

NCDOT Transformation Update for Construction Conference



Why Transformation

STRAIN OF EXTERNAL TRENDS

Growing Demand on System

- *Doubling of VMT by 2030*
- *NC population projected to grow by 50% between 2000 and 2030, "7th most populous state by 2030"*

Increasing Cost of Supplies

- *80% construction supplies inflation since 2002*
- *Spike in global asphalt, cement, and steel prices expected to continue*

Declining Funding

- *State gas tax purchasing power has declined (inflation and mpg)*
- *Federal Highway Trust Fund program projected to run out of funding by 2009*
- *Transportation funding flat/declining for FY2008/09**

* Gas tax cap and increased other agency support

Source: ASCE Report Card; NCDOT internal data

Diagnostic Findings

• Strengths

- Change Commitment
- Financial Stability
- Technical Skills
- “Can Do Attitude”

• Shortcomings

- Organization Structure (Silo and non-collaborative)
- Failing Talent System (Recruit/Motivate/Develop)
- Communication (Not pro-active)
- Employee Mindsets

• Development Areas

- Conflicting Vision and Goals
- Non-Strategic Portfolio of Project and Services
- Core Processes Lack Prioritization, Accountability, Coordination
 - ◇ Project Design & Delivery
 - ◇ Strategic Planning (ad-hoc)
 - ◇ Operational Processes (not linked to metrics)
 - ◇ Funding Flexibility
- Telling our story...the good that we do

Transformation Approach

- McKinsey Diagnostic identified key transformation initiatives
- McKinsey trained NCDOT TMT staff
- Leveraged Proven Management Practices
 - General Electric
 - SAS
 - Office of State Personnel
 - UNC-Healthcare
 - Other State DOT's
 - Other NC State Agencies
- In Depth Analysis: Workstreams
- Engaged staff across organization
- Outreach to partners
 - Local Government Representatives
 - Industry Partners (AGC, ACEC)
 - FHWA

Five Key Transformation Initiatives

Strategic Direction

Program and Project Delivery

Planning and Prioritization

Performance and Accountability

Improved Human Resource Mgt

Initiative 1 - Strategic Direction



Strategic Direction

- ✓ Define common **mission and goals** for the NCDOT
- Determine the appropriate **scope of activities** for NCDOT
- ✓ Identify potential opportunities for new sources of **funds** and changes to funding restrictions
- Evaluate possible **organizational changes** to reach strategic goals, including defining key roles and responsibilities

Mission, Goals and Values

NCDOT

OUR MISSION

Connecting people and places in North Carolina – safely and efficiently, with accountability and environmental sensitivity

OUR GOALS

- Make our transportation network **safer**
- Make our transportation network move people and goods more **efficiently**
- Make our infrastructure **last longer**
- Make our organization a place that **works well**
- Make our organization **a great place to work**



OUR VALUES

- **SAFETY** - We strive for safety throughout our transportation networks as well as in our work and our daily lives.
- **CUSTOMER SERVICE** - We respond to our customers, both internal and external, in an open, professional and timely manner.
- **INTEGRITY** - We earn and maintain trust by responsibly managing the states assets, acting ethically, and holding ourselves accountable for our actions.
- **DIVERSITY** - We draw strength from our differences and work together in a spirit of teamwork and mutual respect.
- **QUALITY** - We pursue excellence in delivering our projects, programs, services and initiatives.

Values are

- What an organization stands for and believes in
- Behavioral expectations
- Manner in which we conduct our business

Initiative 2 - Program & Project Delivery

Program and Project Delivery

Develop and implement **enhanced program and project delivery models and processes**

Overarching Process Workstreams

- Identified by Managers
- TMT & Stakeholders
- 45 Day Process
- Examples
 - TIP Project Delivery
 - Bridge Management
 - Mobility
 - Information Technology
 -

Business Unit Bottoms Up Assessments (89)

- Mission
- End Product
- Budget
- Efficiencies

Initiative 3 - Planning & Prioritization

Planning and Prioritization

- ✓ Establish **Strategic Planning Office (SPOT)**
- Establish new **prioritization approach** based on strategic priorities
- Develop and refresh over time **strategic plans** that align with mission and goals

Initiative 4 - Performance and Accountability

Performance and Accountability

- ✓ Implement public facing **Executive Dashboard** aligned with our mission and goals
- Introduction of a **performance based culture** that cascades **performance metrics** throughout the organization

NCDOT Performance Dashboard

NCDOT
North Carolina Department of Transportation

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NCDOT Organizational Performance Dashboard
Connecting people and places in North Carolina.

