



Prepared by  
Olympic Performance, Inc.

# Office of Management and Finance Stakeholder Interview Summary Report

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*March 2012*



# SUMMARY OF FINDINGS

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A “stakeholder” can be defined as:

*Any individual, group, or institution that has a direct or indirect stake in an organization because it can affect or be affected by the organization’s actions and objectives<sup>1</sup>.*

Thirty-three interviews including a total of 47 individuals were completed by Ron Sarazin of Olympic Performance, Inc. during February and March of 2012. The interviews focused on their perception of the Office of Management and Finance strengths, opportunities, weaknesses, and challenges.

Below is a summary of the stakeholder interview findings, presented in the four perspectives of the balanced scorecard: customer, internal business processes, financial, and learning and growth.

## **Customer Perspective**

1. Improve use of the SAP enterprise system.
2. Lead citywide succession activity.
3. Reconsider the Financial Planning financial analyst role to provide consistent support and expertise in order to leverage their involvement with their customers.
4. Focus on helping customer bureaus and departments solve problems and improve their operations.
5. Make more use of the unique OMF citywide perspective, including facilitation of conversations between bureaus and between bureaus and elected officials in order to increase understanding of the consequences of decisions.
6. Better differentiate services provided to customer bureaus (one solution does not fit all).
7. Explain the OMF overhead model so customers can understand it.
8. Market the value of OMF services.

## **Internal Business Processes Perspective**

1. Eliminate silos and simplify service processes.
2. Properly centralize or decentralize services across City of Portland bureaus.
3. Simplify the budget process by decreasing time and complexity while increasing transparency and communication.
4. Streamline and improve the recruitment and selection process.
5. Develop and communicate a technology and service strategy for customers.

## **Financial Perspective**

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<sup>1</sup> George Luffman et al., *Strategic Management: An Analytical Introduction* (UK: Blackwell Publishing, 1996), 29.

1. Continue to actively manage City finances and resources and increase help to bureaus as they seek new revenue sources.
2. Lead an effort to better market City services to the public.

### **Learning and Growth Perspective**

1. Instill a culture of honoring proactive behavior.
2. Develop or replace key skill sets that may be lost within the planning horizon due to the aging workforce. Ensure seamless transfer of responsibilities and customer support.
3. Prepare for a younger workforce.

# Details of Findings

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## STAKEHOLDERS INTERVIEWED

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The following people participated in the interviews:

### **Mayor and City Council**

Warren Jimenez - Chief of Staff for Mayor Adams  
Jennifer Yocom - Deputy Chief of Staff for Mayor Adams  
Nick Fish - Commissioner  
Hannah Kuhn - Chief of Staff for Commissioner Fish  
Amanda Fritz - Commissioner  
Tom Bizeau - Chief of Staff for Commissioner Fritz  
Tim Krail – Staff Member for Commissioner Fritz  
Dan Saltzman - Commissioner  
Brendan Finn - Chief of Staff for Commissioner Saltzman  
Ty Kovatch - Chief of Staff for Commissioner Leonard

### **City of Portland Bureau Directors**

Mike Abbaté – Portland Parks and Recreation Director  
Susan Anderson - Bureau of Planning and Sustainability Director  
Amy Archer – Assistant to Amalia Alarcon Morris, Office of Neighborhood Involvement  
Michael Armstrong - Bureau of Planning and Sustainability Policy, Research & Innovation Mgr.  
Glen Eisner – Safety and EMS Chief, Portland Fire Bureau  
Jay Guo - Senior Business Operations Manager, Portland Fire and Rescue Bureau  
Erin Janssens – Incoming Fire Chief  
John Klum – Portland Fire Bureau Fire Chief (Outgoing)  
Fred Kowell – Finance Manager, Portland Parks and Recreation  
Mike Kuykendall – Director of Services, Portland Police  
Linda Law – Deputy City Attorney  
Dean Marriott – Bureau of Environmental Services Director  
Carmen Merlo – Portland Bureau of Emergency Management Director  
Tom Miller –Portland Bureau of Transportation Director  
Amalia Alarcon Morris –Office of Neighborhood Involvement Director  
Patrick Quinton – Portland Development Commission Executive Director  
Katherine Reiland – Fiscal Manager, Portland Police  
John Rist, Staff – Bureau of Transportation  
Paul Scarlett – Bureau of Development Services Director  
Mark Schmidt – Fire Division Chief, Portland Fire Bureau  
David Shaff – Portland Water Bureau Director  
Lisa Turley – Bureau of Emergency Communications Director  
Jim Van Dyke – City Attorney

