

# **NCDOT Transformation Update 2007 NCSITE Annual Meeting**

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Presented by  
Mark Tyler

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# Transformation Beginnings

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## Long Range Statewide Multimodal Transportation Plan

- 2004 Board of Transportation Adoption
- Tiered Networks (Statewide, Regional and Sub-regional)
  - HIGHEST PRIORITY (Strategic Highway Corridors)
    - 7% of Roads carrying 45% of traffic
- Balanced Investments (Maintenance & Preservation/  
Modernization/Expansion)
- Imbalance of State Needs and Resources

# Transformation Beginnings

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## 21st Century NCDOT Vision

- Focus on Network Connectivity & Function, not just Projects
- Enhance Systems Operations, to leverage existing infrastructure
- Establish Network Performance Standards
- Greater Internal Efficiency, Ownership and Accountability
- Prioritized, Outcome-Based Budgets
- Link Infrastructure Delivery and Statewide Commerce Goals
- Culture Shift, become true Service Provider

# Transformation Diagnostic Highlights

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## Development Areas

- Conflicting Vision and Goals
- Non-Strategic Portfolio of Project and Services
- Core Processes Lack Prioritization, Accountability, Coordination
  - Project Design & Delivery
  - Strategic Planning (ad-hoc)
  - Operational Processes (not linked to metrics)
  - Funding Flexibility
- Shortcomings
  - Organization Structure (Silo and non-collaborative)
  - Failing Talent System (Recruit/Motivate/Develop)
  - Communication (Not pro-active)
  - Employee Mindsets

# Five Key Transformation Initiatives

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## Strategic Direction

Define common **Mission** and **Goals** for the NCDOT  
Determine the appropriate **scope of activities** for NCDOT  
Identify potential opportunities for new sources of **funds**  
Evaluate possible **organizational changes** to reach strategic goals

## Planning and Prioritization

Establish a **Strategic Planning Office**  
Develop **strategic plan** that aligns with Mission and Goals  
Establish a new **prioritization approach** based on strategic priorities

## Program and Project Delivery

Develop and implement enhanced **program and project delivery** models and processes

## Performance and Accountability

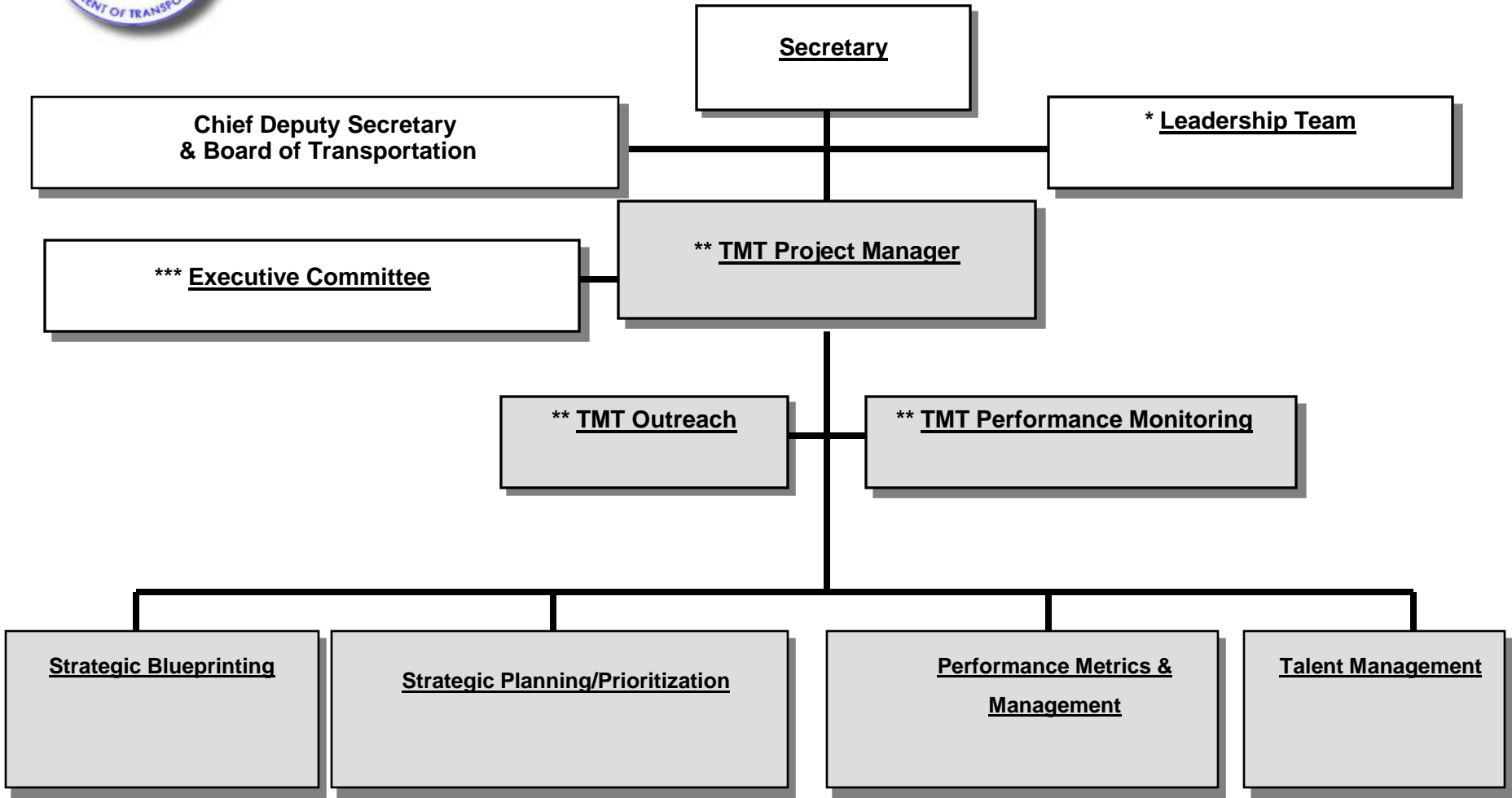
Implement a public facing **Executive Dashboard** that is aligned with the mission and goals  
Introduction of a **performance based culture** that cascades performance metrics throughout the organization