Find out more [Click Here](#) 1 / 19

Click this icon to access the NCDOT Dashboard

What's New
[Mission & Goals](#)
[NCDOT McKinsey Report](#)
[NCDOT Ethics Policy](#)

Divisions
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[DMV](#)
[Ferry](#)
[Highways](#)
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[Rail](#)

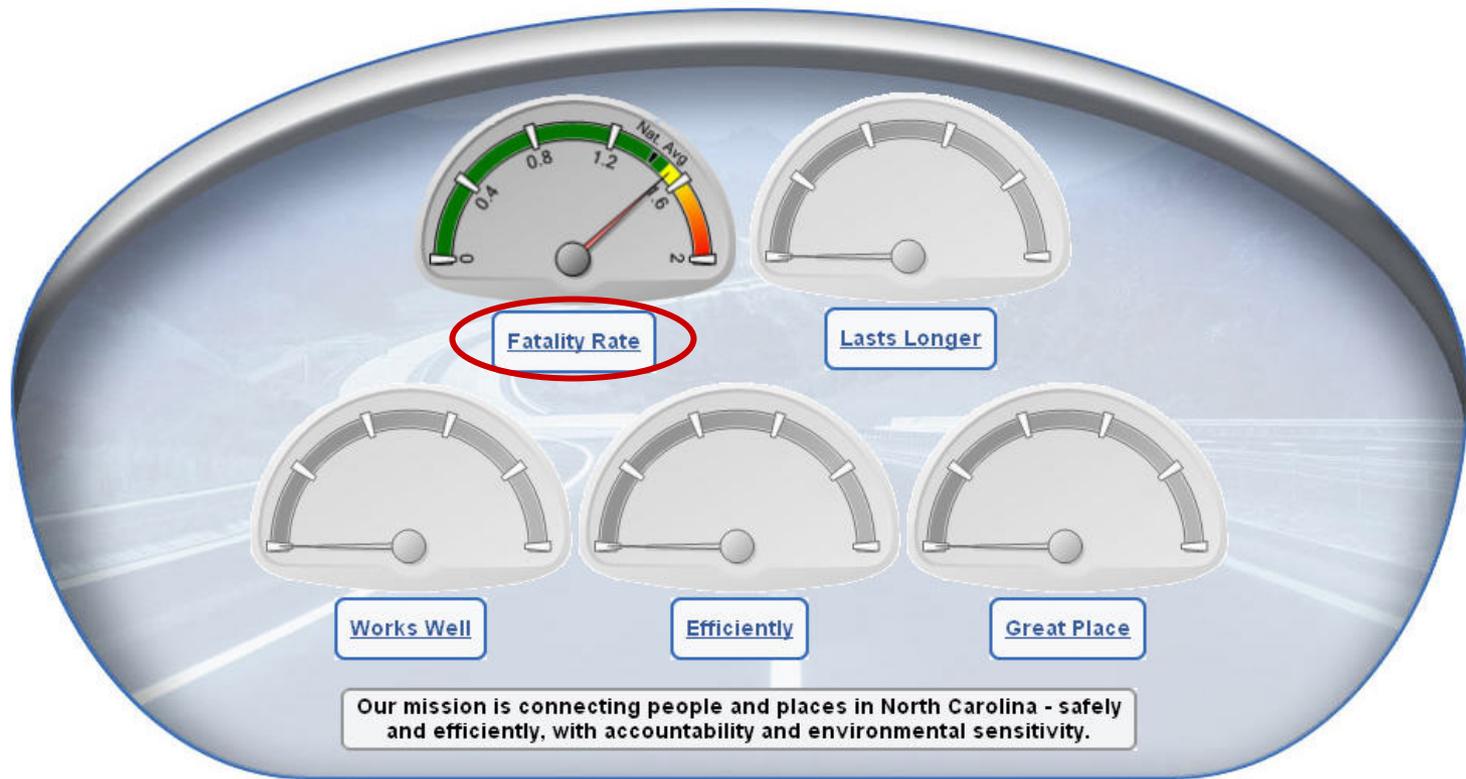
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Find Info Near You
Click the map for regional information or

