

Case Study: Establishing Accountability within the City Government of Richmond, Virginia

EquaTerra Helps City Design Comprehensive Performance Management System

At a Glance

Company Profile

Industry: The City of Richmond, in central Virginia, was founded in 1737. Like all Virginia municipalities incorporated as cities, it is an independent city and not part of any county. The city, which covers approximately 60 square miles, is dedicated to providing a high quality of life for its residents by providing municipal services and addressing community issues in partnership with its citizens, businesses and neighbors.

Population: As of 2006, approximately 193,000

Services Featured

- Implementation – Performance Management System
- Evaluation – Service Delivery Areas and Systems

Business Processes Involved

- Call Center and Citizen Request System
- Code Enforcement Division of the Department of Community Development
- Human Services Portfolio (including public health, social services and parks and recreation)
- General Services (animal control and fleet)
- Public Works (solid waste)

Executive Summary

The City of Richmond, Virginia, wanted to implement a comprehensive performance management system based on a similar, successful program developed by the City of Baltimore, Maryland. It was the goal of Richmond Mayor Wilder to improve the city's operations and service delivery by increasing efficiency, eliminating wasteful practice and enhancing accountability across the entire organization. To ensure successful implementation and employee adoption of the new program, the City of Richmond called on EquaTerra for professional guidance and recommendations on developing the system.

Business Challenge

The City of Richmond's departments and agencies lacked accountability and systematic monitoring of performance. Citizen requests were being handled incorrectly, late or not-at-all, and only limited information was being collected about what public services were being utilized. Overall, there was a general lack of understanding about how staff and resources were being deployed and if specific programs or strategies were working in various city departments and agencies. Managers and staff often lacked the information necessary to justify new investments or significant changes in processes or operations. And, on top of such pervasive issues, while many staff knew of challenges and issues within these operations, no one was being held accountable to fix known problems.

These persistent issues, pervasive throughout government departments and agencies, prompted Richmond Mayor L. Douglas Wilder to implement "RichmondWorks," a comprehensive performance management system, in July 2007. The purpose of RichmondWorks is to enable the mayor's administration to collect timely information, conduct ongoing analysis of data, and report key findings with an overall goal of evaluating each city department's performance and identifying areas for improvement.

How We Helped

RichmondWorks was modeled after the much-heralded Baltimore CitiStat model, a program that has saved the City of Baltimore more than \$100 million since its inception in 2000. Mayor Wilder hoped to develop a system for the City of Richmond that would improve citizen services (thereby eliminating a significant service request backlog) and realize costs savings by identifying opportunities for improvement. The goal was not only to make city departments and agencies more accountable to the mayor, but also to make city government more transparent to the public. Improved transparency would enable citizens to see that their tax dollars were being spent efficiently and effectively. RichmondWorks would also allow the mayor to measure and demonstrate progress on the important strategic goals outlined during his administration's first two years in office. The mayor and city officials believed that RichmondWorks would provide them with solid evidence of the city's key accomplishments and help them to improve communication of these accomplishments to the public.

To achieve the aggressive goals set forth by Mayor Wilder, the City of Richmond retained EquaTerra, in partnership with GovStat, to develop and implement the RichmondWorks model. EquaTerra advisors worked with city officials to develop an initial pilot phase of the RichmondWorks program. This process began with an intense evaluation and assessment of some of the city's key service delivery areas and systems. EquaTerra and city officials agreed that once an initial pilot program was up, running and successful, other departments could easily follow suit. The pilot phase included the Call Center and Citizen Request System, the Code Enforcement Division of the Department of Community Development, the Human Services Portfolio (including public health, social services and parks and recreation), General Services (animal control and fleet), and Public Works (solid waste).

Throughout EquaTerra's three-month engagement with the City of Richmond, EquaTerra met with municipal directors, managers, supervisors and staff to thoroughly review the city's operations and its policies and procedures. As a result, EquaTerra advisors were able to identify specific challenges or barriers facing various departments and agencies.

Findings

EquaTerra presented the findings of its thorough assessment to Mayor Wilder and his staff. The mayor saw this as an important first step – identifying these issues and understanding the problems would allow the City to move forward in developing and implementing solutions. EquaTerra's third-party professional validation and quantification of these issues enabled city officials to see how the lack of timely and accurate information impacted operations and the delivery of services. In the end, officials were planning to further evaluate the findings in order to take measures toward making significant process improvements.

