

Building a Foundation for Successful Initiative Management at Federal Occupational Health

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In any large organization, getting a new strategy off the ground can be dicey. In government, where the prevailing culture tends to resist change and where resources and leaders shift as administrations come and go, it can be especially so. Federal Occupational Health, a division of the U.S. Department of Health and Human Services, faced a further challenge with its largely contractor workforce. Solution: an initiative management program that streamlined initiatives and created structures and processes to prioritize and advance them. FOH even created early wins to garner support.

Federal Occupational Health (FOH), a unit of the U.S. Department of Health and Human Services, is the largest provider of health and wellness services to the government, serving more than 1.8 million federal employees at more than 360 federal agencies—including the departments of Defense, Justice, Treasury, and Homeland Security; NASA; the Veterans Administration; and the Social Security Administration. Headquartered in Washington, D.C., FOH provides through contract vendors everything from walk-in clinics and medical reviews to fitness centers and work-life balance programs.

Up until 2008, each of our three divisions (Environmental Health, Employee Assistance Program, and Clinical) operated independently, with its own revenue goals, business development, and projects. That year, our new director, Gene Migliaccio, whose charge was to “build the team, grow the business,” began reorganizing the agency to make it more customer focused—more of a one-stop shop for health services rather than a provider of individual services. For example, a customer employee needing help with eldercare could also, in the same phone call, be offered stress counseling.

One of Director Migliaccio’s first acts was adding two support divisions: Administration & Resource Management, whose primary role would be to consolidate all billing, contracting, human resources, and information technology (IT) needs; and the Division of Business Development, which would help integrate FOH, unifying it around a single strategy and a business model geared toward increasing revenue. (FOH is one of a handful of federal agencies that operates on its own fee-for-service income.)

Our Balanced Scorecard helped communicate enterprise strategy and promote our vision of being the federal government’s occupational health provider of choice. Operation Five-Star, an offshoot of our BSC program, was established as an agencywide program for choosing, prioritizing, and operationalizing strategic initiatives. (Its name reflects our aspiration to achieve “five-star” rating results.)

The program was based on 12 initiatives FOH had launched previously but that had been languishing for about a year.

Reining In Initiatives

Among Five-Star’s first goals was getting FOH leaders to reduce the number of initiatives; 12 was too ambitious

a number, given the agency’s limited resources and competing demands. Leaders whittled the list down to six: (1) workforce planning, (2) acquisition management and planning, (3) establishing a project management office, (4) improving interagency agreements and statement-of-work processes, (5) integrated health and wellness, and (6) branding (of FOH products). Leaders appointed an executive sponsor for each initiative, along with a program manager to oversee execution. Execution of each initiative was assigned to a cross-functional team that included the sponsor, a project manager (a senior-level member or FOH deputy director), an in-house consultant, a division director, and others—10 to 20 members in total. The cross-functional representation ensures agencywide focus and support.

Initiative owners meet monthly to get status updates, identify where support is needed, and assess each initiative’s impact on the others. Because initiatives cut across the organization—affecting available resources and invariably requiring the realignment of roles and responsibilities—FOH has instituted decision briefings for the executive team as part of our initiative governance process.

One challenge FOH faced was how to manage the time commitment required to support initiatives—specifically, how to get staff, who are scattered throughout the country, to take time out of their already busy schedules to support an initiative. To cut travel time and costs, we decided to use teleconferences and web-based software to hold virtual meetings. Weekly one-hour team meetings serve as decision-making points in the process—a platform for the project manager and team members to present work in progress (for example, a revised orientation package for new hires, a change management process for acquisitions) for the team to review. This approach enables us to get input from the entire team while minimizing the time demanded of members. Our initial reservations—that

Balanced Scorecard Report

A joint publication of Palladium Group, Inc., and Harvard Business Publishing

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virtual meetings wouldn't foster open discussion as effectively as face-to-face meetings—proved unfounded. As deliverables approach completion, if necessary, we'll hold an all-day, in-person meeting to wrap up.

A Project Management Office for Governance

FOH lacked a standard initiative management tool, which meant we had a conglomeration of performance metrics. So one of our first Five-Star initiatives was establishing a project management office (PMO). Rather than make drastic structural changes by re-vamping every project, we focused our initial PMO efforts on IT initiatives. FOH leaders had already identified areas for improvement, such as cost reductions, that would benefit the organization as a whole. The PMO would provide governance for IT-related projects (e.g., as new software implementations, a LAN-to-WAN migration), helping us make sound resource-allocation decisions and providing transparency on the projects. Having a PMO helped us not only open up communication channels across the divisions but also better align IT projects to the needs of FOH's business.

The PMO team began by identifying the needs of the business-side stakeholders: What gaps were there in initiative management? What information did stakeholders need to manage effectively? How should the PMO interact with the divisions? And how would it measure success?

