

# Management Maturity Model

## Seven Fundamentals of Organizational Success

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### 1. Set Goals and Targets

- What is your organization's primary purpose? To construct and manage buildings and leases for state agencies, higher education, and the public.
- What specific targets or goals do you have for this fiscal year?
  - Implementation, training and use of AiM Construction Project Planning Module. It has been configured and installed with initial training. Some aspects of the program have been started, with more integration needed.
  - Auxiliary Space definition.
  - Update the Space Standards for the State.
  - Updating DFCM General Conditions for contracts.
  - Establishing a Building Information Modeling Standard.
  - Developing a Building Envelope Standard.
- What methods or measures do you have in place to track progress toward identified targets and the organization's overall performance?
  - Balanced Scorecard measures are tracked and reported either quarterly or annually for organizational performance. This includes building cost analysis in comparison to national averages, timeliness of work, operational costs in comparison to local and national averages, measures on the use of contingency in project management, and some others. Annual questionnaires are solicited from agencies for which we provide facilities management.
  - CSS – Customer Service Surveys, which culminate in an annual meeting with each Department and dialog with management on how to improve service.
  - UPM – Setting performance goals for staff individually that tie to division and department missions and are measured on an annual basis.

### 2. Use Process Improvement and Thinking Tools

- What methodologies or approaches does your organization use to improve processes and solve problems?
  - We have just hired a consultant that specializes in construction management to analyze our processes and make recommendations. Our division is recognized nationally for effectiveness and efficiency in both construction management and facilities management. Our contracts and support documents have been refined through significant experienced professional staff and countless problem solving adventures.
  - Participate in Department efforts to identify risks and streamline operations through the Enterprise Risk Management (ERM), Process optimization/ Theory of Constraints, Professional Organization Best Practices, Feedback from Customers, Advisory Committees.
- Are these methods concentrated within management or used across the entire enterprise? Each project manager, real estate specialist, contracts manager, and facilities manager is empowered with the tools to effect solutions for our clients that are cost efficient, effective and in compliance with policy, rule and statute.

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- What tools do you use when deciding what programs to invest in? In addition to the direction that we receive through the Department in their advisory committees, we utilize an RFP method to evaluate the various proposers and their program or service. Criteria are set with weights to evaluate proposals and various strengths. Pilots of various types of programs are performed to assess usefulness and quality.

### 3. Create Your System and Strategies

- What specific strategies and tactics do you have in place to meet your goal?
  - We have categorized the various processes that we need to change in order to fully implement the program.
  - We have picked the easiest processes first in an effort to get full staff participation in the program.
  - We are working on dates of implementation and specific training for each process for the staff.
  - We have hired consultants with specialization in these fields to assist in program development.
- Have you defined the system and processes by which you will achieve your goal? Yes, but more development of the way the process is communicated to the staff is in order.
- How do you identify and mitigate your risks? Some are known at the outset with specific plans for mitigation. Some are only discovered as we pilot a process which allows us to accurately identify program limitations or organizational deficiencies. Mitigation plans then can be developed to correct the problem areas.
- Do your budget and building block requests align with and support your targets and goals? Yes.

### 4. Create Your Organization

- What is your philosophy around organizational design?
  - Our philosophy has been to flatten the management structure. Much of the budget cuts in recent years have been taken from reducing the number of managers in our organization. This has allowed for our project management to not suffer, although that staff has been stretched to its limits.
  - We have embraced efforts to make project information more transparent.
  - We have participated with the shared services accounting consolidation.
- Do you have consistent spans of control? No. Flattening the management structure has created large spans of control. This has been maintained successfully due to qualified staff and management.
- Do you pay attention to your management to field staff ratios? Yes, most of our staff spends at least half of their work time in the field.
- Does your organization design align with your goals and strategies? Yes. One of the recent changes was to move the Energy Group from the Facilities Section to the Construction Section. This allowed for a closer coordination of energy conservation in the design of the projects, for which the state has benefitted. Additionally, the building

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assessment program was moved from the Construction Section to the Facilities Section, where the maintenance aspect of the evaluation is a primary focus.

- How do you determine which functions should be centralized or standardized? This administration has set out 5 years ago to standardize as many processes as we are able to. This has been an ongoing effort with the staff and it has been noticed by our clients.
- What are your administrative costs as compared to operations and client benefits? We believe our administrative costs to be extremely competitive as compared with other options. Decentralizing DFCM administration would result in more staff around the state doing the same thing with more management, the inability to control consistency of operation and the increase in inefficiencies. One example is the DFCM is serviced by one Assistant Attorney General, who has decades of experience in construction law. Eventhough each agency has a representative from the AG's office, their experience in construction law is typically minimal or non-existent. It doesn't make sense to increase the volume of that staff when it isn't necessary. This analogy can be used with many of our staff positions, including the State Building Official, the Hazerdous Materials Manager, the Roofing Manager, the Paving Manager, the Mechanical Engineer, the Energy Group, construction procurement specialists, etc... Should each agency have a full complement of the same staff as DFCM? We certainly don't think so.

