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Reinventing the Department of Culture, Recreation and Tourism

By David Osborne¹

Louisiana has an economic asset that other states can only dream of: a multifaceted, deeply rooted, unique culture.

When Mitch Landrieu was elected lieutenant governor of Louisiana, in November 2003, he set off on a “listen and learn” tour to capture ideas about how best to use that asset. Out of that process came a new vision for the Department of Culture, Recreation and Tourism (CRT), articulated in a document called *The Roadmap for Change*: to build Louisiana’s “cultural economy”—tourism (the state’s second largest industry), entertainment, the arts, the media, video, film, music, the culinary arts, graphics, design, and related businesses that put culture and creativity at their core.

For the first time, this vision put economic development square in the center of the department’s mission.

To achieve the new vision the department would have to be transformed, the lieutenant governor concluded. As his *Roadmap* put it, it would have to become more “aggressive” and more “innovative,” looking every day for “opportunities to expand initiatives, leverage more resources, partner with industry leaders and collaborate with state agencies.”

In the wake of Katrina and Rita, the necessity of transformation became even clearer. But a full year before the hurricanes, Landrieu and Secretary Angèle Davis had launched a multi-year transformation process to reinvent the department. This document is a brief report on that effort.

The Pre-Katrina Department of Culture, Recreation and Tourism

When the lieutenant governor took office, the department was a relatively successful bureaucracy, but it was hardly ready to implement the radical changes called for by the *Roadmap*. Angèle Davis hired the Public Strategies Group (PSG) to assess the organization and help it develop a transformation strategy. Our initial report described the department this way:

CRT is generally well regarded by internal and external stakeholders alike. However, when asked to rate on a scale of one to ten how well CRT is positioned today to deliver on the Roadmap, the ratings ranged from three to eight, with the average at about five. CRT made good progress under Lt. Governor Blanco's leadership, but there is still much work to be done.

PSG found that:

- CRT's performance measures and accountability system needed strengthening. (As different members of the department told us: "*The performance plan is just a hurdle we have to get over each year. We don't use it to manage.*" ... "*Some of our performance measures are input, some are efficiency, and some are just blurry.*" ... "*We have stats. What we don't have is the ability to analyze.*" ... "*We are never penalized for not meeting the performance or financial targets.*")
- The state's administrative systems imposed rules and requirements that were obstacles to becoming a high performing organization. ("The State's civil service system, in particular, does not enable CRT to reward excellent performance in a meaningful way," PSG wrote. "The pay system has multiple problems: pay ranges are too narrow, changes in pay take too long to approve, and managers lack the flexibility they need to pay valuable employees what it takes to keep them. Salaries are low, making it hard to recruit and retain the best people.")
- Though CRT was seen as "a great place to work" by both employees and stakeholders, fear and bureaucracy were stifling creativity and innovation. (A few employees' comments: "*I can't wait to leave state government. There's too much bureaucracy, too much justifying why you are here instead of doing your job.*" ... "*The biggest issue is the fear among staff, particularly senior staff. How did I mess up? Who decided that? We're afraid to make mistakes.*" ... "*The ceiling is low on creativity and innovation.*"... "*We need to work as one department, not a bunch of separate offices.*")

Lieutenant Governor Landrieu summed it up this way: "Long before Katrina, we needed to bring this department into the 21st century—to create a more entrepreneurial, innovative, results-oriented and customer-focused organization. Now

that need is urgent.”

In November 2004 the lieutenant governor, Secretary Davis and their leadership team (assistant secretaries and a few others) spent two days working with PSG to review these findings and develop strategies for change. They chose four priorities and began to develop action plans for each one:

- Use Budgeting for Outcomes to translate the *Roadmap* priorities into funding priorities.
- Strengthen departmental leadership and management by clarifying roles and responsibilities and preparing for action and accountability.
- Build a performance management system that defines performance goals for every agency, division and work unit and makes them matter.
- Create a high performance culture that fosters partnership and innovation.

Quick Wins

To generate early momentum and begin to create that culture, PSG trained teams of frontline employees to redesign their work processes. During three days of training, three teams learned the tools of process improvement--everything from statistical analysis to flow charts to fishbone diagrams.

