2015

Ohio Fiscal Academy
Cohort 4 Capstone Team 2
Creating a Fiscal Best
Practices Portal

Team Members:

Scott Bates
Mike Blackburn
Scott Ferguson
Robin Gorham
Kim Richard
Paul Robinson

CAPSTONE PROJECT

CREATING A FISCAL BEST PRACTICES PORTAL

Table of Contents

Executive Summary

Many of the agencies and commissions that make up the government of the State of Ohio are being tasked with operating on smaller budgets then they have had in the past. Fiscal offices statewide are functioning with smaller staffs and yet they are still expected to deliver excellent levels of service to Ohio's citizens.

In order to achieve and maintain excellence with fewer state fiscal office employees performing more work with fewer resources, fiscal operational areas require highly efficient and cost effective processes. State agencies have been able to utilize universal job aids through the Department of Administrative Services (DAS), the Office of Budget and Management (OBM) and the Ohio Administrative Knowledge System (OAKS): however, these resources are not agency specific and often require significant research prior to utilization. Smaller fiscal staffing levels, coupled with increasing workloads, create an environment prohibitive of spending additional time conducting extensive examination and review.

Based on the research herein, Capstone Team 2 recommends the creation of a web based Best Practices portal as the best means of knowledge sharing between end users in fiscal offices statewide. Knowledge management, when functioning properly, can provide the highly efficient and cost effective processes that the State of Ohio needs during this time of decreased budgets. Fiscal end users throughout the State of Ohio would have a forum through which their experiences and lessons learned could be shared resulting in a common fiscal knowledge base that is much more encompassing then that created by individual state agencies operating at differing knowledge base levels. Veteran staff members sharing their wisdom via the portal could save the state research time and staffing costs as new and/or unexperienced fiscal employees access the best practices portal. By having this information readily available to users statewide, additional efficiencies could be realized as the need for peer group guidance decreases.

The submitted best practices would need to go through a vetting process. It would be preferable that Subject Matter Experts (SMEs) perform this task. Potential SMEs could be the Value Management Office and State Accounting within OBM to determine that they are in fact best practices and to ensure they are compliant with all state and federal laws. In the rare situation in which it may be warranted, submitted best practices could be adapted to fit the specific needs of an agency should requirements differ between agencies. Conceptually however, the processes should lead to cost savings, time savings, quality improvement and/or other measurable improvement result.

Capstone Team 2 challenges the great State of Ohio to take action and develop a knowledge management system that will allow the fiscal agencies across the state of Ohio to be a first responder at the forefront of changes in federal and state fiscal policy rather than being reactionary. In doing so, we propose that the state of Ohio should create a fiscal best practices web portal. We recommend making this portal available via myOhio.gov and that it is categorized as the State of Ohio's fiscal best practices. The portal can be modeled after similar knowledge management systems and other recommendations adapted from this case study.

> ➢ Portal sponsor initiates a statewide campaign to solicit fiscal best practices.
> ➢ Agency CFOs support the process and disseminate the request.
> ➢ Fiscal employees submit their best practices through the portal.
> ➢ SMEs evaluate the submission to determine its validity as a best practice.
> ➢ The valid best practices would be reviewed by the appropriate state agency to ensure they comply with any applicable State or Federal regulations.

> ➤ The vetted best practices would be posted on the best practice portal to be utilized for the benefit of all fiscal employees, agencies, commissions and most importantly citizens across the great State of Ohio.

Leadership practices of successful organizations and disciplines such as Total Quality Management and Kaizen call us to actively acquire and disseminate knowledge throughout the organization. The State of Ohio must give precedence to these disciplines in order to remain successful in an environment that is rapidly changing due to technological advancements and restrained budgets. More must continue to be done with less. We must have the ability to get relevant fiscal information into the hands and minds of each individual state fiscal office employee in a timely fashion. Fiscal end users will benefit from the knowledge by performing their duties more efficiently and cost effectively. State government will benefit exponentially from the cost savings generated by the implementation of these best practices across all of its agencies and commissions. Most of all, the citizens of Ohio will receive quality services faster than before with fewer tax dollars expended in order to make it a reality.

Introduction – Problem Statement

The diverse needs of State of Ohio fiscal offices have required the creation of a host of unique procedures. The State of Ohio has 167 different agencies, councils, boards and commissions encompassing a wide variety of areas from Agriculture to Youth Services. They vary in size from three employees at the Ohio Athletic Commission to 11,922 employees at the Department of Rehabilitation and Correction. While specific situations in fiscal departments may be unique the overall approach to fiscal management is not. Fiscal employees could learn from the processes driven by situations in other agencies. For example, the Ohio Administrative Knowledge System (OAKS) is the primary computer system used by State of Ohio employees to manage financial transactions. Given the complexity of both the transactions and the OAKS system, in many cases, there can be multiple processes used to accomplish the same goal or task. This in turn implies that while there are best practices to guide fiscal practitioners in their work; there is no consistent vehicle in which to communicate to other State of Ohio fiscal employees (SMEs) who have developed best practices to meet the needs of their agency that are eager to share what they have developed, but lack the resources and means with which to share.

Background

Sharing internal best practices is an important supplement to other improvement approaches that focus on identifying and solving problems. Initiatives that promote internal best practices focus on what people are doing right. Sharing best practices is an effective way to improve performance by replicating successes throughout an organization. Other benefits include:

1. raising the overall quality of services;
2. avoiding duplication of effort or "reinventing the wheel";
3. minimizing the time to redo work because of poor quality;
4. increasing cost savings through improved productivity and efficiency.

This type of approach – sharing best practices - encourages learning within the enterprise. Far more can be accomplished if an organization develops systematic processes to identify and share the practices that work best for them.

All agencies, regardless of mission, encounter similar challenges within their fiscal offices. These challenges can be the result of actual or perceived unique circumstances which cannot be anticipated. Challenges arise for which a best practice may not be easily discerned or applied. However, providing a network to share best practices would enable agencies to have the ability to readily access and research methods used in similar situations and to adapt them for their own use. Perhaps an agency created a form for reconciling revenue. If another agency is looking for methods of revenue reconciliation they would be able to locate the form and have a starting point to develop a solution to meet their own circumstances.