## Office of Management and Finance Core Leadership Team

Betsy Ames – Office of Management and Finance Senior Policy Analyst  
Jeff Baer – Bureau of Internal Business Services Director (Outgoing)  
Jane Braaten – Senior Business Operations Manager  
Carol Brune – Bureau of Technology Services (Staff)  
Yvonne Deckard – Bureau of Human Resources Director (Outgoing)  
Bryant Enge – Bureau of Internal Business Services (Incoming)  
Mark Greinke – Bureau of Technology Services, Chief Technology Officer  
Rich Goward Jr. – Bureau of Financial Services Director  
Anna Kanwit – Bureau of Human Resources Director (Incoming)  
Thomas Lannom – Revenue Bureau Director  
Satish Nath – Enterprise Business Services, SAP Support Manager  
Dave Rhys – Bureau of Human Resources (Staff)

## Community Members

Mike Greenfield – Office of Management and Finance Advisory Committee Member

## ORGANIZATION OF FINDINGS

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The interview findings are organized and interpreted through the framework of the balanced scorecard (Customer, Internal Business Process, Financial, and Learning and Growth) which is used to focus, drive and measure OMF performance towards meeting its mission.

The findings are presented below, supported by actual quotes collected during the interviews.

## CUSTOMER PERSPECTIVE

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### *Overview*

OMF provides the core internal business support needs of its customers while balancing the needs of service, efficiency, and cost effectiveness. The customers of OMF services are the city bureaus providing programs on behalf of the citizens of Portland, Office of the Mayor, and the City Council. Again, the key findings are based on interviewee responses to OMF's strengths, weaknesses, opportunities and challenges. For purposes of this analysis, the responses are categorized based on this framing question:

***“To achieve our vision, how should we appear to our customers?”***

Interviewees, both internal and external to OMF, dominated their comments with a focus on customer focus.

## **1. Improve use of the SAP enterprise system.**

The City has made a large investment in the SAP enterprise system and OMF is in the process of tuning it to best meet bureau needs while working to standardize as much as possible. This work is incomplete and the benefits of SAP are only partially met. Improving the process of entering data into the system and the ability to receive useable, timely, accurate reports was mentioned frequently. Additional training for some areas of the City was also requested. There is an understanding that making SAP usable and valuable as a tool is a challenge because of the diverse customer base in the city, but there is a strong desire to realize higher benefits from SAP.

*“Get the SAP system working the way we want it to work. We still are struggling with ‘work-arounds.’ We need to keep focus on the team and analyze what modules are needed in the City.”*

*“Implement processes that bring effectiveness and productivity to employees, including standardization of practices. SAP is one tool to help do this.”*

*“Change the perception of customers so they see SAP as an investment rather than an expense.”*

*“ERP systems are vital to the organization. As we move through the administrative resets and budget cuts, we should look at how SAP can support improvements and stronger results.”*

*“Articulate what SAP benefits are emerging. Don’t just do it. Take credit for the good and responsibility for the bad.”*

*“SAP is needlessly cumbersome right now. Relook at the architecture so the building blocks are arranged to work better for each bureau.”*

*“An ERP solution in this form of government is unique and problematic, leading to higher cost due to higher complexity. Also, the SAP platform is very user unfriendly unless you work with it all the time and get used to it. Obviously we will not reverse course, but work is needed to help make this solution improve over time, as well as pressure on the vendor to improve its interface.”*

## **2. Lead citywide succession activity.**

The City of Portland workforce is aging and many are or soon will be eligible for retirement. There is strong institutional knowledge that may leave and therefore it is important to evaluate the potential impact this could have succession plans and complete employee development to ensure that skills, resources, and knowledge needed to sustain services going forward will be available. OMF should lead this effort even stronger than they already are.