With a facilitator helping, they returned to their offices and dissected a key work process or two. In the Office of Tourism it was the process of getting brochures and other materials to Welcome Centers across the state and to trade shows and other marketing events across the U.S. and Canada. Mapping both processes, the team discovered that orders from Welcome Centers went through three people, each of whom had to give their approval, before they even reached the Distribution Office. Then drivers had to truck the materials out to the Welcome Center that submitted the order. On average, it took 27 days from the time the Center decided it needed materials.

The team eliminated the required approvals and established regular quarterly deliveries of enough materials to last, based on the past experience of each Welcome Center. Special orders can be placed by email and now arrive in a matter of days.

They made similar changes for marketing event orders, including direct shipping from the warehouse for large orders. “We’re eliminating the need for boxes to be riding the elevator from the ground floor to the third floor and back again,” laughs Sharon Calcote, the team leader. “We had some well traveled materials.” Average preparation time dropped from seven to two days.

And with far less time (and gasoline) now consumed driving orders around the state, the Distribution Office cut \$43,200 from its budget.

The State Parks team targeted the 60 days it took to reimburse local governments for building parks, tennis courts, and other recreation facilities with federal grants. They junked three of the eight forms required, cut the number of signatures required from three to one, trained staff to use the office's new software, shifted to electronic funds transfer for as many reimbursements as possible, and took 14 steps out of the process. It now takes ten days to reimburse a local government, at a savings of \$37,300 for the department.

Department Secretary Angèle Davis was so impressed with the results that she awarded all 21 participants a \$1,000 bonus—and launched another round of Quick Wins in spring 2007.

One of those teams cut by half the time it takes Black Bear Golf Course to pay vendors, from 63 to 31 days. As soon as the new imaging system is in place, electronic approvals will cut this time even more. Another team is well on the way to reducing the time it takes for local event organizers to receive sponsorship grants from the department. What is now typically a six-month wait should be reduced to a matter of days.

But the process does more than save time and money; it changes the organization's culture. "A lot of the staff felt everyone should go through this training because it is just so awesome," says Selena Simon, who led the Arts Grants Application Team. "If we think past the assumptions and how things used to be we can actually break through the ceiling and go a lot further."

"Our people continue to think outside the box and look at ways to improve the process, take some lessons from that experience and apply them to other parts of our work," says Cleve Hardman, leader of the State Parks team. "We started looking at the front end of the application process to see what we can do there. No question there's an increased willingness to rethink things." Since the first round State Parks has launched two more Quick Wins teams.

"It's very empowering for the staff to make these decisions, which I think raises morale," adds Sharon Calcote. If the department creates enough Quick Wins teams, "things could become so simplified that you eliminate that feeling and need for all the checks and balances. I know you have to have some in place, but government seems to go overboard on the checks and balances and approvals. Having a little more freedom to make decisions and act upon those decisions--but yet be accountable for those decisions--I think would raise the morale and make people in government feel more like they're in a private sector environment."

Budgeting for Outcomes

As they launched Quick Wins, CRT leaders also focused on the big picture: How to shift the department's budget from last year's priorities to the very new priorities of the *Roadmap*.

The tool they chose is called Budgeting for Outcomes. Rather than starting with last year's budget and deciding what to cut and what to add, it begins by defining the results the department is trying to create. The leadership team initially chose seven results and took them out to its stakeholders in the tourism and culture industries to get feedback. Once they were fine-tuned, teams developed strategies to achieve each one (some of which had already been articulated in the *Roadmap*). The seven were:

1. Expand tourism.
2. Develop Louisiana's Cultural Economy.
3. Broaden recognition of Louisiana as the sportsman's paradise.
4. Broaden recognition of Louisiana as a premier family recreation destination.
5. Expand Louisiana's role as a retirement destination.
6. Improve education of Louisianans.
7. Create a high-performing organization.

Katrina changed everything. Within weeks, Landrieu and Davis pulled their leadership team together, with a new urgency and a clear sense that the department had to rethink its role, both short- and long-term. After listening to key stakeholders, the team decided the department should focus most of its energy on two of the seven areas--rebuilding tourism and stimulating the cultural economy—and add a new one directly related to recovery from the hurricanes. The seven key results became four:

1. "Rebuilding Louisiana to worldwide preeminence as a top tourist destination.
2. "Making Louisiana's cultural economy the engine of economic and social rebirth.
3. "Building better lives and livelihoods than before for all Louisiana's people.
4. "Making Louisiana's recovery the standard for high performance, accountability, and ethical behavior."

