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COVER PAGE

<i>Innovation Study Title</i>	<i>Performance Excellence Program</i>
<i>Category</i>	<i>Organizational Design</i>
<i>Jurisdiction Name</i>	<i>Central Region</i>
<i>City/County Manager</i>	<i>Mark McDaniel</i>
<i>Population</i>	<i>98,000</i>

Submit Innovation Study for an Alliance Innovation Award Yes [X] No []

Submit Innovation Study for Rapid Fire Session Yes [X] No []

Alliance member jurisdictions only. Learn more about the award program at
transformgov.org/en/about/innovation_awards

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Synopsis

Intent of the Project / Program / Service

The City of Tyler has long enjoyed a reputation for innovative, forward-thinking management focused on performance excellence. That reputation was strengthened in 1997, when the City adopted its “Blueprint” business model to express its core values and commitment to continuous improvement in the way the City conducts business and delivers services to citizens.

Results have been remarkable. As an effect of the Blueprint, staffing has been kept at a minimum; the City of Tyler currently has a similar number of employees today that it had 1987, even though the community has grown by 30 percent. Tyler has also paid off all general obligation debt, has earned a AAA bond rating, and has the lowest property tax rate in the state among cities with a population greater than 15,000. The rate is 20.4 cents per \$100 valuation.

Though the Blueprint resulted in true progress, it was recognized that even more could be done. In the light of events such as a devastating recession changed the way citizens view government. It became even more critical that the City of Tyler differentiate itself and continue to demonstrate a commitment to performance excellence and fiscal responsibility.

To address these cultural shifts and to continue to enhance performance excellence, it was crucial for the City of Tyler to evolve its processes. The response was creation of the Performance Excellence Program (PEP), which is designed to coalesce all City of Tyler efficiency programs under one umbrella.



Figure 1: City of Tyler Performance Excellence Program

The Performance Excellence Program, Figure 1, is patterned after the Malcolm Baldrige Performance Excellence Criteria. Those criteria (Leadership, Strategic Planning, Customer Focus, Measurement, Analysis and Knowledge Management, Workforce Focus, Operations Focus and Results) are supported by the over-arching goals of the City of Tyler to Streamline, Empower, Respond, Venture, and Evaluate (commonly referred to as S-E-R-V-E).

To accomplish the S-E-R-V-E goals, the City of Tyler invested in programs such as Lean Sigma and program/department accreditation programs, City University (a continuing education program for employees), participation in the Alliance for Innovation, improved internal communications and organizational structure, tri-annual budget forecasts and review, strategic planning and departmental business planning. Together these programs form the City of Tyler Performance Excellence Program. Its success depends on the City's use of strategic plans and business plans that integrate all levels of the organization.

The Performance Excellence Program (PEP) is supported by the PEP Squad, which is composed of representatives of a variety of City of Tyler departments, including City University, Communications, Lean Sigma, Parks, Senior Leadership Team, Tyler Water Utilities, and the Tyler Police Department. The Squad is ultimately tasked with evaluation of the performance of all departments within City government and to ensure organizational alignment with our strategic plan, vision, mission and goals.

The Squad evaluates each department's business plan by utilizing Performance Excellence Program Criteria. Following initial business plan evaluation, the group provides feedback that outlines strengths and opportunities for improvement, along with a Performance Excellence Score.

Following the evaluation, each department has the responsibility of implementing improvements to improve the overall performance of the department.

Innovative Programming for Organizational Improvement

The Performance Excellence Program is designed to accomplish the following:

- Improvement of organizational/department performance practices, capabilities and results;
- Facilitation of communication and sharing of best practices;
- Serving as a working tool for understanding and managing performance, guiding organizational planning, and providing opportunities for learning.

To accomplish these objectives, the PEP Squad visits each department and conducts an evaluation of the department. Squad members will ask questions that address each Performance Excellence criteria and the department's use of its Business Plan.

For example, Squad members may ask these questions relative to Leadership criteria:

- “How do you set and communicate organizational vision, values and performance expectations?”
- “How do you include a focus on creating and balancing value for customers?”

