**A.        Cover Sheet Information:**

         Case Study Title

**A targeted cultural shift program for managing the functions of economic and community development as one Department in San Angelo Texas”**

         Case Study Category

**Organizational Design**– focusing on organizational transformation, cultural changes, technology advancement, and human resource innovation.

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          City of San Angelo

          Shawn Lewis, Director of Community and Economic Development

         Would you like the application to be considered for an Innovation Award? (Eligible to Alliance member jurisdictions only) No, as San Angelo is no longer an Alliance member

         Would you like the application to be considered for our Rapid Fire Session?

 Unsure what this means

         Project Leader (Primary Contact for case study notification)

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o   Title: **Director Community and Economic Development**

o   Department: Community and Economic Development

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         Each Presentation Team Member

o   **Shawn Lewis**

o   Director of Community & Economic Development

o   Community & Economic Development

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**B.         Synopsis**

Provide an in-depth 1 to 3 page description of the case study, including:

**Intent of the project/program/service**

**Desired Outcome:**

A targeted shift in organizational culture that enables the community and economic development functions to work together to advance the City of San Angelo in a more integrative and innovative manner

**Key Deliverables:**

1. An Organizational Development Action Plan for the economic and community development functions within the City of San Angelo to operate more effectively in its entrepreneurial function; and
2. A community development process review to enable increased leanness, focused on satisfying three objectives: cost, quality, and service delivery for the City of San Angelo.

**Objectives:**

**Organization Integration**: The elected leadership and City Manager Harold Dominguez set out to better coordinate the relationship and service delivery of the City’s economic development and community development operations.

 Historically these functions were divided into two organizational departments having distinct cultures and questionable communication. It was determined that the, at times, conflicting regulatory and development goals of the departments could best be addressed though merger of their operations. In January 2011, the departments were combined into one under the direction of Shawn Lewis. The new Community and Economic Development Department consists of six divisions (Engineering Services, Fire Prevention, Geographic Information System, Permits and Inspections, Planning, and Economic Development).

**Integrated Strategy**: This created an opportunity to integrate San Angelo’s economic and community development strategies into one effective streamlined, customer service focused effort.

The City believed that the real and perceived concerns of the public regarding a development review process hindered short and long term economic development goals for the City. This integrated approach offered the potential for a greater capacity to address the current economic recession. Furthermore, an action plan was needed for the cultural integration of the divisions which have historically functioned only in a regulatory environment (Planning, Permits, Engineering and Fire Protection) into a more integrated and entrepreneurial culture, critical for successful economic development.

**Targeted Cultural Shift**: To bring about the desired cultural change in the organization it was necessary to enable the organization to embrace enhanced integration, identify where savings could be made by looking at innovation rather than traditional methods. An outcome was also to increase staff satisfaction so that both the organization and staff are able to benefit. The Economic and Community Development areas were chosen as the most cost effective area within the organization to bring about a cultural shift with potentially significant proactive outcomes.

**Recognizing a need for Cultural Change**

It was accepted that organizational and cultural change does not automatically flow from adjusting boxes on an organizational chart. As an organization it was recognized that an approach which would result in both culture change and improved processes had to be taken. To undertake this cultural change and achieve increased leanness Innes Strategy local government cultural change specialists was contracted along with TechSolve with their leanness technology. Both consultancies worked together with their strong staff engagement processes to enable a sustainable cultural shift for the organization and increased staff satisfaction.

**Tangible Results**

On reflection the process undertaken has led to tangible improvements in both culture and processes. The Organizational Culture and Development Process Improvement Plan have revitalized what were often overly-bureaucratic, regulatory departments. Through this process, it was learned that staff were regularly required to defend inefficiencies of the system to the public and management. By inviting those same staff members to help design a new development process and address longstanding communication and coordination issues, the frontline, mid-management and upper management staff had full buy-in for the cultural change. The public, staff and even other City Departments all benefitted from the transformation.

The process helped solve long-standing problems that negatively impacted customer service. Using a cultural shift program, problem areas were identified and of interest was the similarity between problems identified by staff at all levels and those identified by the public.

**One Year Later**

A year later, the Community & Economic Development Department continues to report results. Some of the specific action steps undertaken seem relatively insignificant when viewed individually, but collectively brought about the cultural change that was needed. A series of small steps with staff engagement have developed a momentum for the cultural shift that is having benefits for other parts of the organization.

Some of these include the following:

* Providing access to shared network drives for employees housed outside of City Hall and access to City-wide data management software which was previously denied
* Creation of new hand-outs and standard operating procedures for routine processes that often confused the public,
* Institution of a formalized cross training program,
* Interdepartmental sharing of notes from staff meetings and Development Review Committee meetings,
* Creation of flow charts and diagrams of the development process,
* Distribution of “News and Notes” twice per month with activities being undertaken in each division,
* Institution of project tracking procedures,
* Implementation of electronic, in-field inspection services including purchase of new laptops and in-vehicle printers,
* Increased information on the City website,
* Creation of a series of public education courses for development processes,
* Purchase of various safety equipment and tools that management learned were being provided.

