



MODERNIZE TxDOT: Commission Update for June 2011

- **John Barton and Scott Kaepfel will brief the commission on activities that have occurred since the last commission meeting, and a brief description of these activities follow.**
- **A work authorization was executed for the Kaepfel contract that outlines the deliverables to be produced on or before July 21, 2011, including an implementation plan that will be presented at the June commission meeting.**
- **The implementation plan includes the prioritization and consolidation of the 78 recommendations presented in the Restructuring Council report, including a timeline and success measures based on business cases and an analysis of risk, dependencies and effort.**
- **Kaepfel has been meeting with the Modernization Leadership Team (MLT), members of the commission, the administration, and other TxDOT staff to discuss the recommendations, vision, key messages, and implementation.**
- **A key message is that all recommendations will be considered for viability, but there may be recommendations that are considered not viable, and therefore not implemented, after they are fully vetted with stakeholders.**
- **A disciplined management process is being implemented to consider the recommendations, the majority of which will include the input of stakeholder teams. Depending on the scope of the recommendation, the team composition will generally include an executive sponsor from administration, a management sponsor, team lead, and team members with varied areas of expertise.**
- **The initial stakeholder training was conducted for the administration. Future training will occur for the commission, administration, sponsors, leaders and teams. There will likely be other current projects of the department that will be adapted to this project management approach to more effectively prioritize and allocate resources.**
- **In addition to continued training, deliverables for the next month include a high level business architecture for the 78**

recommendations, a draft change management framework that includes a communications plan, and a draft alignment document that includes implementation strategies.

- **http://www.dot.state.tx.us/about_us/modernization.htm is the link to TxDOT's Modernization information on the website. An email was sent to TxDOT employees with an update on June 13, 2011. A copy of the email follows.**



June 13, 2011
Modernization Update

Dear fellow employees,

On June 1, Kaepfel Consulting came on board as TxDOT's change management consultant and since then the Modernization Leadership Team and Kaepfel have hit the ground running. Work on TxDOT's modernization effort is moving quickly but deliberately. On June 29, Kaepfel will deliver to the Team a plan that will be used as our road map for moving forward with the modernization project.

Since many of the 78 recommendations from the TxDOT Restructure Council report are interrelated, the high-level implementation plan will group those interrelated recommendations into numerous projects. Within those projects, each of the interrelated recommendations will become an action item for employee work groups to address with sponsors from Administration, district engineers, division directors, office directors, and region directors.

At this month's commission meeting on June 30, the Team will present the high-level implementation plan and it will be posted on crossroads. In the meantime, if you have other questions or comments please email them to ModernizeTxDOT.gov.

The Team asks all supervisors to print the attached PDF file and distribute copies to your employees that have limited computer access.

Thank you for your continued hard work and support.

The Modernization Leadership Team

Modernization Effort Update

Texas Transportation Commission Meeting June 30, 2011

John Barton
Modernization Leadership Team Chair



Overview

- ▶ Modernization Statement
- ▶ Executive Summary
- ▶ Approach
- ▶ Plan Risks
- ▶ Modernization Plan
- ▶ Questions/Comments



Modernization is ...

a disciplined approach to implementing change that will deliver:

- an improved leadership model;
- opportunities for innovation; and
- increased collaboration with employees and stakeholders.

As a result, TxDOT will be recognized as a performance-driven organization, a great place to work, and committed to quality customer service.



Executive Summary - Scope

- ▶ Universe of 78 recommendations by Council consolidated into 37 modernization projects

- ▶ Other ongoing improvements will be packaged under Modernization



Executive Summary - Timing

- ▶ Some projects may be determined non-viable during the Project Definition & Validation phase.
- ▶ 7 projects were started prior to hiring Kaepfel Consulting and will continue under the new methodology
- ▶ Implementation will be staggered starting now
- ▶ Completion: 18 months



Executive Summary – Keys to Success

- ▶ Voice of the Customers (Collaboration)
- ▶ TxDOT involvement
- ▶ Coaching & training in change management
- ▶ What happens after modernization?



Approach - Short and Long Term

Change requires two parallel paths of execution, building off each other and integrating messages and discipline.

- ▶ Tactical – short term (12 – 18 months) focuses on execution of 37 projects to address 78 recommendations.
- ▶ Cultural – 3 to 5 years (cultural change) This project will focus on laying the foundation in year one.