In an intense weekend of work, they also decided how to measure progress against each goal and analyzed which factors were most critical in producing each of the four results. Based on that analysis, they were able to define which strategies would be most effective.

Two weeks later—before Rita hit—Landrieu took the resulting *Rebirth Plan* to CRT’s stakeholders at a Rebirth Summit attended by 300 business and community leaders. Once the stakeholders had embraced it, he began to communicate the new priorities and strategies, using speeches, hundreds of interviews, and publication of the Rebirth Plan on the web.

In October 2005 the department rolled out a new advertising campaign to attract tourists to areas not hit by the hurricanes; housed thousands of evacuees and tourism workers in trailers in the state parks; developed library programs for them and reading programs for their kids; launched a Cultural Economy Foundation as a 501(c)3 non-profit organization and began raising funds for rebuilding; and kicked off myriad other rebuilding efforts.

In November, the state Division of Administration announced an 11.5 percent midyear budget cut. Secretary Davis led a process in which the leadership team ranked every activity in the department’s budget according to its impact on the four outcome goals. Low-ranked activities were reduced or eliminated.

By then, it was time to prepare the fiscal year 2007 budget request. Based on the four outcome goals and the key strategies to achieve each one, the budget office drafted a “Request for Results (RFR),” which took the place of the traditional Budget Instructions. It outlined the results desired, how they would be measured, and the strategies chosen. It then asked each office to make “offers”—in other words, it challenged the program managers to “tell us what you can do to produce these results.” (For an excerpt from the RFR, see the box below.)

Excerpts from the *Request for Results*

Result 2: Make Louisiana’s Cultural Economy the engine of economic and social rebirth.

Louisiana's Cultural Economy is a \$202 million industry that employs over 140,000, defined as the people, enterprises, and communities that transform cultural skills, knowledge, and ideas into economically productive goods, services, and places. The goal of the Cultural Economy Initiative is to develop Louisiana's cultural assets to create economic opportunities and a high quality of life for all Louisianans....

Purchasing Strategies we want offers to address:

II. We want offers that enhance the production capacity for Louisiana cultural products. We’re especially interested in offers that:

- Re-imagine the opportunities for Louisiana’s Cultural Economy in bold new ways that the pre-hurricane status quo might have inhibited;

- Rebuild and increase the capacity of Louisiana's existing cultural industries and facilities;
- Expand investment in cultural and technical research and innovation;
- Create new and expanded investments including private financing for arts and cultural entrepreneurs;
- Train and retrain workers with skills that will enable them to participate to the fullest extent in cultural enterprises; and
- Rebuild and expand micro-business support programs and incubators targeted to the cultural sector.

III. We want offers that expand the distribution and markets for Louisiana cultural products. We're especially interested in offers that:

- Develop and expand the marketing of, and markets for, Louisiana's cultural products;
- Develop, stabilize, and maintain distribution outlets for cultural industries products;
- Market Louisiana as a state rebounding from adversity; and
- Capitalize on the global awareness of the hurricanes to promote Louisiana's cultural attractions and products.

With help from PSG consultants, managers drafted their offers. Most offers defined programs they already funded, such as state parks, museums, welcome centers, and marketing campaigns to stimulate tourism. But some reflected new thinking—as the sample offer in the box below illustrates. Previously each agency in DCRT (Tourism, Libraries, State Parks, Museums and Cultural Development) each had their own marketing programs. Consolidating those efforts not only saved money, but increase inter-agency communication.

Establish DCRT Marketing Office

Office of Tourism 06-267

Rebuild Tourism

Executive Summary

Establish a centralized DCRT marketing office to serve as the single marketing arm for DCRT from creative and concept development to consumer inquiry fulfillment. The office will develop, administer and execute an aggressive and comprehensive, market-specific marketing program for all DCRT.

Offer Justification

Louisiana receives a 14 to 1 ratio of economic impact generated from every dollar spent in tourism advertising, and visitors to Louisiana spend an average of \$326 per trip. With post-Katrina conditions, it is imperative that Louisiana continue its marketing presence to rebuild and strengthen the state's dominance as a unique, culturally diverse vacation destination. Any given day, pre-Katrina, visitors to Louisiana spent \$25.8 million in our hotels,

restaurants, attractions and airports; 120,000 tourism industry employees earn \$5.5 million in salaries and wages, over \$1.6 million is accrued in state and local taxes, over 62 percent of Louisiana's 79,000 hotel/motel rooms were occupied. It will require image building and brand strengthening to recoup and grow Louisiana's vast market share of domestic consumer visitors.