*“Succession is a challenge. We are losing institutional knowledge quickly. How well is the City equipped to recruit and train the next generation of employees, especially when the bureau has to cut employees due to budget?”*

*“An issue that OMF should address with the bureaus is succession planning. Help us nurture and develop talent.”*

*“We need better knowledge transfer to prepare for succession needs.”*

*“Get the hiring process streamlined and effective so future succession planning and commitment to diversity can be successful.”*

*“Succession planning in OMF is important, as is support from OMF to the other bureaus.”*

*“Succession planning is critical as more and more employees become eligible for retirement. OMF can help the bureaus prepare the middle management group be prepared to move up.”*

*“There is no new employee orientation program. There are lots of topic oriented training sessions, but no ‘how to do business as an employee within the City.’ BHR sponsored training would be really helpful, including ‘Who to go to for what and how to navigate the system.’”*

### **3. Reconsider the Financial Planning financial analyst role.**

Several bureau directors asked that the Financial Analysts at minimum be more frequently and consistently involved throughout the year. Becoming part of the process before priorities are set by the bureaus would be more helpful than acting as a review body. Several described that they often feel the analysts act in an auditing role or even an adversarial role while a consulting role filled with prodding questions would possibly serve the needs of the city better. Engagement with analysts are sometimes made more difficult because of employee rotation or low experience level, which at times leads to insufficient knowledge or expertise needed to develop recommendations or analyze business issues.

*“Structural weakness: the budget analysts should be involved before priorities are set by bureaus rather than acting as a review body.”*

*“[In the budget process,] the final analysis by OMF analysts in potential conflict with the bureau feels counter supportive. Can that review be moved up front and turned into consulting support to streamline the process? In fact, these analysts have been in the process up to the end. Why can’t their questions be vetted earlier?”*

*“Rotating analysts is tough on the bureaus. It takes a long time for them to come up to speed, and this takes a lot of energy from both sides for the education and at times leads to wrong conclusions. Those that have been there a long time tend to focus on the right issues for the City and the bureaus, but new analysts can get stuck in the weeds.”*

*“Financial planning could add value by being far more frequent in their interactions with the bureaus throughout the year. We need continuous dialogue and support. The analysts are not very visible except during budget time, for instance. Perhaps they could have more interaction with the commissioner in charge, perhaps independent from the Bureau directors, but not necessarily.”*

*“Financial Analysts don’t seem to understand what the bureau does and thereby some of the recommendations can be counter to achieving their mission.”*

*“Financial analysts should research, not just investigate and ask questions.”*

*“Financial analysts need to be looking at longer term strategies, not tactical short term reviews that don’t look at the long term health of the city.”*

#### **4. Focus on helping customer bureaus and departments solve problems and improve their operations.**

It was reported that there are pockets within OMF where the staff’s dedication, ability, and willingness to solve customer problems are good and getting better, while other pockets within OMF are challenged. No areas of OMF were repeatedly called in one way or the others, although Fleet was often cited as an example of creative problem solving and attention to detail. There is a desire among the bureaus for strong collaborative relationships with OMF to problem solve, develop process improvements, and create better cross-functional relationships and business processes. It was frequently expressed that when OMF listens to the needs of the bureaus and offers advice how to serve those needs, even if that requires creative solutions to circumvent traditional roadblocks, OMF is providing their best possible value. Alternatively, when OMF simply cites a rule or requires conformance to practice that does not satisfy the bureau need, OMF is providing their worst value.

*“Look outside the box to help solve problems for clients. Find out what the need is and help attain that need within the constraints of rules, regulations, and policy.”*

*“OMF employees have strong technical skills...including HR, risk, procurement, and fleet, especially. All give good advice. HR has evolved to give advice and risk analysis, which is good and how it should be. Not all areas are there yet. Procurement is there, working to help our bureau work within the rules but in a way that fits our needs best.”*

*“The procurement process is cumbersome. Work with the Council to simplify and ease the process while not losing control. There are too many rules and expectations right now, leading to some of the best contractors unwilling or unable to work with the City due to the complexities.”*

*“OMF is getting better and better at providing solutions rather than just stating rules or making us jump through strict processes.”*

*“Gain respect individually that problems will be solved and that saying ‘no’ will be rare. Focus on removing obstacles rather than just stating the obstacles.”*

*“OMF bureaus / departments shouldn’t just respond to requests. They should rather help educate so consequences and true costs are known.”*

*“There are occasional examples of BHR not supporting what the management teams wants, repeatedly stating the rules and putting up roadblocks rather than providing options and ideas. We end up just doing what we wanted in the first place, working around OMF.”*