Many challenges can, at their root, be traced back to reoccurring issues across agencies, which could be readily addressed with the appropriate knowledge. For these instances a database could be developed to provide the best practice to apply to the situation. There could be a standard use of specific best practices for all new fiscal employees. Perhaps reading these would help to prepare the new employee for immediate work. The implementation of a best practices database accessible to all agencies would provide a means to easily communicate fiscal best practices.

It is important to note that best practices are often confused with job aids, but they are distinctly different. Best practices are situational in nature and can be used to help determine what job aid one might need. While a job aid is a set of universal step-by-step instructions for a specific task.

The time savings from minimizing the learning curve when utilizing best practices would provide significant cost savings. A web based database can facilitate teams sharing best practices and lessons learned in a standard and consistent format. In order to decrease the initial outlay of funds to develop a new system, existing state resources such as SharePoint could be used as a means of storing and sharing this information with the broader state audience.[1]

Research Strategies

In order to accurately discover the most effective means of gathering, evaluating and sharing best practices, Capstone Team 2 researched both public and private entities' practices and policies for knowledge management. SMEs Betsy Bashore, OBM's Chief of the Value Management Office and Bridget Brubeck, Deputy Director, State Accounting and Reporting were also consulted to determine the viability of implementing this project into the state system and the methods through which this can be accomplished.

Betsy Bashore was identified as a potential SME during one of the initial Team 2 group meetings at the first tier of the Fiscal Academy. This initial interview took place during a conference call in which the group took turns asking her questions relative to the project research. Betsy provided several valuable insights regarding compilation of best practices, methods of sharing said practices and potential sponsors for the portal should our proposal be considered for implementation. Ms. Bashore also pointed us to perhaps the most compelling reason for implementing a best practices portal: the Government Accountability Office Revised Standards for Internal Control also known as the "Green Book". Per the GAO press release, "With continuing tight federal budgets, it's vital that agencies make careful use of the resources they have been given and provide a reliable stewardship of their activities," said Gene L. Dodaro, Comptroller General of the United States and head of the GAO. "The revised Green Book standards reflect various changes to the government operating environment, such as the expanded use of information technology, and are an important tool that federal managers can use to achieve their goals." The revised Green Book will be effective in federal fiscal year 2016." Principle #14 speaks specifically to the need for management to internally communicate the "necessary quality information to achieve the entity's objectives." In 14.08 it goes on to require that "Management periodically evaluates the entity's methods of communication so that the organization has the appropriate tools to communicate quality information throughout the entity on a timely basis." It is our opinion that a properly implemented best practices portal would meet or exceed the expectations of the requirement to make sure proper and practical processes are available to all organizations in a timely fashion. The timing of our proposal and the FFY2016 effective date of the Green Book requirements coincide nicely as well.[2]

In addition to interviewing SMEs, Team 2 researched relevant professional business and government journals covering this topic. Many knowledge management practices were also available on line. The project team reviewed current tools available for sharing the best practices and metrics to determine what practices warrant being defined as a best practice. The

---

[1] Tom Fox. 2012. "Sharing Best Practices Across an Agency." Washington Post, January 19.
[2] Comptroller General of the U.S., Government Accountability Office, "Standards for Internal Control in the Federal Government", September 2014. Pp. 60-61.

six team members brought diverse experiences to the project and each of us researched his/ her own respective agency, which was comprised of the Department of Developmental Disabilities (DODD), the Department of Education (ODE), the Ohio Department of Transportation (ODOT), the Department of Mental Health and Addiction Services (MHA), Opportunities for Ohioans with Disabilities (OOD) and the Department of Public Safety (DPS). The team reviewed other state and federal fiscal offices for implementation of similar user friendly portals. Finally, the team also reviewed private entities to discern how they have propagated best practices within their organizational structures.

Both qualitative research and quantitative research was used; however, the team focused on qualitative research design in order to provide a more complete, detailed description of the research topic. Since our topic is very broad in nature, we felt that our research was more of an exploratory look into the big picture of sharing fiscal best practices. Quantitative research was used to show statistical improvement within State of Ohio entities when best practices have been implemented successfully.

Our capstone group served as the primary collectors of data for our qualitative research. We conducted individual interviews with Bridget Brubeck and Betsy Bashore from OBM. Additionally, we researched literary resources which covered the topic of sharing best practices within government and private entities. We also researched specific State of Ohio government results from the Lean Ohio Six Sigma program, the Office of Shared Services and the State Accounting Fiscal Essentials (S.A.F.E) manual through OBM.

Findings

There are numerous examples of efforts to share best practices that were full of great intentions that did not achieve their intended results. It is common knowledge that change is not always received well by everyone within an organization. Because of this it is very important to do as much as possible to ensure your efforts do not fail. Carla O'Dell, author of "If Only We Knew What We Know" lists four enablers that are crucial to the movement toward the successful sharing of best practices. These enablers are culture, technology, infrastructure, and measurement.[3]

Though they are all necessary, culture could be the most important of the enablers.[4] Culture in this case is the overarching attitude of an organization toward the idea of best practice sharing. For example, one company in "If Only We Knew What We Know" had best practice sharing built into its criteria for promotions.[5] That company now has best practice sharing built into its employee evaluations. The easiest best practice sharing occurs in an organization where the culture will already support the transfer of knowledge. If this currently does not exist, the best practice sharing is going to take more time and effort. The kind of culture that is needed starts at the top. Senior management needs to be on board, they need to set the example, and they need to make it easy for the employees to be invested in sharing.

