.
- December 10, 1985
Second meeting of STEP participants. Focus on sharing information and training.
- February 6, 1986
Steering Committee calls for second round of STEP proposals.
- April 1986
Minnesota's STEP program cited as a model in Coalition to Improve Management in State and Local Government's publication "The Governor's Management Improvement Program: How to do It," State Management Guide No. 1, 1985 Edition; Donald C. Stone, Director.
- April 15, 1986
Hale presentation to American Society of Public Administration, Anaheim, CA.
- April 17, 1986
Steering Committee selects second round of STEP projects.
- August 17-20, 1986
STEP one of two state projects asked to present at national Conference of State General Services Officers (NCSGSO) Albany, NY. (Almost all states have management improvement programs.)
- September 11, 1986
Minnesota Business Partnership award to STEP manager Denise Fleury of Labor & Industry for "Excellence in Management in State Government" at annual meeting.
- September 25, 1986
Ford Foundation announcement of STEP as winner of national "Innovations in State and Local Government" award competition. New York, NY

YES, I would like more information about Minnesota's award-winning STEP (Strive Toward Excellence in Performance) program.

I am interested in:

- Partnership opportunities
- Working as a loaned employee for STEP
- Receiving the STEP newsletter
- How to submit project ideas
- Adapting the STEP model for my organization
- Having someone speak about STEP to my organization
- Viewing the STEP video on a loan basis on:
 - 1/2" VHS or 3/4" cassette
- Helping STEP in the following way:

NAME _____ TITLE _____
ORGANIZATION _____
ADDRESS _____ CITY _____ STATE _____
ZIP _____ PHONE _____

Affix first-class postage to this card and drop in the mail. For more information call (612) 296-7058.

The STEP Steering Committee includes executives from business, labor, not-for-profit, and state government sectors. The committee shapes STEP policy and advises the Commissioner of Administration, Sandra J. Hale, on the implementation of the program.

Co-Chair

Rudy Perpich
Governor

State Government

Sandra J. Hale
Commissioner
Dept. of Administration

Jay Kiedrowski
Commissioner
Dept. of Finance

Nina Rothchild
Commissioner
Dept. of Employee
Relations

Tom Triplett
Commissioner
Dept. of Revenue

Richard P. Braun
Commissioner
Dept. of Transportation

Steve Keefe
Commissioner
Dept. of Labor and Industry

Karen Carpenter
Vice Chair
State Management Council

Public

Representatives

Royce Hanson
Associate Dean
Hubert H. Humphrey
Institute

Jean King
Former President
Citizens League

David Roe
Former President
Minnesota AFL-CIO

Terry Saario
President
Northwest Area
Foundation

Co-Chair

D.H. Ankeny, Jr.
Chairman and CEO
First Bank System, Inc.

Private Sector

James Brocksmith
Managing Partner
Peat, Marwick, Mitchell
and Company

Marcia Bystrom
Piper, Jaffray and Hopwood

Gordon H. Donhowe
Vice President of Finance
Fairview Community
Hospitals

Dale Johnson
President and CEO
Owatonna Tool Company

Dale Olseth
President
Darol Corporation

Ed Sampson
President and CEO
Merit Electronics

John M. Stafford
Chairman, President and
CEO
The Pillsbury Company

Alfred Wallace
President and CEO
Blandin Paper Company

Labor Representatives

Gene Aune
President
MMA

Peter Benner
Executive Director
AFSCME, Council 6

Michael C. Haney
President
MAPE

STRIVE TOWARD EXCELLENCE IN PERFORMANCE

STEP

STATE OF MINNESOTA

Maximizing Resources to Serve Minnesota Better

**It takes good people
to do things well.**

The STEP program joins good people from the public and private sectors into a common effort for better government. It's working.

It takes time to do things well.

The STEP program is not a "quick fix." It is a long-term, people-oriented process for discovering and implementing better ways to serve customers - the people of Minnesota.

STEP capitalizes on the existing strengths of government employees.

STEP fosters an exchange of ideas, knowledge and resources with private sector Partners.

Because STEP is experimental, a climate has been created for innovative thinking and prudent risk-taking.

