



Virginia Government Efficiency Reform Efforts

The Things That Must Be Done

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Government Reform History in Virginia

- Since 1916 there have been 14 major efforts at government reform in Virginia
- On average, Virginia tries to reform itself every 6.8 years
- “Either the state government defies reorganization or it just won’t stay organized.”

James Latimer, *Richmond Times Dispatch*

Earlier Efforts in Virginia

- Most significant reform efforts
 - 1927 Reed Commission (Governor Byrd)
 - Short ballot, governor as chief executive (centralization of government)
 - 1977 Hopkins Commission (Governor Godwin)
 - Led to existing agency structure
 - 5 year study
- **A legislative study conducted in 2007 reviewed recommendations of all 14 efforts and found that:**
 - 77.5% Fully or partially implemented
 - 18.75% Not implemented
 - 3.75% No longer valid

Government Reform Commissions are Popular Nationally

- As of January of 2011 there are 27 gubernatorial or legislative reform commissions ongoing
- These efforts are largely in response to:
 - State revenue shortfalls
 - Public opinion
 - The impact of the “Tea Party” movement

Source: National Association of State Budget Officers (NASBO)

Common Themes of Current Reform Efforts

- Consolidation of IT Infrastructure
- Supply chain reformation
- Energy/Green initiatives
- Consolidation of similar agency operations
 - Horizontal - shared services
 - Vertical - enterprise view of service delivery
- Monetizing assets
- Privatization of operations

Common Themes of Current Reform Efforts

- Pension fund reformation
- Operational reviews
 - Travel
 - Document management
 - Phones and data lines
 - Real estate holdings
 - Financial operations
 - Surplus property
 - Accounts receivable
- Intergovernmental relations (state and local)

Enterprise Efficiency and Effectiveness

Strategic

Goal: Inspired shared vision for the future of Virginia

- Strategic Governance
- Shared Vision
- Transparency in Budget and Governing

Best Practices:

- Statewide Performance management system; Virginia Performs

Tactical

Goal: Best use of enterprise resources

- ERP (Procurement, HR, finance)
- Shared Services (regionalism)
- Redundant and misaligned responsibilities

Best Practices:

- Enterprise Architecture Review

Operational

Goal: Thoughtful review of costs and controls

- Energy
- Phones (telecommunications)
- Water Usage
- Mail Operations
- Printers/Copiers (Paper Usage)
- Solid Waste
- Fleet Management

Best Practices:

- Operational Reviews

Successful Commissions

- Personal commitment of the executive
- High degree of involvement with the legislative branch
- Sufficient allocation of staff resources
- Longer study and reporting time frame
- Concentration of public opinion

Why Reform Commissions Fail

- Unrealistic expectations
- Failure to fully define role of commission
- Inability to articulate the business case for change
- Inability to properly define financial savings
- Failure to get the right mix on commission members (business vs. government)

Why Reform Commissions Fail

- Failure to allocate sufficient commitment to project management
 - Daily activity drives out long term thinking
- Failure to communicate accomplishments and define follow through
 - Spend time on the communications and implementation strategy

Tips for Successful Efforts

- The chief executive must be the champion
- Get professional help
 - Project Management Professionals
 - Subject Matter Experts (SMEs)
 - Content Experts
 - Strategic Communications
- Spend time on defining expected outcomes early
- Get the right blend of business and government executives
- Unleash the “B” team in government

Greatest Opportunities for Reform In Virginia

- Tactical
 - Enterprise view of operations
 - Back Office
 - Fiscal Operations (248 systems)
 - Human Resources (lack of centralized view)
 - Budgeting (performance based)
 - Procurement (national leader with eVa)
 - Duplicative agencies
 - Taxation (seven major agencies collecting taxes)
 - Occupation licensure (22 agencies)
 - Disability Determination (five agencies)
 - Land and Real Estate Management
 - Investment and Debt Management

Greatest Opportunities for Reform In Virginia

- Operational (a few examples)
 - Energy (\$286 M annually)
 - Phones (\$ 60 M annually)
 - Print/Fax/Copier (\$30 M annually to operate, plus new acquisition of \$ 8 M annually)
 - 25,600 printer for 50,000 users
 - Water usage (\$ 41 Million annually)
 - Solid Waste (\$ 5 Million annually)

What You Can Do To Help

- Strategic: Ensure there is a long term focus based upon the strategic vision of your state
- Tactical: Promote the need to address tactical needs (back office operations such as HR, Procurement and financial systems)
- Operational: Focus first on operational issues to build sense of accomplishment and momentum

Questions?

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