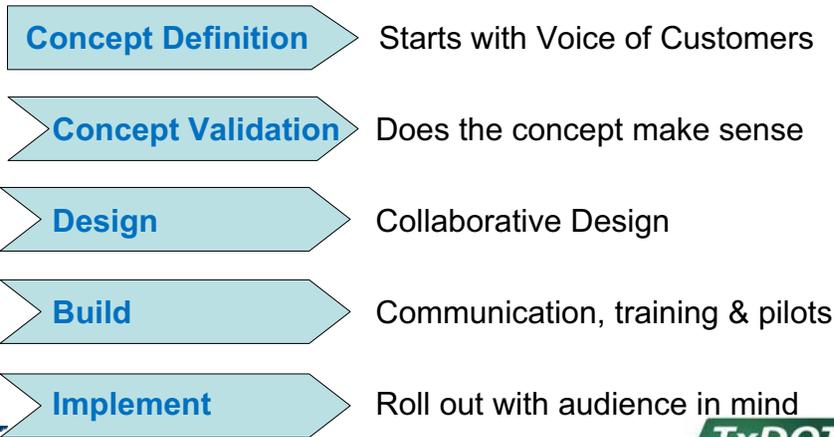
Approach – Tactical

- ▶ Clarify Recommendations
- ▶ Group Like Work
- ▶ Prioritize the work
- ▶ Establish Governance
- ▶ Train Change Management Methods
- ▶ Execute the work... starts today



Approach – Standard Method

► Standardize Change execution model:



Approach - Transparency

Weekly status reports to the administration will provide a 360-degree view of phased execution and risks to delivery of changes at TxDOT. Also work will be sequenced and packaged for change audiences.



Approach – Change Planning

Current plan was built based upon resource availability, audience impact, required end dates, and dependencies.

CALENDAR YEAR	2011		2012			
	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Mar
New Starts by Quarter	17	6	5	4	2	3
Finishes by Quarter	1	8	1	10	4	7
In-Flight by Quarter - All	17	21	17	21	13	12
In-Flight by Quarter - Complex	7	10	12	12	9	7
Governance Assessment	Very Difficult	Moderate	Moderate	Moderate	Easy	Easy
Sponsor Assessment	Very Difficult	Difficult	Moderate	Moderate	Easy	Easy
PM Assessment	Difficult	Difficult	Difficult	Very Difficult	Moderate	Easy
Coach Assessment	Moderate	Difficult	Difficult	Difficult	Moderate	Moderate
Average # People Involved	170	210	170	210	130	120
Full Time Equivalents (based on hrs)	38.1	49.5	47.1	53.1	35.7	30.6
Audience Impact	Low	High	Low	High	Moderate	Moderate
Relative execution risk assessment	High: - Lots going on. - New people. - Leadership gaps	High: - Lots going on. - New people. - New leader(s).	Moderate: - Should start hitting our stride here.	High: - Lots of change.	Moderate: - Still a lot of big projects, but improved	Low: - Second nature by now.

We are targeting a lot of change in 12-18 months. Plan is feasible with many risks. Risk management will be key.



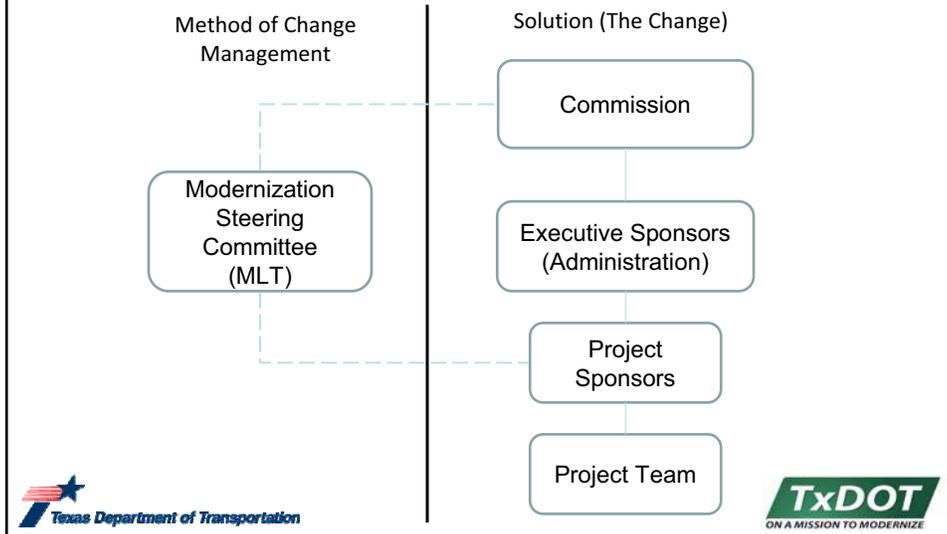
Modernization Plan Risks

- Change in Leadership
- Other Change Efforts outside the program
- Rapid pace of executing the plan by TxDOT employees with new methods
- Training and institutionalizing the methods while executing projects
- Resource availability