STEP's goal is to help make Minnesota state government the best managed in America. Already, Minnesota government is very good. STEP is making it better.

"Governors come and go; Commissioners come and go. STEP will go on for many, many years through many administrations and that's why it's going to be successful."

*Governor Rudy Perpich
Co-chair STEP Steering Committee*

STEP Chronology

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December 10, 1985

Second meeting of STEP participants. Focus on sharing information and training.

February 6, 1986

Steering Committee calls for second round of STEP proposals.

April 17, 1986

Steering Committee selects second round of STEP projects.

"I think the primary purpose of STEP is to help improve efficiency and overall effectiveness of state government - which we all have a tremendous stake in."

*D. H. Ankeny, Jr.
Chairman and CEO
First Bank System, Inc.
Co-chair STEP Steering Committee*

The STEP Case Statement

"In looking at delivering our services to our customers, the STEP program has allowed us to do things which we didn't think were possible, and now the sky's the limit."

Jim Birkholz
Dept. of Agriculture

GOAL:

To produce measurable improvements in the delivery of customer service.

"We tried to structure STEP where the private sector would advise, when asked, but wouldn't be the driving motivation. The driving force would come from within Minnesota government itself."

Peter Hutchinson
Vice President, Public Affairs
Dayton Hudson Corp.

STEP is results-oriented. The "hands-on" government manager is in the best position to see the opportunity for change and to seek help in managing that change.

The change initiated by the STEP Project Manager is:
Measurable - Specific productivity improvement objectives are established and tracked;
Owned - The originator of change is also responsible for carrying out that change to reach the project objective.

"STEP will build ownership for change by involving state employees in developing long-term strategies for improvement."

David Roe
Former President
Minnesota AFL-CIO

The STEP Process

"STEP is not a quick fix. I think the name STEP signifies what it is. It's one step at a time. It's a gradual process."

Pam Olson
Dept. of Veterans Affairs

The steps are:

- 1/ Comprehensively assess the situation
 - Identify the needs of the customer
 - Define the service to be improved
 - Examine the underlying cause of problems
 - Determine who needs to be involved for change to happen
- 2/ Explore alternatives
 - Develop new links with existing resources in both public and private sectors
 - Master new tools and techniques
 - Seek increased discretion
- 3/ Identify the measures of success
- 4/ Implement the changes and track the results

"What we're seeing in the STEP program is that people are willing to really take risks and to try new things; to take a look at who their clients are and redesign services to reflect their needs."

Terry L. Bock
STEP Executive Director
Dept. of Administration

The STEP Project Manager

STEP was designed to be a productivity improvement vehicle that takes its lead from state managers. Each Project Manager shapes the form and content of his or her project.

The Project Manager gains additional skills through the STEP training. Recent STEP workshops have included the following topics:

- Group Problem Solving
- Work Measurement
- Customer Orientation
- Organizational Change

"I've been able to incorporate many of the things I've learned from STEP in my ongoing job as an investigator and conciliator."

Gary Hines
Dept. of Human Rights

The STEP Staff

The staff is comprised of on-loan individuals from various state agencies and Department of Administration Management Analysis staff. They provide central support, technical assistance and access to a variety of resources for STEP Project Managers.

For more information about STEP, please contact Terry L. Bock, Executive Director of the STEP program.

State of Minnesota
Dept. of Administration
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St. Paul, MN 55155
(612) 296 - 8034

The STEP Partner

"I see the role of the Partner definitely as a team member, as opposed to somebody coming in and saying, 'This is how you do it.'"

Marcia Bystrom
Piper, Jaffray and Hopwood

Many STEP Project Managers enlist the help of a Partner from the private sector. This collaboration of the STEP Partner and Project Manager is a "win/win" situation.

The Project Manager gains access to resources not usually available. The Partner, who provides outside knowledge and input, also makes a significant contribution to the well-being of the state.

The role of the Partner may include:

- Providing third-party perspective
- Advising the project team
- Sharing resources
- Serving as an advocate for the project

"Without my STEP Partners, I doubt we would've ever gotten involved as heavily or as successfully as we are in marketing."

Bill Chiat
Dept. of Natural Resources

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A video on STEP is available
on 1/2" VHS or 3/4" cassette