Centralized marketing efforts of DCRT erases artificial boundaries and creates a seamless department executing a centralized-department wide mission. Centralized marketing efforts establish a cross promotion of all offices programs, sites and facilities to strengthen the state's buying power and leveraging DCRT resources. The office will be better able to negotiate better advertising rates, conducting cross agencies promotions and sponsorships, ensure the department brand, and produce a consistent quality promotional product.

A centralized office leverages state investment dollars by negotiating for stronger editorial coverage, better advertising rates, eliminating multiple account management expenditures, reducing DCRT management time spent in ushering and monitoring status of projects, maximizing awareness of DCRT brand, and ensuring a consistent brand and image throughout all marketing and advertising efforts. Streamlining the multiple DCRT websites under one master will maximize DCRT's budget and reduce spending on website service fees by 25%, central database management and integration will reduce costs by 20% and increase the effectiveness of databases available for email marketing by 30%.

The assistant secretaries reviewed all the offers and ranked them, using an online tool developed by the department's information technology staff (a tool so useful that Secretary Davis awarded its developer a \$2,500 bonus and planned to market the software to other governments and agencies). For each of the four results, they sent out a list of offers ranked from most bang for the buck to least.

Program managers looked at the list and, in some cases, swallowed hard. Again with coaching, they prepared new offers. Some were unchanged, but many—particularly those ranked low—reflected fresh thinking to define efforts that promised better results for the dollar.

As the assistant secretaries met to rank these final offers in late December, word came down from the state Division of Administration that the department would receive only 85 percent of its 2006 budget in 2007. "The realization hit home that you can't continue doing everything and get the results you want to achieve," Secretary Davis says. "All the assistant secretaries understood it: they had to choose."

They had frank discussions about the relative value of many different offers before making their final rankings. These went to the lieutenant governor and secretary, who requested more work on some offers and finally made the decisions about what would go in the budget request and what wouldn't.

Their decisions reflected both the profound shift in direction articulated by the *Roadmap* and *Rebirth Plan* and their determination to eliminate low-value programs rather than "thinning the soup" with across-the-board cuts, which weaken every program equally. They suggested eliminating three state parks (Fairview-Riverside,

South Toledo Bend and St. Bernard), three welcome centers (New Orleans, Vidalia and Francisville), five museums (the Louisiana State Museum in Patterson, the Civil Rights Museum, the Edward Douglas White Historic Site, and the 1850 House and Madame John's Legacy in New Orleans) and the normal \$800,000 in additions to the State Library's General Collection. Fortunately, state revenues came in higher than projected and the legislature funded all these programs except the State Library's General Collection.

Amidst the proposed cuts, the budget request funded the most creative new proposals the staff generated, because they promised better value for the dollar:

- Bringing most marketing and product development work into one central office, so those developing new tourism and other campaigns can market *all* the attractions in one region, rather than just state parks or historic sites or museums. This has been successfully implemented.
- Expanding the successful "Louisiana Main-to-Main" initiative developed by two small towns—a kind of moving festival that promotes Main St. arts, crafts, and other cultural attractions—to 25 towns. Last November the month-long, 25-town "Cultural Road Show" drew 53,000 visitors. Assuming \$114.00 in daily spending per visitor (a figure drawn from a National Trust for Historic Preservation study), it generated roughly \$6 million in tourism spending.
- Two new initiatives to market all the historical and cultural attractions in a region as one tourist attraction: Louisiana's Great River Road, which will promote the many historical sites, museums and parks along the Mississippi River; and the Red River Region, which will do the same along the Red River. Both were funded and are now well into the planning stage.

Participants found Budgeting for Outcomes extremely valuable. "It made sense, it was perfectly logical, it's the way I handle my life and my checkbook, how I prioritize at home," says one assistant secretary. "But looking at our programs and our staff, I was able to see things that I couldn't see before. For example, I could distinguish between someone doing very good work that was their life's work, focused on what their organization has always done, and work focused on current public needs."

Most participants had worked primarily in their own "silo" (state parks, or libraries, or museums, or tourism). They learned an enormous amount about the rest of the organization, and that learning stimulated creative ways to partner: bringing all the marketing people together, for example, so they could market not just parks or museums but the totality of attractions in a given region.