The second enabler, technology, is also very important. According to O'Dell, "Many times organizations believe they can have a successful best practice sharing initiative focusing their

---

[3] Carla O'Dell, and Jackson C. Grayson. "Definitions of Knowledge and Knowledge Management." In If Only We Knew What We Know, 1998

[4] Carla O'Dell, and Jackson C. Grayson. "Culture, Then Unseen Hand." In If Only We Knew What We Know, 1998

[5] Carla, O'Dell, and Jackson C. Grayson. "A Model for Best Practice Transfer." In If Only We Knew What We Know, 1998

efforts primarily on technology and not giving enough attention to the other enablers".[6] This is not to say that technology is not as important as the others, it is just a warning that focusing on technology alone does not usually lead to successful best practice sharing initiatives. The best example of best practice sharing technology is a database. Databases can come in many forms. Some can have raw sortable data while best practice versions tend to be in a more refined form. Databases are accessed through what is called repositories or even portals. These repositories and portals can house best practices and be formatted in pretty much any manner that is most useful. If used properly and appropriately maintained they can unite a person with a problem to a solution or an adaptable idea. It is very important that these types of technologies be maintained. Change is inevitable, and if maintenance is not performed, published best practices could be out of date and no longer useful.

Infrastructure is the third enabler of best practice sharing. Best practices almost assuredly exist in every organization. However, they will not present themselves unless an infrastructure exists within the organization that will help coax these best practices out of people and share them across the organization. Infrastructure consists of several parts. First, the best practice sharing needs to have an "owner." Someone needs to be responsible for it or it will not be nearly as effective - and may even fail. Along with ownership, there needs to be dedicated funding for it. Ideally, if there is a person charged with overseeing the sharing of best practices, then there more than likely is already a source of funding available. Best practice sharing initiatives can come in many sizes, so the number of people that are responsible for it can vary. Another part of the infrastructure is the platform on which the best practices will be shared. There are several options here as well. Focus groups working together, contact maps, and databases are all types of options. Contact maps are basically a way to find experts in your company and provide a way to get in touch with them and have them share their knowledge. The proper infrastructure necessary for nourishing a best practice sharing program can vary widely based on the organization. The most important factor needed for a successful best practice infrastructure is having an adequate structure in place to support the program.

The last enabler is measurement. Without measurement there is no quantifiable way to show results of the sharing effort. Being unable to produce evidence of results related to best practice sharing, could make it difficult to convince people to buy in to the program. Both the people contributing best practices and people using the best practices could become discouraged. Also, the management personnel making the funding available for this effort could decide to cease funding if there is nothing to show for the time and effort the organization has put into it.

When addressing the task of reviewing fiscal best fiscal practices from all state agencies it is important to identify and overcome the barriers to sharing. O'Dell and Grayson in "If Only We Knew What We Know" identify four key barriers. The barriers are ignorance, no absorptive capacity, the lack of preexisting relationships and lack of motivation.[7] Ignorance alludes to the fact that people either have knowledge and do not know that it would be useful to others, or people that could benefit from the existing knowledge but they are unaware that the knowledge they need already exists within the organization. The no absorptive capacity barrier deals with employees that are aware of knowledge but do not have the resources to pursue that knowledge. These resources include time, money, and the lack of priorities placed on best practice sharing by management. With the state workforce in the administration areas becoming

---

[6] Carla O'Dell, and Jackson C. Grayson. "Using Information Technology to Support Knowledge Transfer." In If Only We Knew What We Know, 1998
[7] Carla O'Dell, and Jackson C. Grayson. "The Barriers to Internal Transfer." In If Only We Knew What We Know, 1998

leaner, we are all trying to fit more work into our daily routines. Quite often we could benefit from searching out and adapting a best practice to our work. However, the feeling is usually that there is not enough time to squeeze another task in, especially one that does not actually accomplish something related to our jobs. This is where an organization's top-down support of sharing best practices can prove to be very valuable. When co-workers from the same company do not have pre-existing relationships they are less likely to incorporate best practices from each other. Finally, lack of motivation can come from employees not knowing the benefits of the sharing of best practices, or sometimes employees may not realize that these best practices can be advantageously adapted and applied to their work.

According to O'Dell and Grayson there is a knowledge transfer process that consists of seven steps. The seven steps are create, identify, collect, organize, share, adapt, and use.[8] These steps are at the core of every best practice sharing effort. Each step has its challenges, such as: Who creates the ideas? How will they be identified as best practices? How will we collect them and how do we organize them so that they are easily accessible to an employee who can benefit from them? Since we are talking about best practice sharing between state agencies that vary widely in purpose and function, the adaptation step may become critical. Not every agency will be able to use a best practice the way another can, but the practice may very well inspire the user of the information to come up with something that will work for them.

7 Steps of the Knowledge Transfer Process.
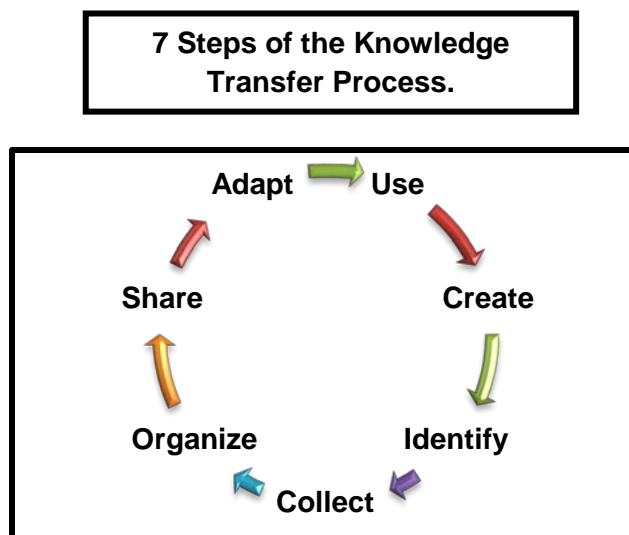
Best practices exist in every company whether private or public. The challenge is to leverage those best practices to save time and money across the enterprise. This is no small task. It will require significant effort and commitment –by the State of Ohio fiscal management to make the best practices in the state the daily practices of all the fiscal employees. The goal is to make best practices the rule not the exception.

According to David Skyrme, in Public Sector – Public Knowledge, The KM Contribution to Better Government, part of his Knowledge Insight Reports series, government finance is similar to corporate finance. "In most countries it is the largest single economic sector" and "accounts for roughly half of an average country's GDP (Gross Domestic Product) and has a strong regulatory

---

[8] Carla O'Dell, and Jackson C. Grayson. "Definitions of Knowledge and Knowledge Management." In If Only We Knew What We Know, 1998

influence on many other economic sectors".[9] With no true product to sell, governmental finance is knowledge based to develop policy and deliver services. With the current vacillations in the economy, the public demands improvements in governmental efficiency and delivery of services. As such, knowledge management is vital in governmental finance.