*“There are some perceptions from people I talk to that it is easier to go around OMF than go through OMF.”*

*“OMF should focus on doing what we can to help bureaus stay in the lines of proper decisions and policies, but OMF should not be in the role of enforcement.”*

**5. *Make more use of the unique OMF citywide perspective, including facilitation of conversations between bureaus and between bureaus and elected officials in order to increase understanding of the consequences of decisions.***

The management team can leverage its unique position of having a citywide perspective to help the City see trends and issues including outgrown functions and obligations, thus providing insights to cross-functional improvement opportunities. There was a general acknowledgement by the interviewees that they would like the OMF be more proactive in taking on this role in order to make better decisions for the City and solve more problems than what is being asked.

The government structure of the City, background and priorities of City Council members, and use of citizen advocacy-interest groups, sets up potential conflicts and complexity in decision making. There is a general encouragement for OMF to play a stronger role in helping operational bureaus across the City work better together and better with the elected officials. Several people interviewed requested that when possible, OMF should work to facilitate conversations between the bureaus and the elected officials to help the elected officials better understand the consequences and impact of decisions they are considering.

*“OMF acts as the glue across the whole City.”*

*“OMF can provide focused messages with the elected officials to help them do what they want to do while addressing the City as a whole.”*

*“Take a birds-eye view of the City budget as a whole. The mayor’s budget doesn’t necessarily recognize all the relationships and synergies, as well as cumulative impact of cuts.”*

*“Help the bureaus understand the expectations, coordination, processes, and impact from the OMF perspective (city wide view). Spend upfront time training and explaining to avoid downstream problems. Move to shared ownership, including the consequences of problems.”*

*“OMF was created to get around the silo impact of the City government, but with OMF assigned to one commissioner makes the appearance of possible bias.”*

*“OMF is in a unique position to solve more problems than it is being asked to do. OMF can see trends and key issues in a way that no other bureau can.”*

*“Jack is new in his role. Understand what the job is. Have a ‘clear eyed’ view of what can and cannot do, design the best possible business plan to operate within that context. Then Jack can begin to help the Council stay accountable to what they state they want.”*

*“OMF would do well to take a cooperative approach. There is a monthly bureau manager’s meeting, for instance. This is a really large meeting. Good idea, but too large. Perhaps there ought to be a Kitchen*

*Cabinet formed out of this whole group for Jack, with rotating membership. This would allow more brainstorming and problem solving.”*

*“Message to Jack: raise issues, educate, and explain consequences to the members of the Council.”*

*“Two to three of the council will change in the next 10 months, which will change how this organization operates. OMF can help guide this change through partnering with the bureaus to help keep the ship going in a generally recognizable direction. Help explain unintended consequences and provide acceptable options to select from. OMF is the core function that much of this passes through. Be the agency to bring the other bureaus together to focus on the issues. They do a pretty good job of that now, and hopefully will continue.”*

*“Articulate in descending order the values of OMF, get approval by the Council, and then use them as decisions are made over time (council: either agree or change the priorities).”*

*“City of Portland is designed to be interest group centric. That can work against OMF to do what is right for the whole of the population.”*

*“Help elected officials and Directors understand the results of their decisions.”*

*“OMF needs to be appreciated as neutral in providing advice to the elected officials. Once they make a decision, also seen as the one that can carry it out.”*

*“Sometimes it is unclear who OMF works for. OMF should be working for all of the Council with no politics in the way of any commissioner asking for confidential advice. They obviously work for the mayor, and around budget time, especially, they are embargoed – not available to the rest. They seek the Mayor’s clearance especially around then, but perhaps other times as well. Just a suspicion. I thought the CAO position was created to be equally responsive to all five of us, but it doesn’t always seem so. On the other hand, Jack has spent time with each of the Commissioners and is creating a relationship, which is helpful. He is also very responsive.”*

*“Elected officials operate on a short term, generally, and the long term may not get the attention that is needed (e.g. long term financial stability). OMF will be challenged to help maintain a balance between this short and long term trade-off.”*

*“OMF leadership team and the new elected officials are all going to have to adjust to get to know each other. It is important that everyone is adaptable during this time and come out in a positive support for all organizations.”*

*“OMF is a repository of information about the state of the City’s infrastructure and can help by sending the message to the elected officials about the need to maintain that infrastructure.”*