NCDOT Performance Dashboard - Ultimate

NCDOT Organizational Performance Dashboard



[More information on NCDOT's transformation and organizational performance efforts.](#)

Visual Representation of Overall Health of an Organization

“Make Our Transportation Network Safer”

Crash Details statewide

Filter By:



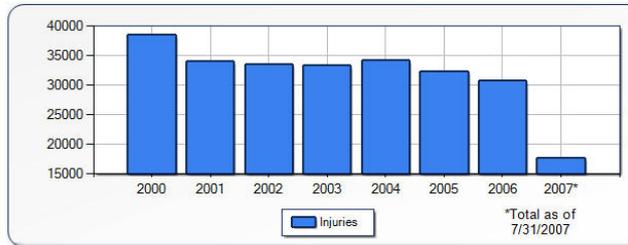
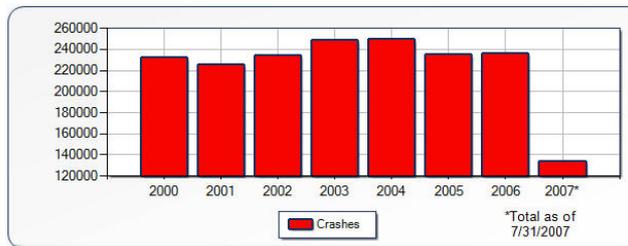
Total as of 7/31/2007



Total as of 7/31/2007



Total as of 7/31/2007



Yearly Statistics

	2000	2001	2002	2003	2004	2005	2006	2007*
Crashes	231647	225607	234478	248564	249155	234816	236326	133556
Fatalities	1561	1533	1577	1581	1578	1550	1555	936
Injuries	38464	34070	33424	33337	34213	32192	30766	17547
VMT (100MVM)₁	892.46	915.71	936.86	937.63	956.27	1008.61	1016.48	610.14
	259.56	246.37	250.28	265.1	260.55	232.81	232.49	218.89
Crash Rate	1.75	1.67	1.68	1.66	1.65	1.54	1.53	1.53
Fatality Rate	43.1	37.21	35.68	35.55	35.78	31.92	30.27	28.76
Injury Rate								

1: VMT=Vehicle Miles Traveled, MVM=Million Vehicle Miles.

* Total Year to Date

Data current as of: 7/31/2007

More information on [how we get these numbers](#).

NCDOT Performance Dashboard - Interim

NCDOT Organizational Performance Dashboard



Highlights:

- Check back for updates to this website. The next phase includes a series of Dashboards that report the DOT's performance in meeting our goals.
- For questions / comments regarding the NCDOT Dashboard please [Contact Us](#).

- [News & Updates](#)
- [McKinsey & Company Report](#)
- [Mission & Goals](#)
- [Values](#)

+ News & Updates:

+ McKinsey & Company Report:

- Mission & Goals:

Mission:

Connecting people and places in North Carolina - safely and efficiently, with accountability and environmental sensitivity.

Goals:

- **Make our transportation network safer**
 - ▢ [5 Year Crash Fatality Statistics](#)
 - ▢ [Fatality Information \(Crash Report\)](#)
- **Make our transportation network move people and goods more efficiently**
 - ▢ [Congestion Areas](#)
 - [Strategic Highway Corridors](#)
 - [Travel Information \(TIMS\)](#)
- **Make our infrastructure last longer**
 - ▢ [Executive Summary Report, 2006](#)
 - [Full Maintenance Condition Report](#)
- **Make our organization a place that works well**
 - [Continuous Process Improvement Program \(CPI\)](#)
 - [Construction Progress Report](#)
 - ▢ [Money Spent on Construction Projects, 2007](#)
- **Make our organization a great place to work**
 - [Current Job Postings](#)
 - [Employee Newsletter, In the Loop](#)
 - [Office of State Personnel Employee Compensation Calculator](#)