Skyrme goes on to state "significant cost savings and improvements in productivity can be achieved by raising the performance of less well performing business units closer to those of the best."[10] Knowledge management can achieve this goal. The sharing of best practices is one tool in the knowledge management toolkit. Sharing best practices can save costs through increased productivity or by correcting ineffective practices making them more efficient. According to Skyrme, "the need to share good practice(s) is one that is frequently emphasized throughout the public sector."[11]

In Knowledge management tools and techniques, the authors state that "It is vital that project and program teams capture and record their learning and best practice so that others can benefit. The structured case study format makes information accessible to the reader. Whether in print or online, case studies are one of the best ways to share learning and best practice with a large audience. Communicating with our peers can be the most effective way to learn about others' experiences first-hand, and get the knowledge we need to help us".[12]

The General Services Administration (GSA), of the United States Government, established an Office of Knowledge Management in 2000. The office develops policy and the enterprise implementation of knowledge sharing. According to the GSA's website, its mission is to "establish a knowledge advantage for GSA which will provide value to the GSA and its customers".[13] The GSA's census gathering demonstrates a perfect example of the need to share best practices. Censuses' are only conducted every ten years. As such, it is generally a new process each time, as either staff is no longer familiar with the process or new staff are completing the process. The GSA decided to capture the process on videotape, to utilize as training for the next census. They put the interviews online, organized by subject matter. According to the GSA, "this storytelling covers not only success stories, but painful lessons from bad experiences that the organization hopes to avoid in the future".[14]

The GSA illustration is an excellent example of creating a best practice portal. "A portal is the opening page of an Internet site that guides users to various other pages that will have the information and knowledge they may be looking for."[15] Cohort 4 Capstone Team 2 proposes the State of Ohio should create a Fiscal Best Practices Portal. We recommend making a portal on myOhio.gov, categorized by the State of Ohio's fiscal practices, to demonstrate "outstanding

---

[9] David Skyrme, and Simon Lelic. Public Sector – Public Knowledge the KM Contribution to Better Government. London: Ark Group, 2003, 11.

[10] Skyrme and Lelic, Public Sector – Public Knowledge, 61.

[11] Skyrme and Lelic, Public Sector – Public Knowledge, 28.

[12] Marilyn Leask, Caren Lee, Tim Milner, Michael Norton, and Dimple Rathod. Knowledge management tools and techniques: improvement and development agency for local government helping you access the right knowledge. *IDeA knowledge management strategy team,* March 2008.

[13] "Changes in GSA Organization (Office of Knowledge Management)." The General Services Administration (GSA), of the United States Federal Government, February 26, 2013. http://gsa.gov/portal/directive/d0/content/519802 .

[14] Skyrme and Lelic, Public Sector – Public Knowledge, 72.

[15] Melissie Rumizen. The Complete Idiot's Guide to Knowledge Management. United States: CWL Publishing Enterprises Book, 2002, 42.

results in another situation…that could be adapted for our situation".[16] The portal could be modeled after the GSA site and other recommendations adapted from this paper.

Hewlett-Packard Consulting (HPC) is another example of a best practices portal. Their vision for the portal is to have their "consultants feel and act as if they have the knowledge of the entire organization."[17] This will facilitate consultants knowing where to go to locate the information they require. HPC believes that "not all knowledge is valuable. HPC only desires to manage the most useful knowledge, that which would produce business results."[18] This is an excellent example of what Cohort 4 Capstone Team 2 is striving to achieve. We envision techniques to implement efficiency and cost savings on the portal.

A case study from the Executive Office of the President of the United States entitled Digital Government – Building a 21st Century Platform to Better Serve the American People says that "Government agencies are missing out on opportunities to share ideas and resources within the digital services space. Inefficiencies such as fragmented procurement and development practices waste taxpayer dollars and stymie the consistent adoption of new technologies and approaches. The shift to a shared platform culture will require strong leadership at the government-wide and agency levels. Agencies must begin to look first to shared solutions and existing infrastructure when developing new projects, rather than procuring new infrastructure and systems for each new project. They must also share ownership of common service areas, both within and across agencies, instead of creating multiple websites on the same topic. To alleviate the burden on individual agencies, prevent duplication, and spur innovation, we must provide central support for the adoption of new technologies, development of better digital services, and strengthening of governance."[19]

Analysis

Becoming more time efficient and cost effective is a common goal that Governor Kasich has set for all State agencies. In a time when budgets and staff are decreasing, the State needs to accomplish more with its limited resources and save money while doing so. There have also been an increasing number of retirements due to recent changes to the Ohio Public Employee Retirement System that have affected the knowledge and experience levels of fiscal offices statewide. Ohio's state agencies are widely separated geographically throughout the State, making knowledge sharing of best practices problematic. A Fiscal Best Practices Portal would be an excellent way to solve these issues by communicating best practices across long distances to achieve efficiencies and cost savings.

The government of Ohio must maintain a culture of innovation within the fiscal departments of all state agencies and commissions. A best practice online article by Info entrepreneurs states that "Best practice in innovation involves constantly looking at your existing products, processes and procedures to see what improvements can be made to keep them at the cutting edge. Innovative businesses often have strong, inspirational leaders and management, and well-trained and motivated employees. These businesses maintain a culture of innovation, constantly

---

[16] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 38.
[17] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 38.
[18] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 39.
[19] Executive office of the President of the United States. *Digital Government - Building a 21st Century Platform to Better Serve the American People*
http://www.whitehouse.gov/sites/default/files/omb/egov/digital-government/digital-government.html

looking at every aspect of the organization - not just its products and services -and asking the question: "How can it be done better?"[20]