The Action Team, a cross section of staff engaged as part of the process, continues to meet regularly. A very specific and achievable Action Plan is quickly being implemented. This is due not only to the facilitation process during the front end of the process within an organizational development framework, but also the fact that staff members know that every change made is a direct result of a suggestion or problem identified by staff, primarily from the frontline.

The underlying staff engagement process provided the City with additional opportunities to identify areas where there could be increased savings, simplified processes. Some of these savings have been used to develop a stronger organizational capability for economic development and attractiveness of a desired “sense of place” for the City of San Angelo.

**Funded through:**

In order to secure funding for the improvement project, Director of Community and Economic Development and City Manager approached the City’s economic development corporation (COSADC), made up of local business leaders. COSADC offered its enthusiastic support and funding for the Innes Strategy / TechSolve consulting contract.

**Use of External Consultants:**

While attending various conferences, Director of Community and Economic Development became acquainted with the process improvement work done by TechSolve, a not-for-profit process improvement firm based in Cincinnati, Ohio, and the cultural change work done by Innes Strategy, international specialists in local government cultural change based in New Zealand. These two firms had already theorized through feedback from common clients that long term organizational change would be enhanced through the simultaneous addressing of both process improvement and culture.

Greg Innes, President, Innes Strategy [www.innes-strategy.com](http://www.innes-strategy.com) greg.innes@innes-strategy.com and David Krings, Local Government Director TechSolve [www.techsolve.org](http://www.techsolve.org) krings@TechSolve.org were involved with the facilitation. Both consultancies use strong staff engagement process, Innes Strategy with Cultural Change and TechSolve with Process Improvement Leanness. The engagement process ensures benefits for the organization and staff as well as reinforcing the sustainability of the change. The consultants innovatively combined their processes to provide the desired program. The high level of independent facilitation with staff and external user engagement was one of the major contributions to the success of the project.

**C.        Presentation Style**

The presentation style will be pitched at three levels:

1. **Front-line staff** – with video comments from staff and representation of a front-line staff member(s) represented on the Action Team – to express their thoughts about the engagement process and the benefits for both the organization and staff.
2. **Management** – Shawn Lewis Director of Community and Economic Development – will outline the management challenges and outcomes from the approach taken and how it has benefited San Angelo in the current economic climate
3. **Consultant(s**) Greg Innes (and David Krings) outlining the theory behind the processes and frameworks used in an open forum setting – the challenge of combining two technologies of Cultural Shift and Leanness

**City of San Angelo, TX, TechSolve & Innes Strategy Case Study**

**CULTURAL CHANGE AND PROCESS IMPROVEMENTS**

**The Challenge**

The elected leadership and City Manager Harold Dominguez set out to better coordinate the relationship and service delivery of the City’s economic development and community development operations. Historically these functions were divided into two organizational departments having distinct cultures and questionable communication.

It was determined that the, at times, conflicting regulatory and development goals of the departments could best be addressed though merger of their operations. In January 2011, the departments were combined into one under the direction of Shawn Lewis. The new Community and Economic Development Department consists of six divisions (Engineering Services, Fire Prevention, Geographic Information System, Permits and Inspections, Planning, and Economic Development).

This created an opportunity to integrate San Angelo’s economic and community development strategies into one effective streamlined, customer service focused effort. The City believed that the real and perceived concerns of the public regarding a development review process hindered short and long term economic development goals for the City. This integrated approach offered the potential of a stronger capacity to address the current economic recession. Furthermore, an action plan was needed for the cultural integration of the divisions which have historically functioned only in a regulatory environment (Planning, Permits, Engineering and Fire Protection) into a more integrated and entrepreneurial culture, critical for successful economic development.

Mr. Lewis and Mr. Dominguez understood that organizational and cultural change does not automatically flow from adjusting boxes on an organizational chart. They set out to find an approach which would result in both culture change and improved processes.

**The Strategy**

While attending various conferences, Mr. Lewis became acquainted with the process improvement work done by TechSolve, a not-for-profit process improvement firm based in Cincinnati, Ohio, and the cultural change work done by Innes Strategy, international specialists in local government cultural change based in Parua Bay, New Zealand. These two firms had already theorized through feedback from common clients that long term organizational change would be enhanced through the simultaneous addressing of both process and culture.

In order to secure funding for the improvement project, Lewis and Dominguez approached the City’s economic development corporation (COSADC), made up of local business leaders. COSADC offered its enthusiastic support and funding for a TechSolve/Innes Strategy consulting contract.

With the contract in place, David Krings, Director of Non-Profit and Local Government Solutions for TechSolve and Greg Innes, President of Innes Strategies collaborated with Mr. Lewis in the development of a plan for the cultural and programmatic integration of the new department.