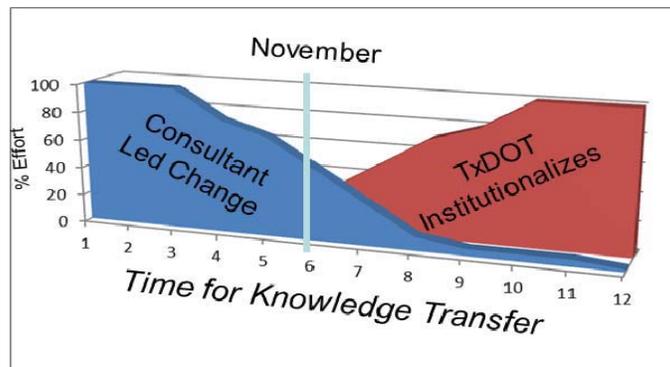


Approach - Governance

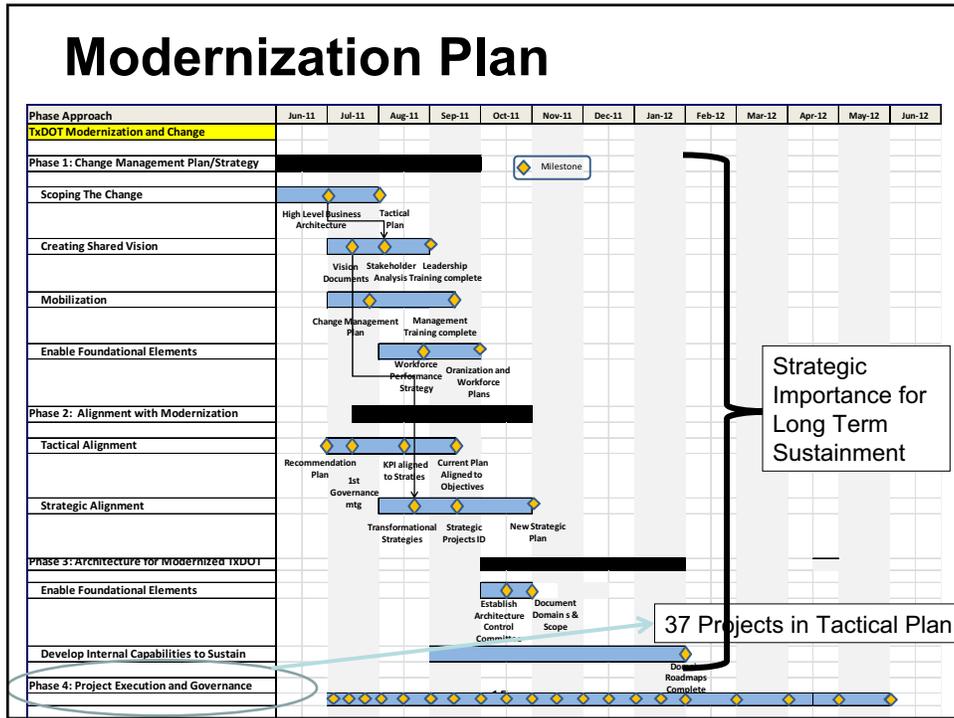
The governance model provides checks and balances



Approach – Knowledge Transfer



- ▶ Requires TxDOT to build method competency in first year
- ▶ Kaoppel to provide training and knowledge transfer



Modernization Plan

- ▶ Current Status – Yellow
- ▶ 78 Recommendation packaged into 37 projects
- ▶ 17 Projects will be in-flight this quarter
 - 7 Projects in-flight now
 - 5 Projects starting in July
 - 5 Projects will start in August and September
 - 0 Projects currently non-viable (some being reviewed)
- ▶ Determining tangible and intangible benefits for benefit validation step of the method
- ▶ Project charters are being presented July 5th

Questions and Comments?