When evaluating best practices and the proposed fiscal best practices portal, metrics will need to be utilized. Metrics will demonstrate whether a best practice is successful and whether this portal is successful in disseminating these best practices. Metrics will be utilized to determine if a best practice will be beneficial to a majority of state agencies. These result oriented measurements will be used on an on-going basis to monitor the continued success of the portal. According to Maybury, Morey and Thuraisingham "If the purpose of knowledge management is to help an individual or collective achieve goals faster and more effectively, the only way to tell that it is working is with the use of metrics."[21]

Knowledge management and best practice outcomes are hard to measure. Results such as retaining knowledge, efficiency and improvements in productivity are qualitative and difficult to quantify. But, "qualitative data…can answer a question that quantitative data doesn't answer: Why? What caused us to get the numbers we got? What do they (the numbers) mean?"[22] An effective measurement tells if the outcome is what was stated initially. "The key here is that the customer, not you, decides if you met their specifications for features, benefits, and value".[23]

HPC demonstrates the value of its knowledge management system by utilizing a qualitative measure, an employee survey. Capstone Team 2 feels this would be one way to measure the success of the Fiscal Best Practices Portal. As such, we have incorporated a discussion forum as well as a comments and suggestions area in the portal. This will provide invaluable metrics to evaluate the best practices and the portal. This metric will be on-going to provide a comparative view over time. According to Maybury, Morey and Thuraisingham "Preliminary results indicate that the electronic discussion group is becoming a powerful means for enhancing the number of contacts between business units or geographic sites."[24]

They go on to state "Participants in electronic discussions are not identified by their position in the formal structure, or which business unit they come from, so knowledge sharing can largely progress untethered by political or social biases."[25] This creates anonymity, which alleviates any fear of reprisal or other issues of speaking up and commenting on an issue in the organization.

Another manner to measure the best practices and success of the portal is through the intellectual capital it creates. Knowledge management is sometimes also called intellectual capital. According to Maybury, Morey and Thuraisingham, intellectual capital is "the brains of its employees, their know-how, the processes and customer knowledge that they create."[26] Capstone Team 2 proposes both the discussion forum and the comments and suggestions area of the portal will demonstrate that intellectual capital is being created by the best practices of the

---

[20] Info Entrepreneurs. The team of business information experts from the Board of Trade of Metropolitan Montreal. *Best Practice.* Canada, 2009. http://www.infoentrepreneurs.org/en/guides/best-practice/
[21] Mark Maybury, Daryl Morey and Bhavani Thuraisingham. Knowledge Management: Classic and Contemporary Works. United States: Mary Reilly Graphics, 2000, 313.
[22] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 213.
[23] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 212.
[24] Melissie Rumizen. Complete Idiot's Guide to Knowledge Management, 234.
[25] Maybury, Morey and Thuraisingham. Knowledge Management, 418.
[26] Maybury, Morey and Thuraisingham. Knowledge Management, 356.

portal being utilized. Carla O'Dell, of the American Productivity and Quality Center, states "we should focus on what works and what doesn't".[27]

Another form of measuring intellectual capital is to measure the "number of participants in communities of practice".[28] A quantitative metric - a visit tracker - has also been incorporated into the portal. This will demonstrate whether the portal is successfully creating contacts between business units or geographic sites, i.e.: State of Ohio agencies.

The OBM's Value Management Office has several methods of evaluation for determining the value of a process. There is a cost metric which evaluates the cost savings, cost avoidance or additional revenue gained by a new process. There is a time metric which measures time saved by implementing a new process. There is a quality metric that determines whether or not a new process has lessened the number of mistakes related to a process. There is an output metric which measures the production increases from a product or service and/or the reduction of a backlog or work. There is the process complexity metric that evaluates the improvement in the processing steps by reducing decisions, handoffs, loopbacks and black holes. There is also a risk metric that measures the risk reduction to an organization from implementing and new process.[29] (See metric chart on pages 11-12) All of these metrics are applicable to the implementation of a best practices portal. In regard to our capstone project, any new process that meets at least two of the metrics mentioned above would be considered a best practice.

Suggested Measures of Value

Metric	Values	Measurement
Cost Metrics – how much does the process cost to operate (FTEs)? Is there identifiable savings for the project? **Goal – reduce costs/labor/cost per product**	Cost Savings Cost Avoidance Cost Per Transaction (Gartner - Internal Operational Efficiency) Additional Revenue Collected (Gartner - Internal Operational Efficiency)	• Cost savings (expressed in dollars. E.g. Salary*1.32) • Labor savings (expressed in time. E.g. 1 FTE=2,080h) • Cost avoidance (amortize over class life for product or system)[*]

---

[27] Maybury, Morey and Thuraisingham. Knowledge Management, 361.

[28] Maybury, Morey and Thuraisingham. Knowledge Management, 363.

[29] "Suggested Measures of Value – Value Metrics Documents". Office of Budget and Management – Value Management Office. http://obm.ohio.gov/VMO/resources.aspx

Time Metrics – how long it takes to produce a product/service? How much of that is processing time versus idle time? **Goal – Reduce lead time, improve completion time, improve % on-time, reduce process time, reduce non-value added time.**	Lead Time/Cycle Time (Gartner - Internal Operational Efficiency) % On Time (Gartner - Constituent Responsiveness)	• Lead Time for process- total time (from start to finish from the customer's perspective including waiting time)to develop the product/service. Typically expressed in days • Best and worst completion time • Percent on-time delivery • Processing time- time to complete a process or process step, excluding wait time • Activity ratio – processing time divided by lead time, expressed as a percentage • Value added time • Non-value added time • Non-value added but necessary time • Percent value added time

*Based on IRS tables of Class Lives and Recovery Periods when agency has projected replacement scheduled in long-term plan.