**Proposed Strategy and Key Deliverables:**

1. An organizational development action plan for the economic and community development functions within the City of San Angelo to operate more effectively in its entrepreneurial function; and
2. A community development process review to enable increased leanness that focuses on satisfying three objectives: cost, quality, and service delivery for the City of San Angelo.

**The Process**

The combined approach included the principles of engagement, understanding of realities of working at the front-line, the importance of customer/citizen perception. With this understanding, an action plan is developed with employee input to make a difference both immediately and strategically.

Extensive surveys of line staff, management, and the development community took place as part of an analysis of the current processes and culture. This was followed by an on-site consulting engagement over a period of one week:

**Day One** - consisted of initial staff review of the coming process improvement activities and training in process analysis techniques. This was followed by a discussion of the survey results concerning the interests of both the staff and external stakeholder interests. Later in the day facilitated sessions with key economic development personnel and with key community development external stake holders were held with much the same review and discussion as held with the staff.

**Day Two** - Innes conducted focus group sessions with non-supervisory employees regarding the “ideal culture” and how to get there. Krings facilitated an interdisciplinary team of managers, line staff from the various divisions of the new department in the mapping of current processes.

**Day Three** - Innes conducted similar focus group discussions with the supervisory employees while Krings concluded the facilitation of the mapping of the current processes and began the mapping of desired future processes.

**Day Four** - brought team members from both the focus groups and the process improvement team to prepare action plans for implementation of the plans. Included in this effort was the establishment of a permanent Action Team comprised of both supervisors and frontline staff.

**Day Five** - concluded with presentations of the proposed changes and implementation plans by Action Team members, and consultants to senior management staff, elected officials, and external stakeholders.

**The Results**

Shawn Lewis, project coordinator and Director of Community and Economic Development concluded that the process had led to tangible improvements in both culture and processes.

*“The Development Process and Organizational Culture Improvement Plan have revitalized what was an often overly-bureaucratic, regulatory department. Through this process, we learned that staff was regularly required to defend inefficiencies of our system to the public and management. By inviting those same staff members to help design a new development process and address longstanding communication and coordination issues, the frontline, mid-management and upper management staff had full buy-in for the cultural change. The public, staff and even other City departments we work with have benefitted from the transformation.”*

Lewis also notes that the process helped solve long-standing problems that negatively impacted customer service.

*“As we went through surveys and culture change focus group results, we got an idea of where problem areas were. It was really interesting to see how much similarity there was between problems identified by staff at all levels and those identified by the public. It was like everyone inherently knew what the problems were, but we had all become use to them and learned to work around them instead of getting to the root of the problems and fixing them.*

A year later, the Community & Economic Development Department continues to report results. Some of the specific action steps undertaken seem relatively insignificant when viewed individually, but collectively have brought about the cultural change that was needed. These include the following:

* Providing access to shared network drives for employees housed outside of City Hall and access to City-wide data management software which was previously denied
* Creation of new handouts and standard operating procedures for routine processes that often confused the public,
* Institution of a formalized cross training program,
* Interdepartmental sharing of notes from staff meetings and Development Review Committee meetings,
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* Increased information on the City website,
* Creation of a series of public education courses for development processes,
* Purchase of various safety equipment and tools that management learned was not being provided,

Lewis notes the following:

*“The Action Team, a cross section of staff we created as part of the process continues to meet regularly. We have a very specific and achievable Action Plan that is quickly being implemented. This is due not only to the quality of the facilitation during the process, but also the fact that staff members know that every change we make is a direct result of a suggestion or problem identified by staff, primarily our frontline folks.”*

The underlying engagement process used for both cultural change and increasing leanness provided the City with additional opportunities to identify areas where there could be increased savings, simplified processes. San Angelo has the option to use some of these savings to develop a stronger organizational capability for economic development and a desired “sense of place” for the City of San Angelo.

To learn more about the San Angelo cultural change and process improvements, contact Shawn Lewis, Director of Community and Economic Development at shawn.lewis@sanangelotexas.us or (325) 657-4210.

**About San Angelo**

San Angelo is a city of 93,000 residents located in west central Texas. It is the seat of Tom Green County. Angelo State University, frontier Fort Concho, and Goodfellow Air Force Base all call the City home.

The City has a long history of fostering business growth. Numerous business publications have recognized its business friendly approach and the City has benefited from the diversity of its economy. San Angelo is the regional hub for medical services, agricultural research and product processing, and telecommunications. The City has not been immune from the national recession but its economy has remained stable.

**About TechSolve**

TechSolve's team of experienced management consultants help local governments, public agencies, and special purpose district managers overcome process challenges by examining situational inefficiencies and streamlining operations to better serve citizens. Learn more at <http://www.techsolve.org/> or call 800-345-4482.

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**About Innes Strategy**

Innes Strategy provides a range of cultural tools from an understanding of organizational culture for senior management through to a full cultural change management program implemented across the entire organization. For more information visit their website at <http://www.innes-strategy.com> or contact Greg Innes at greg.innes@innes-strategy.com or call 800-345-4482.