Some of the eye-opening issues highlighted in EquaTerra's report to the mayor's leadership team included:

- **Overall lack of valuable operational data.** Many departments and divisions were collecting little, if any, data on key services and activities. For those collecting this information, the majority of this data was often recorded in hard copy forms or desktop spreadsheets with limited capacity to support more advanced analysis. Further, only a fraction of this data was being reported regularly to leadership or being shared with other departments and divisions.
- **Inconsistent use of advanced IT tools.** While the city had several advanced IT systems in place designed to improve collection and storage of data, the systems were not being used to their complete capacity or they were being utilized differently by various departments.
- **High vacancy rates.** Departments and divisions reported high employee vacancy rates, and staff members were overwhelmed with tasks and responsibilities outside of their regular scope of work, directly impacting service delivery. In addition, the average time to fill a position was excessively high, especially for hard-to-fill positions requiring specialization and certification.
- **Excessive reporting requirements.** Departments and divisions struggled to meet excessive – and often duplicative – reporting requirements, which distracted them from matters of greater value.

- **Citizen contacts.** Despite multiple established call centers, citizens who contacted the city were often misdirected to other departments and divisions. In some areas, front-line staff and operational managers reported spending significant time dealing with citizens on a daily basis.
- **Commercial Driver's License (CDL) and certification information.** EquaTerra found no central record of what licenses or certifications employees held or when their licenses or certifications expired, even though much of the Public Works operation is dependent on employees having these valid licenses or certifications. When employees left the organization, managers often found themselves without a staff member who had the skills and certification necessary to operate important municipal equipment.
- **Frequent leadership changes.** EquaTerra found that several of the divisions had experienced numerous changes in leadership, which resulted in a lack of stability in the overall organization.

Overall, EquaTerra was able to make simple and affordable initial recommendations to city officials to overcome many of these key challenges and improve the collection of accurate and timely information. For example, in working with the Human Services portfolio, EquaTerra recommended the development of new data sources to provide better information on requests for services or the use of public facilities. As part of the RichmondWorks initiative, public recreation facility officials established an attendance tracking mechanism (in this case, requiring visitors to “sign-in” at the recreation center entrance). This simple action enabled city officials to track facility usage and determine how the facility was being used, by whom and when. Such recommendations, most of which involved little to no technology investment, enabled Richmond to move toward major operational improvements.

Results

To date, the city hasn't been able to quantify cost savings (this case study was drafted one month after contract completion), but it has been able to act upon process improvements, such as collecting data to enable the city to begin making an effort to fix systematic flaws. The City of Richmond and EquaTerra anticipate that such process improvements will result in long-term cost savings and major efficiency improvements, allowing for more strategic deployment of city resources and a better understanding of persistent challenges and problems. In time, the City of Richmond's efforts may begin to impact citizens' perception as municipal processes and services become more transparent and citizens can see how their tax dollars are being used to support an efficient and cost-effective operation.

Advisor Insights

One of the important lessons learned from the RichmondWorks project is the importance of the pilot phase in implementing a new system. EquaTerra's recommendation to implement a pilot phase first, with a focus on essential services and important citywide systems, enabled officials to see some positive results quickly. These quick wins helped to build momentum for the overall system and will likely ease future expansion efforts. This is a lesson many organizations can take to heart as they contemplate the major time and resource commitments required for projects where they may have little understanding of anticipated results.

Another valuable take-away from this project involved the importance of developing a change management program when undertaking a major operational shift and cultural change, especially one that involves thousands of city workers. Due to budget constraints, Richmond was not able to create a full-scale change management program. However, organizations should anticipate that employees may perceive changes and the advent of a new system in a negative light. For example, the Baltimore CitiStat program was known to be a confrontational, aggressive program, whereas Richmond officials wanted RichmondWorks to be a more collaborative

model. Because of Baltimore's reputation, some city workers were skeptical about the RichmondWorks program from the start. A more comprehensive change management program would have helped employees to better understand the differences between the two city programs and to be aware of Richmond's collaborative approach. This may have convinced more workers early on in the process that RichmondWorks was being developed to help them do their jobs better. A well-implemented change management program can be instrumental in gaining early "buy-in" and support from employees. EquaTerra strongly endorses a change management program prior to an organization undertaking a major change initiative, such as a comprehensive performance management system.

RichmondWorks also proved the importance of having a consistent team in place from start to finish. In this case, due mainly to staffing issues, the City of Richmond was unable to form a support team for RichmondWorks until close to the end of EquaTerra's three-month contract. Ideally, there is a dedicated group of people to support and champion the program from beginning to end, especially for a significant project like developing and implementing a performance management system. A dedicated team involved from the start of the project allows for better knowledge transfer from the consultant team to the individuals responsible for day-to-day operations and maintaining the initiative over time.

About EquaTerra

EquaTerra sourcing advisors help clients achieve sustainable value in their IT and business processes. Our advisors average more than 20 years of industry experience and have supported over 2000 transformation and outsourcing projects across more than 60 countries. Supporting clients throughout the Americas, Europe, and Asia Pacific, we have deep functional knowledge in Finance and Accounting, HR, IT, Procurement and other critical business processes. EquaTerra helps clients achieve significant cost savings and process improvement with internal transformation, shared services and outsourcing solutions.

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