Quality Metrics – how often does the process lead to mistakes that require rework? How do customers view the process? **Goal –improve customer satisfaction, improve % accurate, increase first pass yield.**	Customer Satisfaction (Gartner - Constituent Responsiveness) % Complete and Accurate (Gartner - Constituent Responsiveness)	• Customer satisfaction • Rework • Percent complete and accurate – percent of occurrences that work in process released to the next step does not require a downstream customer to make corrections or request information that should have been provided initially. • Rolling first pass yield – percent of occurrences that the product or document passes through the entire process without needing rework.
Output Metrics - How many were produced each month/year?[**] **Goal: increase production, reduce backlog, reduce WIP and "inventory"**	Production (Gartner - Internal Operational Efficiency) Backlog (Gartner - Internal Operational Efficiency)	• Production • Backlog – number of products/services that have not been started or entered into the process • Work in process – things currently being processed • Inventory- a supply of raw materials, finished products, and/or unfinished products in excess of customer demand

Process Complexity – based on process map **Goal – reduce process steps including decisions, handoffs, loopbacks and black holes**	Process Steps per Transaction (Gartner - Internal Operational Efficiency)	• Process steps • Value added process steps • Decisions • Handoffs • Loop backs • Black holes
Risk – based on probability modeling **Goal – reduce risk to organization**	Risk (Gartner – Policy Alignment) Probability (Gartner – Policy Alignment)	• Risk of loss of property (real or intellectual) • Risk to constituent group • Risk of loss of operating ability • Risk of loss of public confidence
Organizational Metrics (Mission Oriented, Customized to Agency)	Program Effectiveness (Gartner - Constituent Responsiveness)	• Process improvement events conducted • Lean Event participation – number of employees • Lean training provided-number of employees attended.

** Weighted as appropriate.

The State of Ohio also uses metrics within the LeanOhio program and Kaizen events that it orchestrates. LeanOhio is coordinated by the LeanOhio Office, within DAS. Office associates are Lean experts who serve as internal consultants. Services include training, strategic planning, meeting facilitation, data collection and analysis, and Lean event leadership.[30] The chart below and on the next page outlines measurable results from the changes implemented from these Kaizen events to processes within agencies of two of our team members.

LEAN**O**hio

Department	Changes to Process:	Metrics:	As a Result:
Department of Public Safety Ohio State Highway Patrol Reduce the amount of time required to conduct chemical analysis August 8-12, 2011	• Steps in process reduced by 33% • Delays of up to 8 months reduced to 7 days • 3.3 hours eliminated from chemistry processing time	• Analysis turnaround time from 83 days to 14 days • Direct costs of $67,000 and cost avoidance of $82,000 annually eliminated • Redirected staff hours worth $116,000 to more mission critical work	Identification of confiscated drugs will be faster potentially improving conviction rates

---

[30] Department of Administrative Services. Lean Ohio, Summary of Kaizen Events in Ohio State Government since January 2011. Last Updated: February 27, 2015. http://lean.ohio.gov/Results.aspx

Department of Transportation Standardize asset data for equipment, parts inventory and materials; standardize reporting system March 4-9, 2012	• Reduced overall hours spent on paperwork from 85/week to 24/week, a 72% improvement • Eliminated all but one of 264 versions of form 502 • Eliminated all but one version of form EM78	• Redirected 475,000 staff hours to more productive maintenance work • Reduced duplication of paperwork by 60%	ODOT employees can spend more time working on fixing roads and other critical needs because the planning, reporting and inventory process is faster

KEY:
Changes to Process: Lists the types of waste, unnecessary steps, and red tape removed by improving the process.
Metrics: Identifies projected customer-focused improvements, such as time or cost savings, achieved using Lean.
As a Result: States in plain English why or how these improvements are important to Ohio citizens and businesses.

If the same type results generated from the LeanOhio events could be replicated in even 10% of the agencies statewide, the fiscal repercussions would be tremendous. Best practices can generate intellectual capital and be an important tool in knowledge management. They must also be sustainable, measurable, attainable, realistic and timely (S.M.A.R.T.) in order to be of value to the State of Ohio. The fiscal best practices portal will be different than a training manual, which DAS already provides. It would instead be a repository of agency specific practices or better ways in which to complete current processes. The portal will be user friendly and categorized into subject matter areas. It will be reviewed regularly and updated when necessary. Metrics such as a discussion forum, a comments and suggestions area and a visit tracker will measure the intellectual capital created by the portal and the success of the portal. The portal will be a resource available to all State of Ohio agencies to access fiscal best practices to increase efficiencies, share knowledge and to recognize innovation and results that contribute to continuous improvement for the State of Ohio.

Conclusion

Difficulties with sharing best practices throughout an agency, company or organization is a common issue that many entities have to improve upon to make the process more effective and efficient. The more diverse the entity, the more difficult this task becomes. As mentioned in the introduction, the State of Ohio has 167 different agencies, councils, boards and commissions covering a wide variety of services. The challenge that Ohio is facing is that agencies are downsizing, long time fiscal employees are retiring and there is a wide gap in fiscal office procedural knowledge as a direct result of this. Ohio is not alone in this difficulty. In his Monograph Good to Great in the Social Sectors, Jim Collins challenges organizations in social sectors not to use "systemic constraints" as an excuse. He recounts the story of Southwest Airlines success in spite of the airline industry's miserable circumstances during the same period of time. "Airline executives have habitually blamed industry circumstances, ignoring the fact that the number one best performing investment in the universe of American public companies over a 30 year period is – just like them – an airline. What if the people at Southwest had said, "Hey, we can't do anything great until we fix the systemic constraints facing

the airline industry"?[31] "Every organization has its unique set of irrational and difficult constraints, yet some make a leap while others facing the same environmental challenges do not. Greatness is not a function of circumstance. Greatness, it turns out, is largely a matter of conscious choice, and discipline."[32]

We must improve our fiscal office processes and functions across the great State of Ohio in order to continue to provide our fellow Ohioans with the highest levels of quality service that they deserve. Even though state staffing levels are decreasing while state employee workloads are increasing, a way must be found to meet the needs of the citizens we serve. A fiscal best practices portal will provide a wealth of knowledge to employees at every agency and commission regardless of physical location or department staffing levels. The question that must be asked is not "How much will it cost us to implement this means of best practice sharing?" but rather "How can the great State of Ohio afford not to implement this means of best practice sharing?"

Recommendations

A best practice portal would provide an arena for new and/or inexperienced fiscal employees to benefit from the combined experience of more senior employees from across the state. The ability to search best practices by keyword or topic can lead to a jumpstart of knowledge and could therefore eliminate the need to reinvent an already well established process. OAKS has job aids, as does OBM, DAS and many other state websites as well, but as a new or newer employee one needs to understand entire processes – as well as the reasons behind the process - not just which buttons to click from a job aid.

