Case

Using information for organizational change:

the transition from regulation to service in the Division of Municipal Affairs

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When you work with more than 3000 local governments, information seems to be everywhere but where you need it. Follow the Division of Municipal Affairs as it develops a policy, management, and technology framework for using its rich, but unstructured, information to support new service goals.

Introduction

The Division of Municipal Affairs (MA) is the branch of the Office of the State Comptroller (OSC) that monitors the financial operations of 3200 local governments in New York State. The Division's 210 employees are organized into three branches located in a central office and seven field offices distributed around the state. Both field staff and central office staff interact frequently with municipal officials.

Gathering, organizing, retrieving and distributing information from and about local governments is a fundamental part of MA's operations. Formal information systems exist for handling financial data. However, MA also relies on a wide range of non-financial information. The problems associated with managing this information are complex because of the diversity of sources and users, the variety of ways in which the information is received and distributed, and the physical separation of the field offices from the central office.

The sources and users of information include local government officials, taxpayers, the media, MA staff, other OSC staff, the Governor's office, the State Legislature and other state agencies. The information flows through many forms of communication, including:

- written correspondence (letters, faxes, e-mail)
- telephone calls
- news articles and other media reports
- formal reports and publications
- electronic exchanges (bulletin board, intranet, Internet)
- individual staff notes
- miscellaneous information obtained while providing technical assistance or training

Over the years, MA has promoted personal contact as the preferred means of communication with municipalities. Since both field staff and central office staff handle communications with municipalities, information is received and distributed at numerous points in the organization. Over time, this very decentralized way of working generated the following concerns.

- Staff are not always aware of previous contacts with officials of the municipality they are working with.
- There is no system to coordinate the distribution of information to local governments from the different units of MA, causing duplication and omissions.
- With no mechanism in place to readily identify all concerns about particular local governments, it is difficult to design effective services for them.
- MA cannot readily identify concerns common to groups of local governments and therefore has only limited ability to identify and address statewide issues and trends.
- The lack of a comprehensive information policy and a centralized information repository also present problems to local officials who do not have a clear and consistent means of communicating with MA.
- Local officials may obtain specific information MA has accumulated about their municipality through inquiry or Freedom of Information requests, but they do not have direct access to this information. This problem is most evident after elections when newly elected or appointed officials may not have access to correspondence their predecessors have had with this office.

A new organizing principle: service first

For decades, OSC's Division of Municipal Affairs (MA) approached its work as a regulator, relying heavily on directives, audits, and corrective action. MA field staff operated relatively independently with general direction from the central office. This model was effective as long as the regulatory goals of MA were clear and the activities were structured. Today, like many government agencies, MA is an organization in transition. It is evolving from an organization that controls practices through a program of regulation to one that encourages positive change through a program of services. For the staff, this shift demands new ways of working with municipalities and each other. The Division has developed three goals to guide this transition to a service-oriented way of working. These goals are to enable and encourage local government officials to:

- continuously improve fiscal health
- reduce costs and improve the effectiveness of local service delivery
- account for and protect their government's assets

In 1998, one strategy for addressing these goals began to develop. A technology solution involving a widely accessible repository of contact information was being considered. It would provide a "knowledge base" of information about municipalities and local officials, past services provided, and preferred modes of service delivery. The staff hoped such a repository would fill the information gaps that would prevent the new service-oriented goals from being achieved.

Division leaders recognized, however, that existing policies and management methods would affect the success of whatever technology choices they made. To assess these areas before moving to a new technology solution, the MA team participated in the *Using Information in Government Program* conducted by the Center for Technology in Government.

Establishing a starting point that makes sense to all

To get started, the OSC MA project team needed to establish a scope that was reasonable and could result in some concrete recommendations for moving forward. The first step was to select a specific process to serve as the test case for this new "repository" idea. After considerable discussion, the project team selected the technical assistance transaction.

Technical assistance (TA) is a service municipalities may draw on prior to making a decision or action by contacting MA field or central staff with inquiries about financial management. One of the challenges for MA staff in providing technical assistance is lack of access to the past history of contacts between OSC and the municipality in question. Staff are caught in a vicious cycle: because there is no resource of historical information, they rely on who they know, what they know, and the limited information that has been captured locally. Because there are no policies or business rules to guide the collection and management of information about these engagements, no historical repository is ever built, and the cycle begins again.

The project team needed to adopt a point of view for assessing technical assistance. Would the effort be guided by the staff perspective or the viewpoint of the municipalities being served? Although serving municipalities is their ultimate goal, the group agreed that the repository should be designed around the needs of the staff delivering those services. They then began to build a consensus around the need for business rules to govern technical assistance and the records that must be captured to document it. Overall, this work included efforts to develop a common understanding of the benefits of TA, a model of the TA process, and a description of the information required to document a TA transaction.

With this sharpened focus, the team then crafted a service objective to both guide the effort and communicate its rationale. After considering many alternatives, they agreed on this language:

“To provide MA staff with desktop access to electronic information about local government contacts that allow staff to:

- conduct targeted and mass dissemination of information to local governments
- assess the need for service delivery to local governments
- document contacts between MA staff and specific local governments

So that,

- local governments receive useful information provided by or through OSC
- staff can determine municipalities at risk
- staff can maintain a contact history between OSC and local governments
- staff have timely and accurate information designed to guide regional staff in delivering consistent services to municipalities
- staff can produce a reliable, accessible, uniform centralized contact list.”