The answers and supporting evidence are evaluated by the Squad; this process leads to identification of strengths and opportunities for improvement. The end result, provided to the department, is a Performance Excellence Score that is based on a 1,000 point scoring system. Figure 2 is a Pareto summary of departmental rankings.

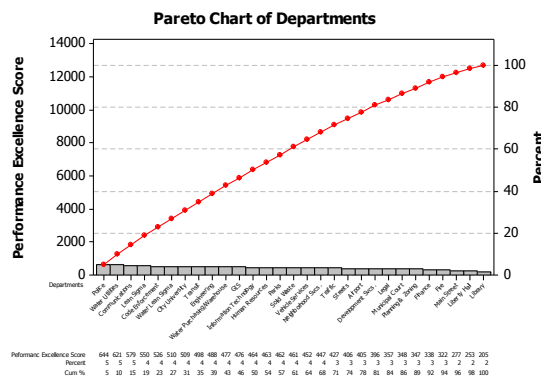


Figure 2, Pareto Chart

The department is then tasked to identify ways to improve, utilizing S-E-R-V-E hallmarks as inspiration and guidance. Department leaders and personnel are encouraged to talk with others to research best practices from around the state and nation. One example of utilizing best practices is the use of Visual Management Boards. These boards are used to communicate general information about the department, resulting in a “snapshot” of the department’s mission and progress. Some departments have creatively used electronic devices to communicate information (Figure 3).



Figure 3, Visual Management Board Examples

Obstacles

As with any major undertaking that requires change and evaluation, the Performance Excellence Program has not been without its challenges. Some departments have responded to the program with expressions of confusion and/or uncertainty as to the process. To address these concerns and further educate staff about the process, the PEP Squad has developed training at City University, one-on-one training with departments, and PEP coaching sessions. These educational opportunities assist the departments in sharing best practices and gaining a better understanding of how to use Business Plans and how they connect with the overall Strategic Plan and goals of the City of Tyler.

Outcomes

The Performance Excellence Program provides the City of Tyler the opportunity to fully achieve its Mission Statement goal: “To be a results-oriented service organization with a focus on efficiency, sound financial management and quality services to our citizens.” Furthermore, it is hoped the City of Tyler exceeds its Vision Statement: “To be the standard for performance excellence in local government.” Though it is recognized that the Performance Excellence Program is an ongoing, incremental process, the City of Tyler has not taken long to achieve significant goals, including:

- Lean Sigma and Program/Departmental Accreditation:
 - \$2.4 million in hard- and soft-dollar savings via the Lean Sigma Program;
 - Accreditation of the Tyler Police Department through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA);
 - Tyler Fire Department is exploring accreditation.
- City University and Alliance for Innovation
 - Nearly 500 employees have received training.
- Internal Communications and Organizational Structure
 - Called to S-E-R-V-E program creation;
 - Blueprint Bravo awards program creation (recognizes outstanding employee performance);
 - Creation of the Blueprint Newsletter, an internal publication for employees.
- Tri-Annual Forecast and Budget Review
 - AAA bond rating;
 - Zero general obligation debt;
 - Budget surplus.
- Strategic Planning and Business Planning
 - Department performance evaluation scores for each department (see Figure 2);
 - Low property tax rate at \$0.204 (see Figure 4);
 - Strategic capital improvement project paid through Half-Cent Sales Tax program.

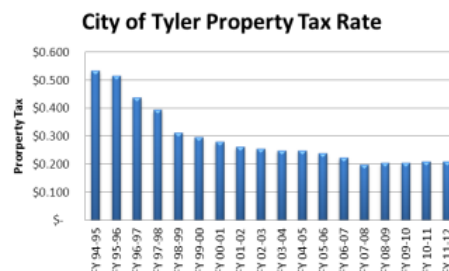


Figure 4: City of Tyler Property Tax Rate

Applicable Results

The City of Tyler Performance Excellence Program, based on the proven and prestigious Malcolm Baldrige Performance Excellence Program, is a unique and successful model that can be replicated throughout the nation.

Presentation Style

The following will be used to present the PEP program:

- PowerPoint presentation;
- Demonstration of how the evaluation process is performed;
- Examples of Business Plans.