DRAFT Metrics – Secretary of Transportation

GUIDE FOR DASHBOARD SCORECARD

FOR USE IN PERFORMANCE REVIEW MEETINGS

	Metric	Metric Data	Target	Data Source	Wt (%)
Safer	Fatalities	<i>Fatalities per 100 million vehicle miles; i.e. 1.58...this will be compared against a baseline TBD (% improvement)</i>	1.50-1.63	<i>Traffic Engineering Branch</i>	10
Efficiently	Reliability of Strategic Highway Corridor System	<i>-Average operating speeds on Strategic Highway Corridors (SHC) -Travel time reliability -Congestion (Level of Service)</i>		<i>Transportation Planning Branch</i>	
	Transit Service	<i>% Increase in Frequency of Service compared to previous year for Rail, Ferry, Public Transit, etc.</i>	70-89%	<i>Transit</i>	5
Last Longer	Department Infrastructure Health	<i>- Composite Statewide Rating (Level of Service Rating) - % annual increase in value of Department infrastructure</i>	C-toC	<i>- Asset Management-Maintenance Condition Reports - Financial Management Division</i>	25
Works Well	Projects/Programs/Services on Schedule and on Budget	<i># of projects/programs/services planned for year divided by # actual completed = % success rate</i>	70-89%	<i>Program Development report from STaRS and/or BW, HiCAMS</i>	25
	Business Development and Outreach	<i>% Contract dollars awarded to DBEs, MBEs, WBEs, SBEs, & HUBs</i>	70-89%	<i>SAP</i>	10
	Customer Service	<i>Customer survey scores (public, partners, etc.)</i>	70-89%	<i>TBD</i>	5
	Fiscal Management	<i>% improvement of administrative budget(s)</i>	90-95%	<i>TBD</i>	10
Great Place to Work	Employee Safety	<i># of reported incidents that cause lost work days and/or worker's comp claims compared to baseline, i.e previous year(s) reported incidents</i>	6.1-7	<i>Safety and Loss Control</i>	10
	Employee Satisfaction	<i>TBD</i>		<i>Employee Survey</i>	
	Recruiting, developing and retaining employees	<i>Retention rate of "Top Performers" and/or stabilization rate</i>		<i>TBD</i>	

WORKING DRAFT 10/25/07; 12/7/07

Improved Human Resource Management

Initiative 5 - “Talent Management”

- ① Talent Management Strategy
- ② Hiring Practices
- ③ Employee Value Proposition
- ④ Performance Review
- ⑤ Training
- ⑥ Employee Career Tracks
- ⑦ Leadership Planning System
- ⑧ Employee Engagement Survey
- ⑨ Recruitment Proposal
- ⑩ Employee Orientation
- ⑪ Quick Wins
- ⑫ Mentorship Programs

Performance Dashboard Appraisal - Section A

Section A. Performance Metrics

Performance cycle date:			
Name:		Employee ID No.:	
Classification/Title:		Unit/Section:	

Performance Metrics (Results Expectations)			Progress Reviews				Year End		
Measure	Target	% Weight	Date	Date	Date	Date	Results	Number Rating 1, 2, 3 ¹	Weighted Rating (% Weight x No. Rating)
		100%						Overall Weighted Rating:	

*Key	1 = Does not meet expectations
	2 = Meets expectations
	3 = Exceeds expectations

Beginning of performance cycle: Signatures indicate supervisor and employee have discussed performance metrics, NCDOT values and leadership competencies.