*“If OMF can get to the commissioners newly elected early, they might be able to help take advantage of the window of learning so the City is best served quickly, adding structure and helping know the “ropes.” Orientation and cooperative work with OMF would be the goal.”*

*“Huge window of opportunity through the end of the year with new elected officials. Position OMF as the go to, knowledgeable area for these new staffs.”*

## **6. Better differentiate the services provided to customer bureaus (one solution does not fit all).**

There is a need for OMF to better differentiate the service they provide. Several people representing OMF customer groups reported a perception that each bureau has a unique need and that OMF processes are not adequately tuned to address those needs – most notably the unique needs of small bureaus as compared to the needs of large bureaus. The challenge for OMF is to be flexible in order to serve the specific needs of every bureau while keeping costs low and solutions compatible across the City. Coordinating services between bureaus and divisions (and coordination within same bureaus) is difficult and is an area for potential improvement.

*“Treat bureaus based on their unique needs, including size. For example, asking for representatives on affirmative action, sustainability, and other topics, is hard for small bureaus. Turns out to be the same person.”*

*“Hard to take a City-wide approach for every solution; need to treat each bureau uniquely while at the same time finding efficiencies.”*

*“Jack has said he would treat one size fits all. That is important. Make the skeleton work so it is efficient but meetings the unique needs of the bureaus. Don’t load any bureau with overhead or requirements that are inappropriate”*

*“The City is large and every bureau has its own unique (or thought to be unique) need. The challenge is for OMF to be flexible to best serve the needs of every bureau while at the same time keeping costs low and solutions compatible across the entire City.”*

*“Test market ideas and approaches with the bureaus. Avoid announcements. Increase participation.”*

## **7. Explain the OMF overhead model so customers can understand it.**

The current overhead model for spreading the charges to the bureaus is confusing. There needs to be clearer understanding of the value proposition of services received versus the charges received. There is a perception that the charges have increased at a higher rate than the value of services provided.

*“Explain the overhead model so it can be understood. (Compression as well, although that has been attempted). Why are we paying what we paying for this service so the value is understood and comparisons with alternatives reasonable.”*

*“In a number of decisions there is no public engagement at all. For instance, revision of the overhead model should have had public input, even though internal.”*

*“Overhead charges for OMF get spread out to the bureaus (inside and outside of OMF). This gives the perception of high cost services. That was amplified recently when charges were increased.”*

*“OMF overhead model increased without a corresponding increase in services. That is hard to understand and puts a lot of pressure on us to find less costly alternative services.”*

*“How has OMF reduced its workforce to participate fairly in the ‘pain’ of cuts? (Would be okay to maintain costs if service were increased where things are needed, but that doesn’t seem to be the case).”*

*“OMF overhead charged to bureaus has increased over time.”*

### **8. Market the value of OMF services.**

Several interviewees expressed a desire to better understand the services OMF provides and the value proposition provided. This is especially true as they review what they are charged for by OMF and compare those charges to what they perceive are alternatives in the market place. There is a need to market the services OMF brings to the city as well as to clarify underlying constraints and priorities that must be balanced. This level of understanding by customers will be an important component to ensuring the success of the City’s investment in the current OMF model.

*“Articulate the value proposition of services better.”*

*“Explain the value of what is being received. For example, part of the cost of a computer is to help support the security that must be in place. That is not well defined nor communicated, however.”*

*“They should market themselves so people appreciate going to them if they had a choice.”*

*“OMF doesn’t market its services. E.g. knowledge of web conferencing is low, even though this is a very powerful tool.”*

### **Summary of Key Customer Perspective Findings**

1. Improve use of the SAP enterprise system.
2. Lead citywide succession activity.
3. Reconsider the Financial Planning financial analyst role to provide consistent support and expertise in order to leverage their involvement with their customers.
4. Focus on helping customer bureaus and departments solve problems and improve their operations.
5. Make more use of the unique OMF citywide perspective, including facilitation of conversations between bureaus and between bureaus and elected officials in order to increase understanding of the consequences of decisions.
6. Better differentiate services provided to customer bureaus (one solution does not fit all).
7. Explain the OMF overhead model so customers can understand it.
8. Market the value of OMF services.