To satisfy these needs without expanding project scope, the team focused on developing a standard process for proposing and tracking initiatives. Members developed a dashboard, updated weekly, to give leaders visibility into

project progress. They also developed a standard project management tool. Instead of reinventing the wheel, the team researched best practices within the public and private sectors. Among those that were adopted: a standardized business case format for presenting proposed initiatives to the executive team and a portal for monitoring initiatives' progress.

The business case, created when every deliverable is finalized, includes recommendations for implementation and addresses implementation costs, schedule, and next steps. This is presented to the executive team for approval. Creating a standardized format was an important win of the PMO initiative. It helps people across divisions understand the details of initiatives (the activities involved, costs, schedule, and success measures). This has fostered better decision making—helping leaders weigh the relative benefits of competing proposals—while helping initiatives gain broader support across FOH.

The portal, a Sharepoint site, contains announcements, a calendar of events, initiative progress reports, a document library, and more. The challenges faced during the portal's implementation served as important lessons for the Five-Star strategy team: the pace of change must match the organizational culture. If you move too fast, staff become overwhelmed and resist the change. If you move too slowly, it appears that no progress is being made, and you risk losing support for the initiative.

A Human Capital Initiative Delivers a Quick Win

As a healthcare provider, FOH deals primarily with people. Our 1,700-plus staff—federal employees, U.S. Public

Operation Five-Star: Key Success Factors

- **Creating cross-functional teams** ensured we obtained information and insights we probably wouldn't have gotten if the team were drawn only from headquarters.
- **Support from senior leadership** was visible and unequivocal. This reinforced the message that our projects were important to FOH's success.
- **Virtual meetings saved time and boosted productivity.** Caution: they take considerable work and planning to be successful.
- **The business-case format for recommending initiatives** helps the executive team weigh the pros and cons of proposed initiatives objectively, enhancing the team's decision making and ultimately accelerating implementation.

Health Service officers, and employees of our contract vendors—are the key to our delivering the high-quality services our customers expect. To support our strategic objective “Best place to work,” FOH created a strategic initiative aimed at improving processes, developing standardized approaches to orientation and recognition, and investing in human capital. Early on, the Five-Star strategy team realized that the scope of the initiative was too broad, so we zeroed in on the two most compelling strategic needs: expanding employee recognition and creating a uniform orientation program. We assembled a cross-division team of senior staff to ensure our work would be relevant throughout the organization—meeting the disparate needs of a diverse staff, from full-time medical personnel to part-timers in rural locations.

Knowing that in most large organizations, initiatives have a way of losing momentum over time, we decided to

create quick wins to maintain momentum while we put longer-term solutions in place. Our first one, introduced by our director at the agency's quarterly All Hands meeting, was a new award category—Length of Service for Contractors—which acknowledges the individual accomplishments of any individual who has served for more than 20 years. This new award program, aimed at expanding employee recognition across the organization, demonstrated that Operation Five-Star was making progress—and that it had senior leaders' commitment. The award program defined appropriate criteria, such as time periods, and standardized review practices—which hadn't before existed for contract workers. With the Length of Service for Contractors award complementing existing awards standards for federal employees, we now have guidance for awards and recognition for all levels of the organization. Since the program's implementation, FOH has recognized more than 100 personnel for retirement, length of service, special acts, and teamwork. We expect to double the number of staff recognized by the end of 2011.

Operation Five-Star is an ongoing element of FOH's strategy implementation efforts. Several of our first-stage initiatives are already being implemented. For second-stage initiatives, we've begun implementing initial recommendations (and focusing on change management) while we assess follow-up recommendations. And as part of our annual strategy review process, the executive team will review FOH's strategic objectives and identify the next set of Five-Star initiatives to be implemented in the coming fiscal year. Operation Five-Star has given us a solid platform with which to assess, prioritize, and oversee strategic initiatives. Given the shifting nature of resources in government, it's hard to overestimate the importance of that capability. ■



As Director of FOH's Center for Organizational Development, Priscilla Clark leads strategic initiatives, builds leadership programs, and works to improve processes and staff satisfaction. She also manages organizational development programs for other federal agencies. Previously, she spent nine years with the U.S. Army Corps of Engineers, most recently as a division chief.

To learn more

Managing Strategic Initiatives, a BSR Reader, features five definitive Balanced Scorecard Report articles on strategic initiatives, from evaluating and prioritizing them to managing them as a portfolio. It also contains Robert Kaplan and David Norton's article “The Office of Strategy Management: Emerging Roles and Responsibilities,” which explains the role of initiative management as a key responsibility of the OSM. The collection is available at www.strategyexecutions.com.

Continue the dialogue

How does your organization streamline the time commitment for initiative team members? Does your initiative team use a business case approach to help evaluate and compare initiative proposals? Share your thoughts with Priscilla Clark and Execution Premium Community members online at www.thepalladiumgroup.com/bsr/PriscillaClark.

REPRINT #B1107D

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