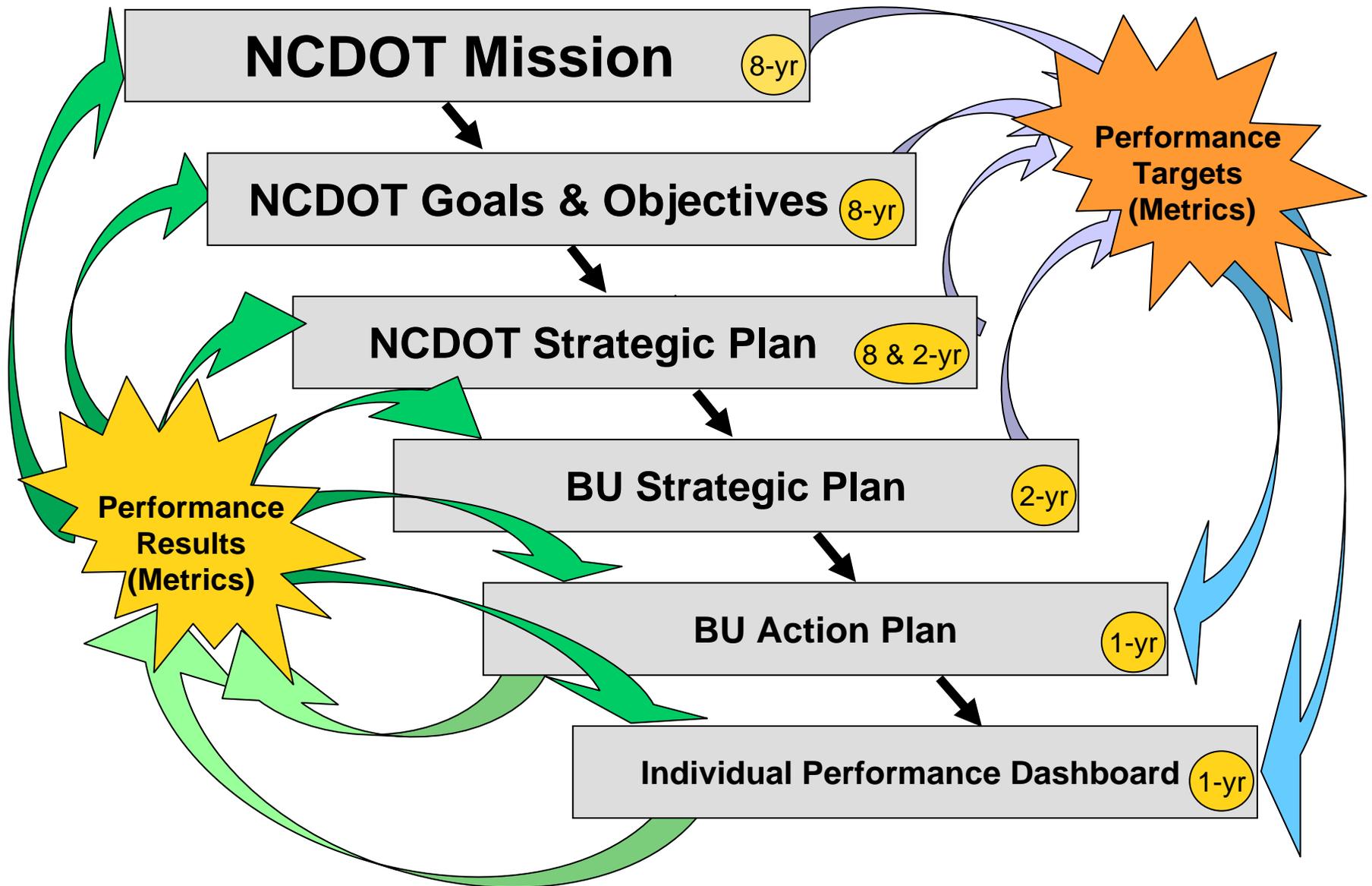
Supervisor's signature:		Title:		Date:	
Employee's signature:		Date:			

