

# The Arizona Management System

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GOAL COUNCIL 5:

EFFICIENT AND ACCOUNTABLE GOVERNMENT



# Arizona Management System

## Project Dashboard

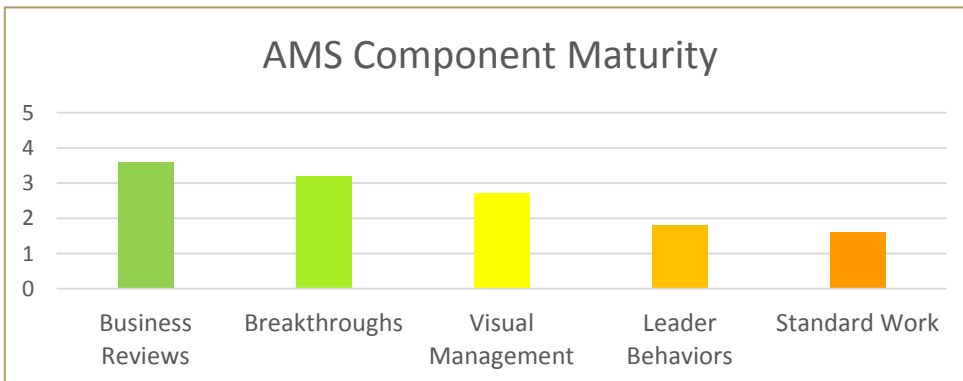
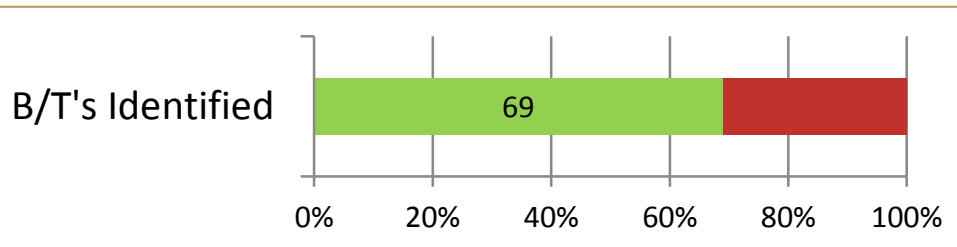
**Executive Sponsor:** Henry Darwin (GOV)  
**Project Lead:** Robert Woods (DOA/GTO)  
**Project Manager:** Josh Wagner (DOA/GTO)

### Goal

**100 Breakthroughs cabinet-wide in FY2017**

**Full AMS Deployment by 12/31/2018**

**Project Agencies:** GTO (Lead), Cabinet Agencies



### Problem Statement:

The lack of an intentional management system adopted across the enterprise has historically resulted in the absence of tracking progress towards goals and lack of widespread improvement.

### Scope:

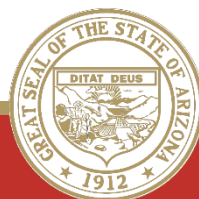
All 35 executive cabinet agencies will adopt the Arizona Management System as their results-driven operating system

### Activity Updates:

Identified 69 B/T projects underway  
 Process developed for submitting success stories  
 Completed 1<sup>st</sup> self-assessment of AMS adoption