"The most important thing from my perspective has been the collaborative partnerships, for us to see the organization as a whole," says a third assistant

secretary. “Having dialogue about what you can do and how you can partner really gives us a sense of being the seamless organization Mitch and Angèle have been talking about.”

When the department repeated the process in preparing the 2007-08 budget, new ideas continued to bubble up. For example, the new budget proposes \$675,000 to hold an annual World Cultural Economic Forum, to bring a thousand people involved in art, culture, preservation, economic development, workforce development and academia together in New Orleans to discuss strategies to build regions’ cultural economies. “We expect the forum to generate almost \$2 million in economic activity in August—normally a slow time—while earning national and international media exposure for Louisiana,” says Angèle Davis.

“The idea is to increase our profile internationally while at the same time improving our cultural economy,” adds Lt. Gov. Landrieu. “In the long run we hope the forum becomes as important as the World Economic Forum in Davos, Switzerland.”

The budget process also recommended state funds for “voluntourism”—a service to match tourists who want to help with the rebuilding process with opportunities to volunteer, using one of the department’s web portals, www.volunteerLouisiana.gov.

Davis sums it up this way: “Budgeting for Outcomes gave us the ability, once we developed our economic recovery plan, to get the funding necessary to jumpstart that plan. We were able to make changes in our existing organizational structure and budget, to redirect funds from programs that were relevant prior to the storms to recovery-related programs—programs that could help our culture and tourism industries recover more quickly.” The department is now building their 2008-2009 budget using Budgeting for Outcomes.

Securing Outside Funds

The department also leveraged its reputation as an accountable, innovative organization to raise in excess of \$50 million in outside money to help rebuild Louisiana’s tourism industry and cultural economy. “All of these dollars, with the exception of a very small percentage for administration, went either directly to individuals or organizations in the impacted areas, in a very quick time frame, to help Louisiana’s economic recovery,” says Davis.

The biggest sum was a \$30 million federal Community Development Block Grant targeted at New Orleans and the other 12 parishes most impacted by the hurricanes. With data showing that tourism was a \$9.9 billion industry in the state, employing more than 124,000 people, the department made a strong case for the money to Congress and the Louisiana Recovery Authority.

DCRT used a Budgeting for Outcomes process to choose the grantees. It sent Requests for Results to local tourism organizations in those parishes, plus the

department's Office of Tourism, asking for their most creative proposals to promote tourism in their parishes. It listed three specific goals that would be used to rank proposals and track results:

- increase the economic impact of the tourism industry;
- increase the number of tourism-related jobs in Louisiana; and
- increase visitor intent to visit Louisiana to pre-Katrina levels.

After an orientation session, the parishes submitted 35 offers totaling \$65 million. Lt. Gov. Landrieu and Secretary Davis put together a "buying team" made up of representatives of statewide tourism organizations to rank the offers. Its members included Hyatt Hood of the Louisiana Travel Promotion Association, Melvin Rodrigue of the Louisiana Restaurant Association, Darrius Gray of the Louisiana Hotel & Lodging Association, and Stacy Brown of the Louisiana Association of Convention and Visitors Bureaus.

"This gave us as an industry a sense of fairness, in that these were statewide organizations that represented us and knew our areas and knew our problems," says Shelly Johnson, Executive Director of the Southwest Louisiana Visitor's Bureau. "Because it was industry experts that represented us, I think we had a stronger comfort level."

"The thing that really surprised me about the process," adds Bob Stone, a Public Strategies Group consultant who facilitated their meeting, "was that they operated so independently of their personal relationships. They knew everybody who had bid, but they were almost brutal in their assessments. It would have been very easy to say, 'Well, we'll fund all the little offers, because we can make everybody happy.' But they didn't. They had a clear sense of priorities, because they really knew the industry. I can't imagine department staffers doing this as well or being as fearless in their judgments."

The panel recommended that \$28.5 million be allocated to 17 of the offers, with \$1.5 million set aside to administer the program. The largest grants went to the New Orleans Tourism Marketing Corporation (\$8.5 million), the New Orleans Metropolitan Convention and Visitors Bureau (\$8.5 million), and the Louisiana Office of Tourism, which won \$5 million for continuation of its "Fall in Love" advertising campaign, which used celebrities such as Wynton Marsalis and Tim McGraw, all of whom donated their time, to make ads designed to invite people back to Louisiana.