### 5. Engage Staff

- How do you communicate the organization's purpose, goals, and strategies to staff? Staff meetings are conducted once monthly, followed up with written minutes and handouts that are distributed electronically.
- How are employees involved in helping the organization meet its goals? On occasion, a special interest group is formed to work on specific items that are needed. The style of management allows for these work groups and staff meetings to provide input into process that is supported by management.
- How are performance plans used to reinforce the organization's goals and priorities? Performance plans are tied to client evaluations, timeliness of work, compliance with policy.
- What incentive or compensation plans do you have in place? Incentives are annual, with approval by the department. We have asked for a compensation enhancement as a Building Block request in the FY14 budget for specific project managers, for market parity.
- Do you conduct employee surveys or receive feedback on managers and supervisors? We do not conduct employee surveys but welcome feedback on managers and supervisors.

### 6. Synchronize Your Projects and Policies

- What types of governance structures do you have in place to monitor and prioritize projects—including IT? Managing projects is our business. We are talking about projects for other state agencies. We have a monthly report that summarizes the projects being managed by project manager. Additionally, each development project manager conducts a monthly meeting with the director on the status of their respective projects. IT projects

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are dealt with separately. There is a monthly IT Council meeting held by the Department that reviews those projects in each division. We are in constant contact with public industry representatives to determine the leading edge processes and ideas.

- How do you monitor the ROI for projects that are developed and implemented? We are evaluating costs for energy saving ideas in buildings, including envelope design and energy efficient design concepts. We have several buildings completed with these systems and have been comparing consumption data with other buildings that do not have these technologies. For example, a building envelope will cost approximately \$3/SF to install, and we have found that the utility savings will compensate for that within the first year of operation. We are evaluating the process efficiency of BIM (mentioned earlier), and how it can streamline the design and construction process, reduce change orders and allow for lean manufacturing.
- How do you evaluate policies to ensure they support your goals and targets? Policies are entertained based on benefit to the organization in standardized practice of the industry, compliance with established work practices, benefit to the taxpayer, and compliance with law & rule.

### 7. Stay Focused

- What management meetings do you have to monitor progress? There two monthly manager meetings for all of the managers in the division; one for the construction section and one for the facilities section. There is a weekly Administration meeting with the Director and Assistant Directors to go over the business issues and department requests. There is a weekly Construction Management meeting to go over agency issues and project issues. There are monthly oversight meetings with two client agencies that have some delegated authority. There is a monthly Building Board meeting, where projects can be approved or prioritized, and rule is approved or modified.
- What types of dashboards or reports do you use? Our AiM CPPM program has live reporting on workload, and BIRT reports have been significantly developed over the years to obtain a variety of information regarding any project, real estate transaction or maintenance function that is needed.
- How do you stay focused on the key priorities? Our weekly agenda is updated as issues arise. This list is used to stay focused on key priorities.

### Additional Feedback and Questions

- Ideas for enterprise projects: We are researching how to initiate electronic contracts, which involves a signature protocol. This could benefit other agencies in the state, but we would not necessarily like to pioneer this activity. There are technological and legal issues involved with this activity.
- Feedback on the budgeting process and interface with GOPB analysts: Issue on funding the Energy Group. The Energy Group provides benefit way beyond their cost. However, their budget was cut by the legislature two sessions ago. We are looking at ways to maintain this service, which is highly supported by all state agencies. We have some ideas, but would like a dialog with the administration on this item. Our experience with

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the budgeting process has been fairly one-sided. We submit the required information, and generally do not hear feedback or questions.

- Where does your agency interface with the private sector and what opportunities do you envision for the better coordination of programs and services across state government? Our agency interfaces with the private sector in the form of contracts for design, construction, real estate, and building maintenance. It is our belief that once the AiM CPPM is fully functional, state agencies will be able to access project information better and will provide a central location for project information and communication.
- What do you need from the new GOMB structure? More access would be helpful, especially when monumental project opportunities arise.

### **Initial Rankings**

- 4:** Element is fully addressed and implemented
- 3:** Element is partially implemented: This is the level of our self-assessment on this issue.
- 2:** Need for element is recognized—planning phase underway
- 1:** Aware of the need for element—no plan identified
- 0:** Unaware of the element