## Improved Human Resource Management

Design a **rigorous performance review** process tied to performance metrics  
Design a process for **leadership planning**  
Make high level recommendations on **employee recruitment, development and retention**



# NCDOT Transformation Management Team



\* Leadership Team: Meets Weekly to Support, Review, Offer Comments and Guidance (5)  
\*\* TMT Project Office: Manages Day to Day Activities of the TMT (17)  
\*\*\* Executive Committee: Meets at Milestones to Review Ideas and Offer Feedback (22)

 Denotes Full Time TMT

**Accomplishments to Date:**

- ✓ New Mission and Goals
- ✓ Strategic Leadership Roles Identified
- ✓ Organization Assessment Approach Identified and Plan Developed
- ✓ Alternative Funding Recommendations Developed
- ✓ Streamlined Project and Programs Delivery Models Identified

**Key Deliverables - Within Next 12 Months:**

- Establish Appropriate Strategic Leadership Roles / Positions
- Complete a Comprehensive Organizational Assessment of All Business Units:
- Recommend Strategic Organizational Changes
- Actively Participate in Development of Statewide Logistics Plan

## NCDOT

### OUR MISSION

*"Connecting people and places  
in North Carolina – safely and  
efficiently, with accountability  
and environmental sensitivity"*

### OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



**Goal: Thorough Assessment of all Business Units and Activities**

## **Accomplishments to Date:**

### **Efficiency-based Organization Design**

- Addressing Repetitive Functions
- Improving Cost Effectiveness By, E.G., Outsourcing or Devolving Activities
- De-layering the Organization (Vertically and Horizontally)
- Tightening Spans of Control Within Organization
- Aligning Resource Levels With Levels of Work

### **Effectiveness-based Organization Design**

- Map Major Functions of Organization
- Identify Interdependencies, Coordination Points, and Mutual Accountabilities to the Branch Level
- Review Other Organization Structures to Develop a Set of Organization Design Choices to Accommodate Linkages

## **Key Deliverables - Within Next 12 Months:**

Assess Results

Make Long Term Organizational Changes

**Goal: Develop more efficient and effective delivery models**

## **Accomplishments to Date:**

### **NCDOT Bridge Program**

- Twenty Year Assessment of Statewide Bridge Needs
- Developed Processes to Address Gaps in Bridge Program Needs

### **TIP Projects**

- Test Streamlined Project Delivery Models on Select TIP Projects
- Demonstrate Ability to Deliver Projects Efficiently Particularly When Clear Priorities Are Set
- PBS&J Study

### **Mobility Program**

- Establish Standard Measures of Congestion to Allow Prioritization of Solutions
- Identify Alternative Approaches to Manage Congestion
- Assess Efficiency and Effectiveness of Resources Currently Allocated to Mobility Management

## **Key Deliverables - Within Next 12 Months**

Implement Processes

Implement “Pilots”

Assess Results and Make Long Term Changes Based on Lessons Learned

### Accomplishments to Date

- ✓ Identified the Need for a Strategic Planning Office
- ✓ Established a Position for a Strategic Planning Director
- ✓ Developed a Conceptual Strategic Planning and Prioritization Process
  - Strategic “Direction Setting” Cycle
    - ◇ Frequency 8 Years
    - ◇ Outlook 20 - 25 Years
  - Strategic Prioritization Cycle
    - ◇ Frequency 2 Years
    - ◇ Outlook 2 - 7 Years
  - Annual Action Planning Cycle
    - ◇ Frequency Every Year
    - ◇ Outlook 1 - 2 Years
- ✓ Developed Stakeholder Involvement Recommendations