The group then engaged in several months of information gathering and analysis. They identified and assessed stakeholders and conducted best and current practice research to see what could be learned from similar efforts elsewhere. They identified the major features and costs of the repository they desired. They assessed MA's current technological capabilities and looked into the features of various software packages they might use. The team also gave their idea a name, the Municipal Affairs Contact Repository Operating System, or MACROS.

Communicating a vision

The team envisioned a system that would support geographically dispersed, relatively independent professionals serving a very diverse customer population. Not only would it assist regional offices in their efforts to serve municipalities, it would also support the central office's efforts to increase consistency of service, improve data collection, and encourage information use statewide.

The MA team realized that many other people in the Division needed to become involved in the effort to elaborate this vision into an implementable idea. They used a number of strategies to tell the MACROS story. Early in the project, the team made presentations to the senior management of the Division where these leaders could ask questions about the initiative and assess how their staffs might be involved or affected. These presentations laid the groundwork for agency support for the project. They built interest and set expectations for the project results.

The primary product from the work with CTG was a business case for MACROS. This case communicated the best thinking of the team regarding investment in a new information technology resource. The case systematically analyzed the Division's information management problem from many perspectives and demonstrated the value of thinking before acting. The case included a clear and widely endorsed definition of the business problem. It presented a service objective that included clear statements of the outcomes the team expected to achieve. The case then presented the results of a series of analyses about the stakeholders, the resources required, and related best practices in the field. Building on these investigations, the case ended with recommendations for moving forward.

The business case became the cornerstone of a communications plan for the MACROS project. Its success rested not only on rigorous analysis, but also on the team's ability to frame the case analysis in terms of the business needs of the agency. The case was used throughout OSC to continue to build interest in and support for the project. It also became a tool for opening discussions about similar information use and management challenges in other parts of the agency. An unexpected result was the effect the MACROS business case, and the work behind it, is having on IT investment decision making in OSC. At least two new agency-wide teams have been formed since the case was produced. One is the MACROS advisory committee that provides a venue for agency-wide discussions about opportunities to expand the MACROS approach beyond MA and into other divisions within OSC. The other team is embarking on a project to evaluate and redesign the statewide accounting system, starting first with a rigorous stakeholder needs analysis.

Exploring business processes

Transition to the new service strategy requires that the business processes and the rules that guide them be made explicit. In this way, they can guide development of new agency policies, management procedures, and information systems.

The business case called for the MA project team to bring the field staff together to review the technical assistance business process. To understand the potential impact of MACROS, the TA process needed to be made explicit, examined, and possibly improved. As a first step, the group needed to explore the *de facto* rules that had developed over the years.

In a two-day workshop 25 staff from the central and regional offices reviewed the TA process using CTG's Models for Action Tool Kit. This tool kit focuses on identifying the steps in a business process and the record and system requirements associated with them. One of the first activities in the workshop was to test the assumption that technical assistance was an appropriate first focus for the MACROS effort. The participants unanimously agreed that TA is the most cost-effective way for MA to provide services to municipalities. TA avoids more costly services, such as audits, and contributes directly to more efficient and effective local governments. It results in more informed processes at the local level and therefore, less after-the-fact intervention.

A lengthy discussion generated a core set of measurable benefits that can result from technical assistance, along with a list of the information that would demonstrate that each benefit had been realized. The subsequent analysis of the TA business process allowed the participants to identify the information that makes up a complete record of a technical assistance transaction. The data elements include, for example, the names and titles of the people involved, the nature of the transaction, the exact question asked and the answer provided. The participants also identified 20 different access points for use of a TA transaction record. The group went on to identify the information necessary to support the technical assistance process itself. All of these information needs helped define the business rules for the TA process and provided the foundation for the MACROS data model.

Fitting the new to the old

Today, MACROS is in the process of development. The project staff are selecting software tools and identifying the business processes to be included in a prototype application. The prototype will be deployed in the field to test the usability and effectiveness of a shared data repository in moving the agency's service agenda forward. This is where the vision will be fitted to reality. Among the things to be tested is the crucial question of whether the new system and business rules will result in new behavior. All participants have agreed in principle to share all contact information within MA. Now the principle will be put into action and the Division will discover the extent to which it can be universally applied, and whether it needs to be modified or reinforced based on experience.

To boost system performance, project staff are investigating alternatives to the current direct connection model. One option is to copy frequently used portions of the MACROS information to each user's computer with a process to periodically synchronize this information. In this fashion, field examiners can access information without establishing a connection to the enterprise network. Another option is to provide access through a Web browser rather than the slower dial-up network connection. It is likely that the ultimate solution will use a combination of these alternatives to support MA's 120 field examiners in their regional locations.

MACROS represents two points of departure for the Division of Municipal Affairs. It is both a new way to capture and organize information and a catalyst for organizational change. The planning and design phases generated many kinds of organizational learning. The testing and implementation steps will surely do the same.