  ➢ Portal sponsor initiates a statewide campaign to solicit fiscal best practices.
  ➢ Agency CFOs support the process and disseminate the request.
  ➢ Fiscal employees submit their best practices through the portal.
  ➢ SMEs evaluate the submission to determine its validity as a best practice.
  ➢ The valid best practices would be reviewed by the appropriate state agency to ensure they comply with any applicable State or Federal regulations.
  ➢ The vetted best practices would be posted on the best practice portal to be utilized for the benefit of all fiscal employees, agencies, commissions and most importantly citizens across the great State of Ohio.

The initial content would come from fiscal best practices submitted by fiscal office employees throughout the state. These would be the results gathered from a statewide agency solicitation campaign for fiscal best practices initiated by the program sponsor and passed on to Chief Financial Officers throughout the state. The CFOs can request input from their department heads who would in turn ask staff so that every individual may have the opportunity for input. When the submissions come in they will have to be reviewed and vetted against current policies and procedures to make sure they are compliant and then they will have to be evaluated against the predetermined metrics. A fiscal best practice would be considered as such if it meets the criteria of at least two of the metrics. It may then be posted in the portal as a fiscal best practice. The most productive way to initially compile fiscal best practices would be to give incentive to the employees for submitting them. Publicized recognition to an employee who submitted a fiscal best practice could be distributed not only within the employee's agency but throughout all the state agencies as well. The recognition could eventually become lucrative to the employee

---

[31] Jim Collins. *Monograph Good to Great in the Social Sectors,* 29.
[32] Jim Collins, *Monograph Good to Great in the Social Sectors*, 29.

because it could lead to promotion. Fiscal Best Practices implemented from this portal that lead to cost savings, time savings and quality improvement would certainly come to the attention of the Directors of State Agencies and put the employee in a good light.

In order to assure the site is user friendly the portal needs to separate best practices by topic, make them easy to find and have the ability to field questions which can either be routed to a subject matter expert or found in the frequently asked questions. The portal must be reviewed regularly and updated when necessary. It must also have an area that highlights savings gained by actual implementation of processes from agencies throughout the state. Our recommendation would be that the Office of Value Management under the OBM would be the best entity to decide what a fiscal best practice is. The office already has the following mission: "To establish and lead processes to enable the State of Ohio to evaluate projected and realized benefits from major business process changes and enterprise initiatives."[33]

There needs to be a question and answer forum in the portal. Interaction between state fiscal employees can lead to not only more improvements to a process, but can also uncover issues that some agencies might have when implementing a fiscal best practice. The material being presented on the portal will be related solely to fiscal processes. This would include anything associated with the OAKS Financials module, Business Intelligence Financial reporting, Budgeting, Capital Improvement, Contracts and Asset Management. There should be interaction between those who have submitted the approved best practices and those who would like to use the posted practices. Ideally, one practice could be adjusted to create multiple versions for specific agencies. Soliciting feedback from agencies on the posted fiscal best practices will be an essential part of the success that could come from using them. Different viewpoints and experience levels could help to identify potential pitfalls and also potential improvements to the processes. The employee with the published fiscal best practice could also be linked to the idea as a SME and his/her advice could be sought via email. If a state employee had questions or concerns regarding a published best practice they could input the question into the portal and the OBM employee in charge of monitoring the best practices could route the question to the appropriate subject matter expert.

The fiscal best practices portal would need to be maintained on a semi-annual basis unless there are significant upgrades or changes to OAKS or other system innovations that would need changes to take place on an as needed basis. In order to assure that each submitted practice is in compliance with state and federal laws and agency policies it would have to be screen by the department that has oversight of the process. Fiscal processes could go through OBM's State Accounting or Internal Audit department and Asset processes could go through DAS's Asset Management Services department. A logical place for the portal to reside may be the OBM's website in the section for State Agencies. There could also be links to this portal on the OAKS homepage and the fiscal section of agency SharePoint sites. The resource will be accessible to all State of Ohio employees but utilized primarily by fiscal staff. In order to submit potential best practices to the portal a state employee would have to log in to OAKS with his/her employee identification number. The employee would also have to be one with a fiscal operations type of position. (See Fiscal Best Practices Portal examples on pages 19-20.)

Despite the constraints of the current system - be it size, culture, silos, or self-oriented goals of individuals - the business models and leadership practices of successful organizations and disciplines such as Total Quality Management and Kaizen call us to actively acquire and disseminate knowledge throughout the organization. For agencies across the State of Ohio,

---

[33] Office of Budget and Management. *Home Page.* http://obm.ohio.gov/

success in the rapidly changing environment created by technological advancements will largely rest on the ability to get relevant information into the hands and minds of each individual employee on a timely basis. Capstone Team 2 challenges the great State of Ohio to take action and develop a knowledge management system that will allow the fiscal agencies across the state of Ohio to be first responders to changes in federal and state fiscal policy rather than being reactionary to them.

OBM
Office of Budget and Management

Fiscal Best Practice Portal

Value Management

Keyword Search for a Best Practice:

Featured Best Practices:

*Can be part of recognition. Not only feature the best practice, but **WHO** created it!*

Welcome to the State of Ohio's Fiscal Best Practices Portal. All Agencies, regardless of their mission, encounter similar fiscal challenges to overcome. This portal provides a resource to share proven best practices to overcome these challenges. You can search for a best practice to overcome a challenge. You can post a best practice which has proven to overcome a challenge for your fiscal office. You can discuss a challenge with your peers and subject matter experts. You can comment on the positive or negatives of a posted best practice. This portal is a tool to overcome or discuss a fiscal issue currently challenging your fiscal office.

Mission: a resource available to all State of Ohio agencies to access fiscal best practices to increase efficiencies, share knowledge and to recognize innovation and results that contribute to continuous improvement for the State of Ohio.