Performance Dashboard Appraisal - Section B

Section B. NCDOT Values

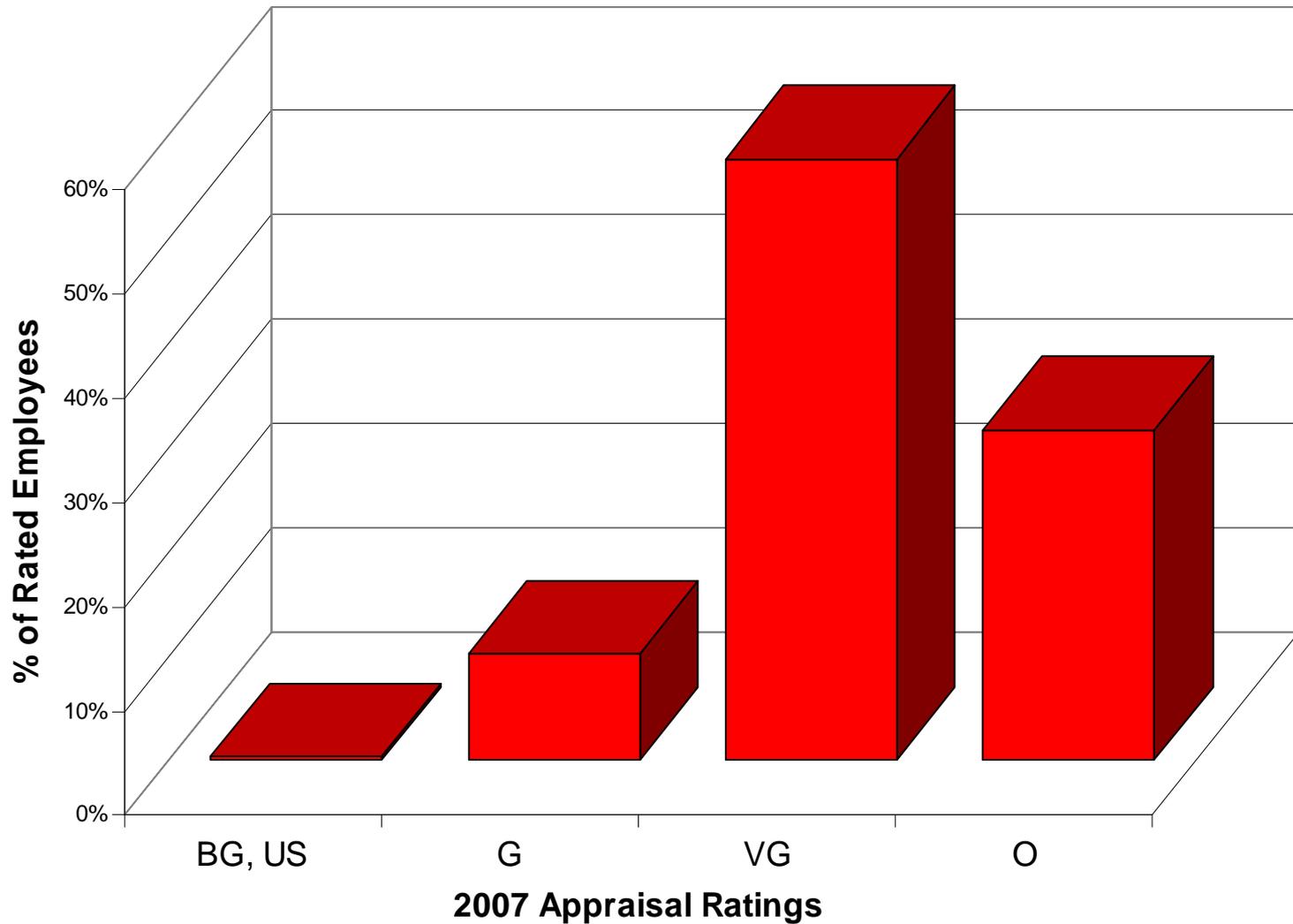
Values (Behavioral Expectations)	Adhered to value?		If "No" is checked, describe non-adherence.
	Yes	No	
Safety: We strive for safety throughout our transportation networks as well as in our work and our daily lives.	<input type="checkbox"/>	<input type="checkbox"/>	
Customer Service: We respond to our customers, both internal and external, in an open, professional and timely manner.	<input type="checkbox"/>	<input type="checkbox"/>	
Integrity: We earn and maintain trust by responsibly managing the state's assets, acting ethically, and holding ourselves accountable for our actions.	<input type="checkbox"/>	<input type="checkbox"/>	
Diversity: We draw strength from our differences and work together in a spirit of teamwork and mutual respect.	<input type="checkbox"/>	<input type="checkbox"/>	
Quality: We pursue excellence in delivering our projects, programs, services and initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	