### Challenges

Agencies identifying and accelerating breakthroughs



# The Previous 90 Days

Self-assessment developed and used for the first time

System for accepting success stories developed

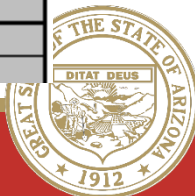
Website launched

100% of scorecards reviewed each month by GTO, COO, and Deputy COO

29 number of business reviews observed by COO

18 number of AMS deployment reviews conducted by GTO, COO, and Deputy COO

Agency Name	Deployment Phase	AMS Deployment Score - Average									
		1. Agency Scorecard / Business Review	2. Breakthrough / Projects	3. AZ Management	4. Visual Management / System Deployment Roadmap	5. Leader Performance Management / HR	6. Problem Solving	7. Standard Work (LSW) /	8. 1:1 / Ge	9. 1:1 / Ge	9. 1:1 / Ge
ADMINISTRATION	1	2.7	3.5	2.7	2.9	3.1	2.5	2.5	1.8	2.5	3.1
CHILD SAFETY	1	2.8	3.2	5.0	4.0	2.6	3.4	1.6	2.6	2.4	0.0
CORRECTIONS	1	2.3	2.5	1.0	3.0	2.6	2.8	2.3	2.5	1.8	
ECONOMIC SECURITY	1	1.3	2.0	2.0	0.6	1.9	1.1	1.7	1.2	0.9	0.0
ENVIRONMENTAL QUALITY	1	3.1	4.0	4.0	3.0	3.3	3.3	3.3	2.3	2.3	3.0
HEALTH SERVICES	1	2.5	4.0	4.0	3.0	2.1	1.4	2.3	1.0	3.0	2.0
REVENUE	1	2.7	3.0	4.0	3.0	3.0	2.0	2.0	2.0	2.0	3.5
TRANSPORTATION	1	2.4	3.2	2.6	2.4	3.0	2.2	2.2	1.4	2.2	2.0
AHCCCS	1	3.1	5.0	4.0	2.0	3.0	2.0	3.0	3.0	2.5	
FORESTRY SERVICE	2	2.5	3.8	4.0	3.0	3.0	1.5	3.0	1.0	1.0	
GAMING	2	2.0	3.0	3.0	0.0	2.4	1.8	1.1	1.4	1.5	3.9
HOUSING	2	3.1	3.0	3.0	3.0	3.0	3.3	2.0	3.0	3.0	5.0
INDUSTRIAL COMMISSION	2	1.8	2.2	2.0	1.0	2.2	2.3	2.2	2.2	1.0	1.0
LAND	2	2.0	3.0	2.0	1.0	2.5	2.1	1.5	1.6	2.1	2.2
LIQUOR LICENSES	2	1.3	3.0	3.0	1.0	2.3	0.0	1.5	0.0	1.0	0.0
LOTTERY	2	1.4	4.0	1.3	0.0	3.8	0.0	2.2	1.0	0.0	0.0
VETERANS' SERVICES	2	1.5	4.0	2.5	2.0	2.5	0.0	2.5	0.0	0.0	0.0
WATER RESOURCES	2	1.8	3.0	2.0	2.0	2.3	1.3	1.7	1.5	0.6	1.6
AGRICULTURE	3	4.9	4.8	5.0							
FINANCIAL INSTITUTIONS	3	3.5	4.0	3.0							
GAME AND FISH	3	4.0	4.0	4.0							
INSURANCE	3	5.0	5.0	5.0							
JUVENILE CORRECTIONS	3	2.0	2.0	2.0							
PARKS	3	3.5	4.0	3.0							



# The Next 90 Days

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Agencies accelerating breakthrough projects through our vendor consultants

- Statewide Problem Solving training
- Direct Consultant-led projects

2nd wave of agency business review training

System for reporting overall progress of system

- (example: X% of Y number of performance measures improved since July 1, 2016).

Addition of complaint tracking as a statewide metric



# Challenges

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System needed for tracking overall success of AMS

Need to develop online system for displaying results

Maximize value of Goal Councils



# Government Savings

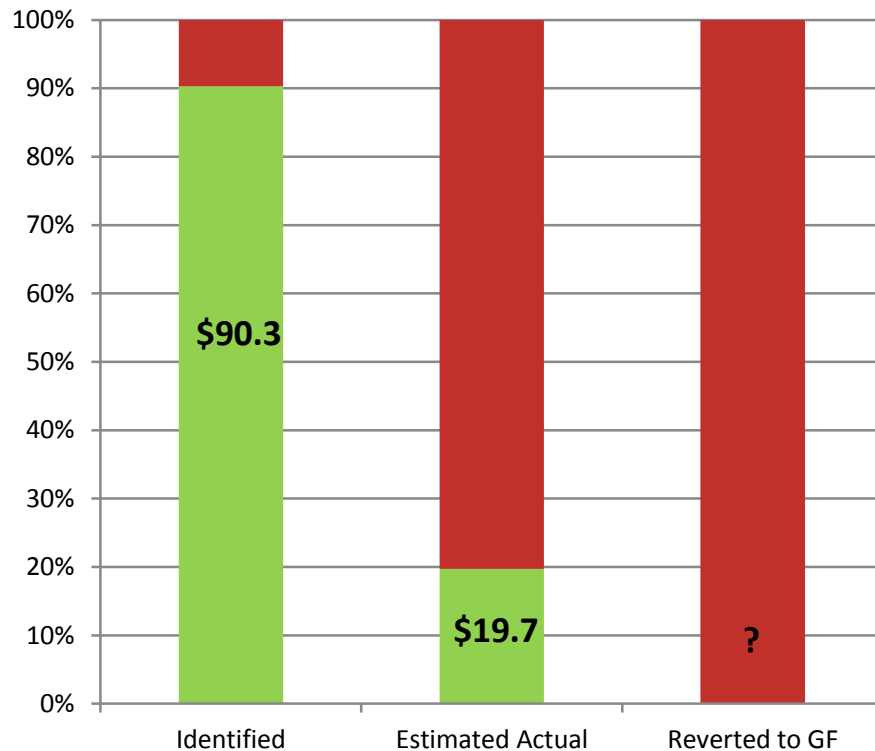
## Project Dashboard

**Executive Sponsor:** Craig Brown (DOA)  
**Project Lead:** Kevin Donnellan (DOA)  
**Project Coach:** Honsha  
**Project Manager:** Alan Holcomb (DOA)  
**Policy Advisor:** Ben Henderson (GOV)

### Goal

**Efficient & Accountable Government: \$100,000,000 Savings**

**Project Agencies:** All 35 Cabinet Level Agencies



### Problem Statement:

- Support agency budgets by reducing FY18 statewide costs \$100M through enterprise-wide solutions

### Scope:

- Procurement: Negotiated 12% better contract rates
- Fleet size, POV reimbursement and policy standard work
- Administrative Services (copy/print/supplies)
- Prison Refinancing
- Risk Management outsourcing
- Providing significant AZ Online Services
- Statewide Cyber Security enterprise contracts