The Convention and Visitor's Bureau used much of its grant to hire a television producer to generate shows focused on New Orleans' recovery, for broadcast on cable television networks. The Superdome won \$1 million primarily to market five specific events, including the opening round of the men's NCAA basketball

tournament, held in March 2007, and an upcoming NBA all-star game. A small parish outside New Orleans, Tangipahoa parish, teamed up with Amtrak to offer discounted tours to Hammond, the parish seat, and New Orleans.

A second example of the department's newfound agility came when it landed \$12.5 million in federal funds for historic preservation. New Orleans has more historic properties per capita on the National Register of Historic Places than any other city. The department received almost 2,000 applications for funding to restore historic properties—primarily homes in New Orleans—that had been damaged by the hurricanes. Within 45 days it evaluated all 2,000 and announced almost 300 grants, averaging \$25,000 to 30,000 in size. Many of the recipients had been waiting for months for federal “Road Home” funding to rebuild, so they were ready to put the money right to use.

“We handle 200-400 grant applications per year in our Arts Division,” explains Assistant Secretary Pam Breaux, “and historically we’ve spent three months reviewing them and making funding decisions. So for us to process 2,000 historic preservation grant applications in 45 days, with no background in these kinds of grants, was monumental. We managed a phone bank that was open 10 hours a day or longer. The applications were due December 15, and we had people working seven days a week, through the holidays, to review them.”

“We could never have done this four years ago. At the beginning of this administration we underwent a great deal of change, and then after the hurricanes we had to move even faster. Both those factors positioned us to think about grant making differently—plus our Quick Wins training gave us tools we didn’t have before. We’re kind of used to being out of our comfort zone now.”

Breaux says the department has been working with Congress and expects to receive another \$15 million federal grant this year. Since it ranked all 2,000 applications, it will be able to use those rankings to process the money even faster this time.

In their 2007 session, Louisiana’s legislators registered their confidence in the department’s transformation by voting the department major new funds, directly or indirectly. For example, they made \$6.8 million more available to market Louisiana as a premier tourism destination, doubled funding for libraries, and invested \$1 million in New Orleans’ City Park. Legislators also increased funding for Louisiana Main Street (additional \$489,000), Arts Division Grants (additional \$424,000) and Decentralized Arts Funding (additional \$150,000).

Department requests for more tools to move the cultural economy forward were also rewarded. Local governments can now designate cultural product districts, where one-of-a-kind works of art can be sold without sales tax. New tax incentives support historic property rehabilitation. Music and arts will now be part of every Louisiana public school. And enhanced tax credits promote Louisiana as site for movies, music, and theater.

The department's new Cultural Economy Foundation has raised \$1.1 million, largely from national foundations, for grants to artists, musicians, craftsmen, and organizations in the cultural economy who suffered losses due to the hurricanes. It has given six rounds of grants, averaging about \$2,000. "We gave preference to people who would use the money to get home, to inhabit the city again, or to get back to work—for example, musicians who needed to replace equipment," says Scott Hutchison, executive director of the foundation.

"We didn't sit on the dollars we raised," says Angèle Davis. "They were distributed immediately, on a competitive basis, to individuals and organizations that had lost supplies or equipment or needed additional dollars for rent or overhead."

"We're a private, nonprofit organization," adds Hutchison, "so we can raise money nationally, turn it around very rapidly, and focus on specific needs that complement what the state has been able to do."

"The big picture here," says Lt. Gov. Landrieu, "is that at a time when FEMA is getting criticized and the Road Home funding process is getting criticized, we were able to distribute all this money for recovery quickly, honestly, efficiently, and with great economic benefit to the state. Because we had gone through Budgeting for Outcomes in the department and we knew how to do it, we just applied it to these other funding opportunities and did it very quickly.

"The idea was to create an organization that could be flexible and entrepreneurial and could pivot quickly, and we were able to do that. I think we had the fastest and greatest success of any recovery effort in the state of Louisiana."

To demonstrate how to achieve both flexibility and accountability, Lt. Governor Landrieu and Secretary Davis created the Louisiana Rebirth Accountability Panel. The Public Strategies Group helped recruit nine financial and performance accountability experts from across the country. The Lt. Governor then convened the Panel three times in 2006-2007 to review the department's accountability and performance and provide feedback.