Find a Best Practice:

Fiscal Process:
OAKS Financial Module
Business Intelligence Financial Reporting
Budgeting
Capital Improvement
Contracts
Asset Management

Best Practice:
One
Two
Three
Four
Five
Six

Comments and Suggestions

Please click to share a Best

Number of Visits
4 8 6 8 3

Please click for Discussion Forum

Links:
OBM Value Management http://obm.ohio.gov/VMO/
OBM State Accounting Safe Policy http://obm.ohio.gov/StateAccounting/safe/safepolicy.aspx
Financial Process Manual http://fin.help4u.obm.ohio.gov/
The Source for Ohio Shared Services Processing Procedures http://thesource.obm.ohio.gov/

Frequently Asked Questions: (link)
1. Example
2. Example
3. Example
4. Example

Portal Contact information:

Best Practice Entry Form

1. Title and Story `Enter text here…`

Title: try to write a title that immediately reflects the activity and the main benefit it entails.
Example: '*Reward your service reps when they bring on Sales Leads and boost your service related revenues by 8 %!*'
Name, Title and Agency: include your Name, Title and Agency for **recognition**.
Story: tell the story of the Best Practice in a compelling text of max 150 words.
Picture: picture of the Best Practice's owner.

> Upload picture here.
> **Recognition!**

2. Management summary `Enter text here…`

The management summary, for people who have no time to read everything, just contains two sub-topics:
1. Problem and
2. Solution

3. Best Practice Identification `Enter text here…`

Introduce some keywords here which will help readers to easily search a specific Best Practice.

4. Why is this a Best Practice? `Enter text here…`

What's the impact of the Best Practice? Give a number of parameters and the extent to which this practice has a positive result on these parameters. Possible parameters include: turn over increase, productivity increase, customer satisfaction, employee satisfaction, efficiency increase, turnaround time decrease, etc.
Figures: Give some figures to prove the statements in the previous sub-topic.
Lessons learned.

5. What do you need for this Best Practice? `Enter text here…`

This topic gives an overview of the tangible assets your reader will need to put in place if he/she wants to adopt the Best Practice.
Include the following subtopics:
People: individuals, teams…
Equipment: machines, hardware…
Materials: forms, software…

6. How does the Best Practice work? `Enter text here…`

Here you go straight to the core of the Best Practice. Clarify the process using tables, flowcharts and numbered lists.

7. Specific instructions `Enter text here…`

Some actors in the process may need more detailed or specific instructions. Clarify the various instructions for each function involved, using flowcharts or numbered lists.
The objective of the Best Practice should enable other people or departments to copy it with the least possible effort.

8. Cost `Enter text here…`

How much will the Best Practice costs.
Create separate tables for the following cost items:
Non-recurring costs (one-off purchase of equipment or materials…)
Recurring costs (subscriptions, energy cost, communication, renting, leasing…,)
Effort (by staff, by free lancers…)
Total cost

9. Applicability for other functions or departments `Enter text here…`

Here you can provide a modified SWOT-analysis with the following sub-topics:
Pros: why would the reader adopt the Best Practice.
Cons: any reasons why it might be better for some readers not to adopt the Best Practice.
Caveats: this is an important item! Help the ones who adopt the practice not to commit errors that were already made.
Opportunities: can this Best Practice be extended to other domains, activities than the ones it was originally meant for?

10. Contact info `Enter text here…`

Create a record of the person to be contacted for additional information or advice. This need not necessarily be the owner of the Best Practice! It might as well be a coworker who is better informed about the practicalities. Besides the usual items in contact information, indicate the relationship of the contact person with the practice. Is he/she the owner of the practice, the person responsible and accountable?

References

Fox, Tom. "Sharing Best Practices across an Agency." *Washington Post* (Washington D.C.), January 19, 2012.

Comptroller General of the U.S., Government Accountability Office, "Standards for Internal Control in the Federal Government", September 2014.

O'Dell, Carla, and Grayson C. Jackson. "If Only We Knew What We Know." United States: Simon and Schuster, 1998.

Leask, Marilyn, Lee, Caren, Milner, Tim, Norton, Michael, and Rathod, Dimple. "Knowledge management tools and techniques: improvement and development agency for local government helping you access the right knowledge." *IDeA knowledge management strategy team. March 2008*. http://www.kmbestpractices.com/uploads/5/2/7/0/5270671/idea_knowledge_management_tools_and_techniques.pdf

Executive office of the President of the United States. "Digital Government - Building a 21st Century Platform to Better Serve the American People." Executive Office of the President of the United States. October 6, 2014. http://www.whitehouse.gov/sites/default/files/omb/egov/digital-government/digital-government.html

Info Entrepreneurs. The team of business information experts from the Board of Trade of Metropolitan Montreal. "Best Practice." *Info Entrepreneurs*. Canada, 2009. http://www.infoentrepreneurs.org/en/guides/best-practice/

Office of Budget and Management. "Suggested Measures of Value – Value Metrics Documents". *Office of Budget and Management – Value Management Office*. March 23, 2015 http://obm.ohio.gov/VMO/resources.aspx

Department of Administrative Services. "Lean Ohio." *Summary of Kaizen Events in Ohio State Government since January 2011*. Last Updated: February 27, 2015. http://lean.ohio.gov/Results.aspx

The Office of Budget and Management. "Home Page." *State of Ohio.* March 23, 2015. http://obm.ohio.gov/

Collins, Jim. *Monograph Good to Great in the Social Sectors*. United States: Harper Collins, 2005.

"Changes in GSA Organization (Office of Knowledge Management)." *The General Services Administration (GSA), of the United States Federal Government,* February 26, 2013. http://gsa.gov/portal/directive/d0/content/519802

Maybury, Mark, Daryl Morey and Bhavani Thuraisingham. *Knowledge Management: Classic and Contemporary Works*. United States: Mary Reilly Graphics, 2000.

Rumizen, Melissie. *The Complete Idiot's Guide to Knowledge Management.* United States: CWL Publishing Enterprises Book, 2002.

Skyrme, David and Simon Lelic. *Public Sector – Public Knowledge The KM Contribution to Better Government.* London: Ark Group, 2003.

"Template for a Best Practice." *Center for Information-Development Management.* http://www.infomanagementcenter.com/enewsletter/2010/201008/second.htm