

## **Transforming Iowa: The Iowa Reinvention Partnership, 1999 - 2006**

May 2008

Clarity about accountability is harder—and more important—than many think. Everyone supports accountability, and it is currently a favorite buzzword. Unanimity fades, however, once we ask what we mean by accountability and what it takes to achieve it. First, accountability for what?

In bureaucracies, government leaders and workers are most accountable for staying out of trouble and off the evening news broadcast. Do not break any rules, do not antagonize anyone above you in the hierarchy, and above all, do not spend any money unless clearly authorized. What's most important is "no mistakes." If that's the accountability we want, then the way to get it is to keep doing what we're doing now.

Many elected officials, government "watchdogs," and the media are comfortable with this primary accountability for rules and inputs. Others are not. They suggest that a different accountability—accountability for results—yields citizens much more. By "results," we mean how people's lives are improved. The people who pay the taxes want to know what results they get for each dollar. They want better value.

Accountability for results delivers value.

The second question is how to design and implement governance that makes accountability for results the most important goal. Talking about results is not enough. Announcing that we will henceforth hold people accountable for results is not enough. Creating systems to hold individuals accountable for results is not enough. Designing and implementing a few accountability-for-results projects is not enough.

The more we learn about primary accountability for results in government, the more appreciation we have for how deeply and broadly the change process must reach, all the way into the organization's DNA. We have to change the system of systems.

Changing the DNA means changing basic incentives and deep structures so that results are self-executing. With results-oriented DNA, no one has to repeatedly persuade people to act differently. The DNA tells them to act differently, every hour of every day.

Iowa's DNA-changing experiments fundamentally changed incentives and systems:

### **Charter Agencies**

Six agencies volunteered to be accountable for results and to contribute to the budget gap. In return, they received unprecedented bureaucracy-busting authority and flexibility. This initiative won a Harvard Innovation in American Government Award and Council of State Government Innovation Award.

### **Purchasing Results**

Most efforts at "performance budgeting" simply add performance measures and data to a budget organized by program or unit. Nothing forces their use. "Purchasing Results" creates a dynamic negotiation process to improve the value of budget "offers." Then

performance information forces prioritization to allocate finite resources to achieve the maximum return on desired results.

### **Entrepreneurial Management**

Internal services such as personnel, procurement, printing, fleet, training, and IT become more responsive when customers become more powerful. Customers directly drive services designated as “marketplace” or “utility.”

Kaizen and Zoom Business Process Improvement yielded dramatic improvements with no sacrifice of standards or quality. For example, air quality construction permits that took 62 days are now completed in six.

### **Flexible Performance Agreements**

Each department director negotiates a list of results and project expectations with the Governor. These Agreements also include commitments by the Governor and establish the basis for annual performance reviews.

Iowans can check [www.resultsiowa.org](http://www.resultsiowa.org) to see what they are receiving for their investment in their state government. The site also provides access to agency plans, performance reports, and more.

The Iowa Reinvention Partnership was the means to jump-start Iowa’s transformation with no up-front financial commitment by the State: a partnership between the State and The Public Strategies Group.

Each of the components above helped change the DNA. More powerfully, the synergy among components increased the value of each: Charter Agencies prepared more aggressive Purchasing Results “offers;” Purchasing Results created more incentive for internal customers to use their leverage in Entrepreneurial Management; and more.

Clarity on accountability for results plus DNA-changing implementation equals more value for the people we serve. That’s the accountability we need in the 21st century.

Learn more about “Transforming Iowa” by visiting the Transforming Iowa website. [www.transformiowa.org](http://www.transformiowa.org)

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