### Activity Updates:

- Cyber Security: 169/608 measures in place; deployment plan at 27% with June 2017 completion; \$500K savings identified
- Kingman Prison refinance = \$8M savings
- Fleet: Reduced 330 vehicles statewide; \$1.5M POV reduction
- Strategy change from revertment to lower agency budgets
- Evaluating introduction of 5 new projects

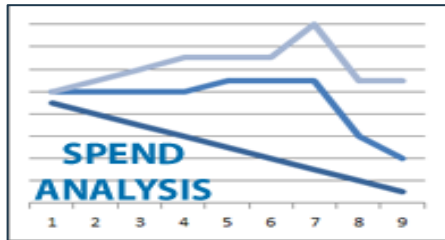
### Challenges

- Only 10% of negotiated Procurement savings estimates translate to actual savings at agency level
- Fund source complications and heavy budget resourcing create General Fund revertment challenges
- Lack of trained AMS project leaders and participants



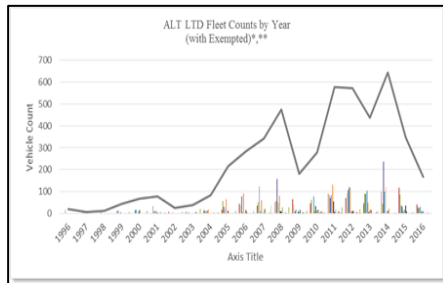
# The Previous 90 Days

## AGENCY SPEND ANALYSIS



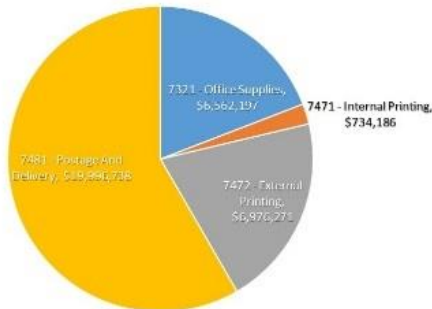
- \$4.1M savings in Q2 FY17 Procurement negotiated contract rates
- Conducted “Find the Money” exercise with all cabinet level agency CFO’s to connect negotiated contract rates to hard dollar savings
- Initial evaluation of additional Goal Council 5 projects that will provide enterprise-wide savings opportunities

## FLEET



- Reduced car count by 330 statewide to date
- On track to save nearly \$1.5M in POV at DCS alone

## ADMINISTRATIVE SERVICES

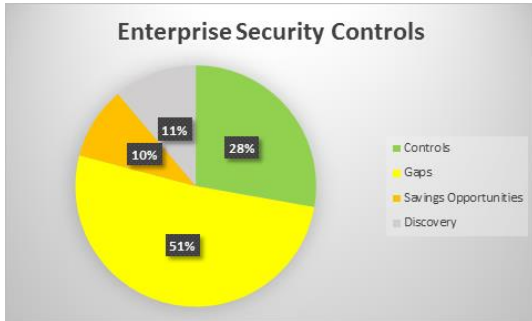


- Financial Data Gathered: \$120M spent across all state agencies
- Breakthrough teams formed for print, supplies & postage/delivery
- Phase I: Gemba walks and analysis in progress



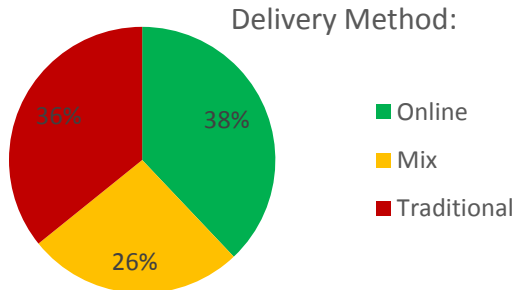
# The Previous 90 Days

## CYBER SECURITY

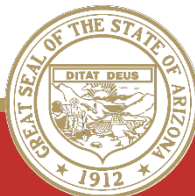


- Met with 30 agencies for initial discovery
- 169 enterprise controls put in place
- Identified 312 gaps and 59 opportunities for cost savings
- Potential \$500,000 in hard dollar savings (enterprise contracts)

## ONLINE SERVICES



- Identified 1,015 customer-facing services
- Developed initial scope and concept for redesign of AZ.gov to better help customers find online services
- Created solution documents for implementing online payment processing and electronic signatures
- Developed detailed questionnaire for 2<sup>nd</sup> round of data collection





# The Next 90 Days

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## SPEND ANALYSIS

- \$15M savings goal for Q3 FY17 Procurement negotiated contract rates
- Coordination with OSPB to set/monitor agency level savings targets



## FLEET

- Phase II of right-sizing/turn-in begins in January 2017 (4,000 mile annual utilization or less)



## ADMINISTRATIVE SERVICES

- Complete print services & procurement roadshow to demonstrate state capabilities/savings
- Root cause analysis and countermeasure development for 3 breakthrough projects



## CYBER SECURITY

- Meet with remaining 8 agencies; schedule gaps to be filled by agencies with enterprise controls



## ONLINE SERVICES

- Finalize solution documents for implementing online payment processing and electronic signatures
- Draft initial requirement for AZ.gov redesign