### Key Deliverables - Within Next 12 Months

- Hire a Strategic Planning Director
- Establish Strategic Planning Office
- Communicate Conceptual Strategic Planning and Prioritization Processes to Key Stakeholders
- Train Departmental Leaders and Stakeholders on the New Strategic Prioritization Process
- Pilot Annual Action Planning Process

## Accomplishments to Date

- ✓ Developed NCDOT's **Value Tree** Based on Department's New Mission and Goals
- ✓ Developed **Key Performance Indicators** That Align With New Mission and Goals
- ✓ Developed Performance **Metrics** for Department Leaders That Align With New Mission and Goals
- ✓ Implemented Performance Based Management **Targets** for NCDOT Maintenance and Operations Across the 14 Divisions
  - Aligns With the Goals to Make Our Infrastructure Last Longer
- ✓ Developed a Preliminary **Executive Dashboard** and Published on NCDOT Web Site

## Key Deliverables - Within Next 12 Months

- Complete Development of Performance Targets for All Goals
- Develop Performance Metrics for All NCDOT Employees
- Educate All Employees on New Performance Culture
- Develop a Robust Executive Dashboard That Will Show Progress Towards Accomplishing Performance Outcomes

# Performance and Accountability

## PERFORMANCE METRICS FOR PROGRAM DEVELOPMENT

Working Draft 10/25/07

### PROGRAM DEVELOPMENT BRANCH MANAGER

Metrics	Definition of measure/Comments	
<b>“Make our transportation network safer”</b>	<ul style="list-style-type: none"> <li>• % of budget in STIP with funding source directed toward safety (HES, RR, SRTS, SG, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Compared against goals established in Long Range Transportation Plan (LRTP)</li> </ul>
<b>“Make our transportation network move people and goods more efficiently”</b>	<ul style="list-style-type: none"> <li>• % of budget in STIP with funding source directed toward congestion mitigation and capacity improvement (CMAQ, NHS, STP, T, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Compared against goals established in Long Range Transportation Plan (LRTP)</li> </ul>
<b>“Make our infrastructure last longer”</b>	<ul style="list-style-type: none"> <li>• % of budget in STIP with funding source directed toward maintenance and / or preservation (IM, NFA, FA, SMAP, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• Compared against goals established in Long Range Transportation Plan (LRTP)</li> </ul>
<b>“Make our organization a place that works well”</b>	<ul style="list-style-type: none"> <li>• Programs/Projects managed and administered on schedule and on budget</li> <li>• Delivery of STIP</li> <li>• Fiscal Management</li> </ul>	<ul style="list-style-type: none"> <li>• % of projects/programs managed and administered on schedule and on budget (<i>this is non-TIP projects / programs....it would be the composite success rate of all those items handled by your subordinates and captured on their metrics, i.e.(1) on-time delivery of publishing the BOT agenda, 12 MLL, 36 MLL, (2) delivery success of feasibility studies, (3) a STaRS metric (TBD), etc. etc.</i>)</li> <li>• Compared against date established in Strategic Planning process (TBD)</li> <li>• % improvement of existing overhead and program budget</li> </ul>
<b>“Make our organization a great place to work”</b>	<ul style="list-style-type: none"> <li>• Employee Safety</li> <li>• Employee Satisfaction</li> <li>• Recruiting, developing and retaining employees</li> </ul>	<ul style="list-style-type: none"> <li>• Number of incidents, lost work days, worker’s comp claims</li> <li>• Employee satisfaction survey composite score</li> <li>• Retention rate of “Top Performers” and / or stabilization rate</li> </ul>

## Accomplishments to Date

- ✓ Completed Assessment of Current Personnel Practices and Developed Recommendations
- ✓ Developed Leadership Development System to Recruit, Develop and Retain Leadership Talent
- ✓ Developed Listing of “Core Values” for NCDOT
- ✓ Developed Performance Management System in Conjunction With Office of State Personnel
  - Includes Quantifiable Performance Metrics Assessment
  - Includes “Value Statement” Assessment
  - Includes Leadership Development Assessment
  - Includes Consequence Management Guidance
- ✓ Identified Need for Succession Planning

## Key Deliverables - Within Next 12 Months

- Pilot New Performance Management System With Departmental Leaders
- Train and Implement New Performance Management System for All NCDOT Employees
- Complete an Employee “Value Proposition” That Can Be Used to Recruit Top Talent
- Develop and Implement a Mentoring Program Throughout the Organization
- Develop Career Planning System for All Employees (Technical, Functional, Managerial)
- Evaluate the Training and Development Needs of NCDOT Employees

## Theme

“Making a Good Organization Work Better by Unleashing the Potential of our Workforce”

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## Summary

- Own Initiative - Bold Action for Change
- Used world renown partner to instill proven business practices
- Aggressive TMT Delivery Schedule
- Discovered Untapped Resource - Our Employees

# It all comes back to....

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- Working Together for a Common Purpose
- Respecting Each Others Contributions
- Fulfilling our role in “Connecting People and Places in North Carolina”