At their last meeting, in August 2007, Panel members endorsed transformation progress. "You earned an 'A' on the four things we looked at: measuring your work and productivity, measurable results, customer service, and finances," concluded Panel member Sylvester Murray, Professor of Public Administration at Cleveland State University. Cynthia Eisenhauer, former Director of Management and Chief of Staff to Governor Tom Vilsack, agreed. "Your accomplishments are inspirational. I'll tell people about them wherever I go," she added.

Panel members also continued to advise on how the department can improve. For example, one panel member challenged the department to become even more rigorous in its performance measurement efforts.

Other Initiatives

While the department's primary focus has been on shifting its resources to its new, post-hurricane priorities, it has also improved its services. At the Office of State Parks, the department's largest unit, every employee received customer service training in 2006. Meanwhile the office rolled out an online system for reservations, allowed extended stays in the parks during the winter months, offered free visits to state Historic Sites to all overnight guests in the parks, and promised wireless internet service in all the parks by the end of 2008.

State welcome centers have also begun installing free wireless internet service, which will be available in all 11 centers by the end of 2007, as well as kiosks through which visitors can book hotel rooms, make reservations at restaurants, and buy tickets for events.

The department has upgraded its website, Louisianatravel.com. This year it plans to launch a new website, Louisianamarket.com, that will offer Louisiana music, cuisine, arts and crafts products and provide an additional retail outlet for the state's artists, musicians, and crafts people.

And the Lieutenant Governor has opened an Office of Social Entrepreneurship, to find social entrepreneurs in Louisiana who are making the state a better place and link them to national funders, and to find social entrepreneurs who are doing good things elsewhere and bring them to Louisiana. "Our job is to find people who are doing incredible things, find out what they need in Louisiana, and link them up with people who can help them get it done," he says. "We don't do the work, we facilitate it."

The department has updated its Five Year Strategic Plan, to bring it into alignment with the new priorities and strategies funded through Budgeting for Outcomes. With much storm recovery work nearing completion, a broader emphasis on Louisiana going forward now deserves more attention and resources.

Performance measures and data have also matured. The Rebirth Scorecard, on the web at <http://www.rebirthscorecard.org/index.html> shows stakeholders and anyone who's interested how well the department is doing in the four strategic areas. For example, viewers can see that potential travelers' "intent to visit" Louisiana has risen above pre-Katrina levels, while actual visitor spending remains below pre-storm amounts. Secretary Davis has also negotiated "flexible performance agreements" with the assistant secretaries, defining both the results expected from their agency and the support they will be need so they can produce those results.

Secretary Davis also took the initiative to convene focus groups of department employees in Alexandria, New Orleans, and Baton Rouge. Sixty-two turned out. She wanted to hear first-hand from front-line employees and supervisors about more opportunities to improve service. She also wanted to know what she and other

department leaders could do to bust barriers to higher performance. Many employees expressed their appreciation at being able to share their ideas and observations – and sometimes frustrations – with the Secretary in person. Eighty-one actionable items emerged, which Davis and her team are now taking up.

Finally, she plans to establish rewards, sanctions, and performance review processes, so managers and employees know that measurement is not simply another bureaucratic game – and so everyone involved can learn from the data and figure out how to improve the results.

“It continues to be a challenge,” says Landrieu. “It’s obviously been a difficult process, as we expected, trying to change people’s vision of what a government office ought to do. When we got here we basically found people who were looking for an 8 to 5, 8 to 6 job. Now we’ve created a new culture: people don’t ask why we should do something new anymore, they ask why we couldn’t do it.

“People are learning that we don’t have to do all the work—we can be a catalyst; we can facilitate other people. We’re getting good at coming up with ideas and finding friends who can help accomplish those things. So we wind up being able to generate a higher return on investment in everything we do.”

“If I’m fortunate enough to be reelected, we want to explore becoming the state’s first charter agency, so we can get the flexibility we need to be even more creative, and be an example to the rest of state government.

“I want us to be an office of innovation for the state—a place that keeps the state focused on important innovations that are going to affect us in the future. What are the new models we need? How can we leverage every dollar? How can we start talking about alternative fuels, and how Louisiana can get ahead of the curve on the national energy markets? How we can be a national leader in social entrepreneurship? We want to be that office of innovation.”

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¹David Osborne is a senior partner in the Public Strategies Group. He is the author or co-author of five books, including *Reinventing Government* (1992), *Banishing Bureaucracy* (1997), and *The Price of Government* (2004). Jim Chrisinger, also a senior partner in the Public Strategies Group, updated this document to cover the period from May through September, 2007.