

CEO LEADERSHIP FORUM
For State Departments of
Transportation

May 4-6, 2003

Center for Transportation Studies

University of Minnesota



“I want to talk about the importance of exchanging ideas at this forum. We want you to be candid, because then, and only then, can your peers reap the benefits from your experiences.”

James Codell, President, AASHTO

Sponsored By:

American Association of State Highway and
Transportation Officials (AASHTO)

Transportation Research Board (TRB)

Federal Highway Administration (FHWA)

Funded By:

National Cooperative Highway Research Program

Hosted By:

Center for Transportation Studies, University of
Minnesota

The Forum

- Purpose
 - Identify strategic challenges
 - Exchange ideas and experiences
 - Develop action plans
- Focus of Discussion
 - Strategic Leadership
 - Program Delivery
 - System Operations
- Attendees
 - 60 participants representing 25 states



Setting the Stage...Forces for Change

- State governments will continue to be challenged
- Health and education issues will get increased attention
- Need to make case for transportation – need to improve performance
- Key is innovation, driven by competitive contracting



Professor John Brandl, Humphrey Institute of Public Affairs, University of Minnesota

Setting the Stage...State DOT Trends

- Scarce resources will drive demand for operational efficiency
- Non-recurring delay is target for improved operations
- A real focus on operations has significant organizational implications



Steve Lockwood, Vice President, Parsons Brinckerhoff

Setting the Stage...Role of CEO

- CEO leadership is key for change and innovation
- The new CEO will need to be:
 - Entrepreneurial
 - Technology savvy
 - Willing to reduce institutional barriers to change
 - Focused on customer service
- Leadership implies mentoring and motivating employees and defining success through customers



Tom Warne, President, Tom Warne & Associates

CEO Conversations...Cross-Cutting Themes



Lance Neumann, President, Cambridge Systematics

- Strategic Planning (the easy part)
- Strategic Management: (the hard part)
- Customers
- Communication
- Partnerships and Relationships
- Accountability and Performance
- The Changing State DOT

Theme... Strategic Planning (the easy part)



- If everything is strategic, nothing is strategic.
- Competition for attention is intense:
 - Preserve/maintain
 - Operate effectively
 - Safety
 - Capacity improvement
 - Land use and development
 - Economic competitiveness
 - Program delivery

Theme... Strategic Management (the hard part)



- Plans are nice, but only action and results matter
- Driving strategic objectives through large organizations is complex and difficult – mistakes will be made
- Experimentation and piloting innovation need to be part of the strategy.

Theme...Customers



- Customer priorities need to be reflected in strategy and measures
- There are many “customers” and addressing their different needs must be balanced
- A focus on customers can be used to align the organization and drive results

Theme...Communication



- Continuous and effective communication is a key to success – exploit all channels
- Critical to understanding customers, explaining directions, motivating employees and establishing partnerships
- Listening is more important than explaining

Theme...Partnerships and Relationships



- You don't control your own destiny - partnerships and relationships are key to success
- Creating shared visions and commitments is challenging but essential
- The need extends to authorizing bodies, other agencies and levels of government, the private sector, and other stakeholder groups

Theme...Accountability and Performance



- The question is what are the most effective drivers of good performance:
 - A focused and motivated work force
 - Performance measures that reflect results
 - Performance benchmarks that define “good” performance
 - Competitive incentives such as “pay for performance,” outsourcing or managed competition, warranties, etc.

Theme...The Changing State DOT

- New roles and challenges require more flexibility and responsiveness
- Workforce issues are significant
- New CEO's create an opportunity to question traditional practices – introducing new perspectives on how to achieve results should be ongoing
- Many innovations are occurring – the challenge is how to share examples of success

AASHTO...

Thoughts from John Horsley

“One observation I have is that the culture change in AASHTO is working...It is clear that all CEOs here are looking for a better way to deliver in an increasingly demanding political climate where you want to do more and more. This is impressive...AASHTO needs to be responsive to facilitate this institutional change.”



John Horsley, Executive Director, AASHTO

TRB...

Thoughts from Bob Skinner

“I was struck by how many tensions there were mentioned that state DOTs have to deal with...quality versus schedule...listening to customers versus helping educate them...reconstructing highways while keeping them in service...adding capacity in an environmentally sound way...”



Bob Skinner, Executive Director, TRB

FHWA...

Thoughts from Bud Wright

“The one thing that has become clear in our discussions is that these three topics are not separate and distinct; they are intertwined. We have a complex web of relationships that have to be nurtured...all of us are part of a transportation delivery team. We can’t be successful at FHWA unless the entire team is successful. We can only be successful if you are successful.”



Bud Wright, Executive Director, FHWA

Groups Identify Actions

- Actions recommended to support CEOs and state DOTs in:
 - Strategic Leadership
 - Program Delivery
 - System Operations
- Recommendations to be considered by AASHTO, TRB, FHWA, and others for follow-up activities



Key Actions...Strategic Leadership

- A1: Development of state DOT strategic themes and performance measures for benchmarking performance among peer states
- A2: Sharing of current state DOT organization structures, their rationale and their changes from the past
- A3: Analysis and benchmarking of state DOT human resources activities

Key Actions...Strategic Leadership

- A4: Establishment of new forums for state DOT CEO engagement and exchange of ideas and experiences
- A5: Joint strategic planning by FHWA, AASHTO and state DOTs for better alignment of plans and delivery of outcomes
- A6: Creation and coordination of a pool of expert facilitators to help state DOTs in their partnering efforts

Key Actions...Program Delivery

- B1: Development of state DOT program and project delivery performance measures and guiding principles for their use
- B2: Development of strategies for building community support for state DOT programs and projects
- B3: Sharing of best practices in state DOT program delivery through scanning tours and peer reviews
- B4: New methodologies for improving the accuracy and credibility of state DOT project cost estimation

Key Actions...Program Delivery

- B5: Development of guidelines for identifying the benefits and risks of various statewide and project-related transportation financing options
- B6: Identification and development of methods to determine core competencies in today's DOT functions
- B7: Enhancement of the image of the transportation professional to ensure a recruitment pipeline and a diverse workforce
- B8: Development of alternative state DOT organizational designs and practices to improve program delivery

Key Actions...System Operations

- C1: Development of a definition, an organizational model, and the core skills required for a state DOT to perform effective system operations
- C2: Development of data resources, potential partnerships and methods to improve real-time information for effective state DOT system operations
- C3: Identification of best practices in using multi-jurisdictional regional partnerships to enhance transportation system operations
- C4: Communication of the needs and benefits of a system operations focus in state DOTs

Key Actions...System Operations

C5: Development of a comprehensive set of performance measures for measuring the effectiveness of state DOT system operations

C6: Identification of funding challenges and alternative funding sources for financing the operations of state DOT transportation systems

C7: Creation of a national coalition on incident and emergency management

Next Steps

- Development of a full proceedings from the forum, including presentations, action plans, and state surveys
- Posting of the summary and follow-up activities on the AASHTO web site
- Discussion of plans for implementation by the NCHRP panel and the forum's sponsoring organizations



Larry King, Chair, NCHRP 20-24(29)
Panel and Deputy Secretary for Planning,
PennDOT