NCDOT STRATEGY: Drilling it Down



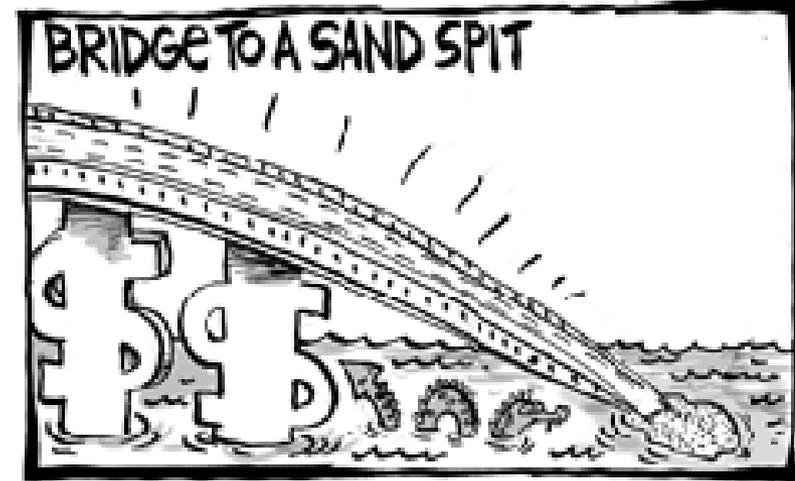
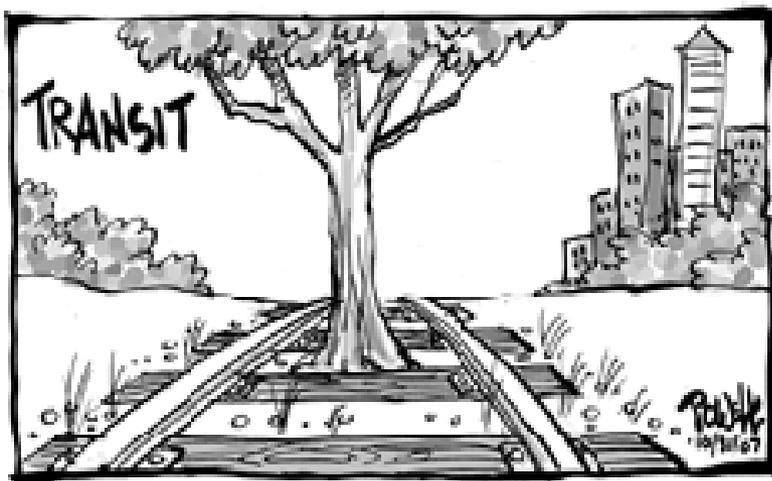
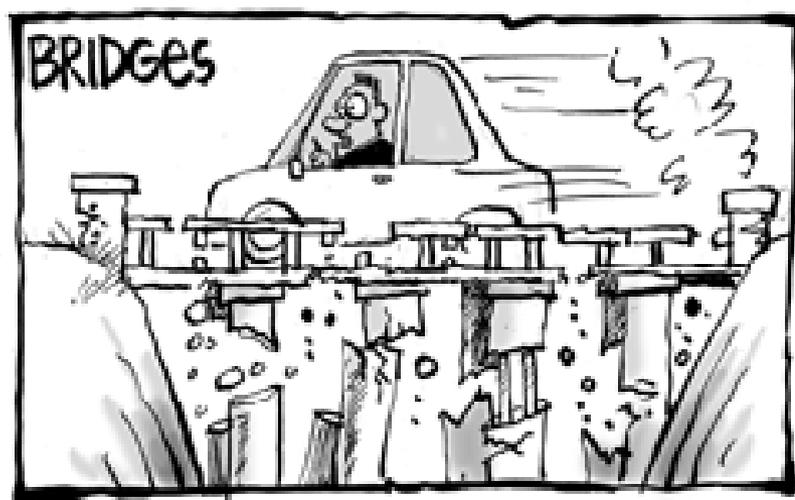
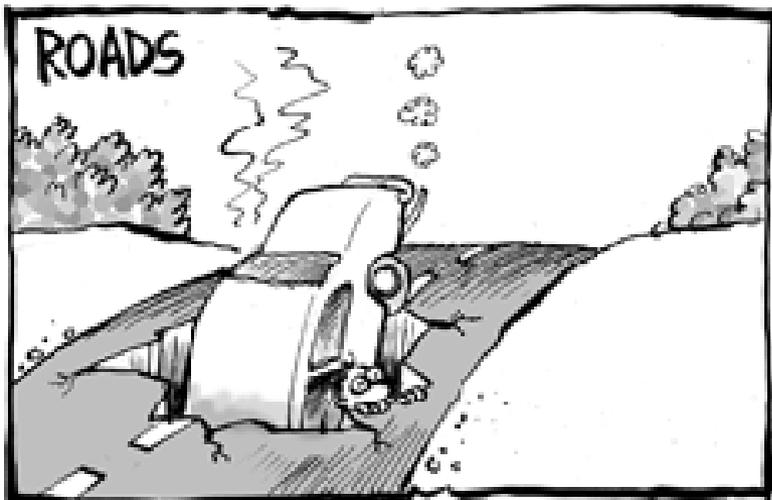
How We See Our Own Performance

Distribution of Appraisal Ratings, 2007 - NCDOT



How Our Customers See Our Performance

N.C. TRANSPORTATION NEEDS —



Dwane Powell, News & Observer,
October 31, 2007

It all comes back to....



NCDOT

OUR MISSION

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OUR GOALS

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- Make our organization **a great place to work**



- Working together for a common purpose
- Planning and prioritizing our work
- Delivering our projects & programs effectively
- Measuring our performance
- Developing our employees

“Connecting People and Places in North Carolina”