## INTERNAL BUSINESS PROCESSES PERSPECTIVE

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### **Overview**

OMF is responsible for the administration of centralized internal business processes for the City bureaus. The responsibility areas include management of financial services, human resources, internal business services, revenue, technology services, business operations, and enterprise systems. The interview response findings are categorized based on this framing question:

*“To meet our customers’ needs, what business processes must we excel at?”*

There was general acknowledgement from respondents that the OMF has positioned the City well with various strong bureaus, good systems and infrastructure. Business processes that were identified more frequently as areas of potential opportunity to strengthen the OMF are described below.

#### **1. Eliminate silos and simplify service processes.**

The current OMF organization structure appears functional but consists of “silos,” leading to isolated processes that require the customer to repeat requests, deal with conflicting requirements, and follow confusing paths toward support. This is perceived to interfere with bureau relationships, progress towards workflow improvements, and citywide efficiencies.

The current system of OMF processes are complex to navigate and are most successful if someone has already established personal relationships, allowing them to bypass some of the steps. If someone in OMF retires or there is a change in responsibility from one OMF employee to another, for example, the disconnected linkages or unclear points of entry into OMF make it difficult to efficiently navigate and conduct established business processes. There is opportunity to streamline and demystify how things work.

*“OMF does not approach the work as one organization.”*

*“I applaud Jack for trying to change the culture and working initially to form cross-functional teams to help define what is needed. In the long run, it will require more than just breaking down the silos. It needs to evolve to fully cooperative decision making and operating from a whole City perspective.”*

*“There are many silos within their organization. Some areas that seemly cross over don’t seem to actually do so.”*

*“Many points of entry into OMF that are not connected; many disconnected touch points. (Try making this unified and seamless.)”*

*“Internal silos within OMF make it hard to be optimal in processes.”*

*“Break down silos. Communications between levels within OMF, between organizations within OMF, and between OMF and those served and stakeholders that are involved can be difficult. Consider creating more “gray” area, supported by strong performance indicators to ensure adequate alignment.”*

*“City wide systems provide the opportunity for consistent policies and expectations in how things are administered.”*

*“OMF is a large organization made up of several bureaus and divisions. Coordination between those entities is difficult, and coordination even within some of those organizations needs to improve. For example, many of the services OMF provides require support from several bureaus, which sometimes requires the receiving organization to facilitate. Those services should come to the receiving organization already as a package. Further, there are times that one part or level within an OMF organization is disconnected from another part or another level. That lowers the value of the service provided, or at minimum delays it.”*

*“OMF is bureaucratic in processes. There are too many paper driven processes owned by very vocal individuals. Some of these processes will be forced to be reengineered.”*

*“Break down some of the isolation between processes and organizations. Find the connections that will help the overall flow of processes. Lots of disconnections today. Even silos within bureaus.”*

## **2. Properly centralize or decentralize services across City of Portland bureaus**

OMF has the opportunity to build stronger service and cost relationships with the bureaus. There may be potential overlap of some administrative business duties that exist between bureaus that could provide further efficiencies if consolidated in the future. At the same time, there is also an opportunity to consider decentralizing some services if the result is significantly better results at the same or lower costs.

*“When you centralize things, you have the potential to create bottlenecks. Seems to be the case right now. [Purchasing].”*

*“It appears there might be steps starting that will end up with accounts payable, accounts receivable and timekeeping being centralized away from the bureaus. If so, this must be carefully thought through. Even if there are efficiency benefits, what does this do to the bureaus?”*

*“Can OMF become more of a corporate approach for the City, taking on some of the administrative duties that might be decentralized now, leading to a more efficient corporate environment rather than five silos operating independently? Keep progressing forward. The City is inefficient.”*

*“One of the strengths of OMF is that they have the administrative functions that allow the City to run. Having a coordinated effort of those things can and is very powerful. Centralized coordinating can cut down on duplication and should result in smoother partnering and communications with the operational areas of the City.”*

*“Centralization of functions essential to other bureaus is good.”*

*“We have centralized all functions that should be under OMF but there are lots of shadow functions. This is one of the reasons we established the technology oversight committee, for instance. We need to avoid shadow/duplication in the bureaus.”*

*“Should BTS be decentralized? Or at least portions of the technology (BOEC, for example)?”*

*“Consider decentralizing some things while centralizing other things. A hybrid model might work better for the City than one extreme or the other.”*

*“Look at services that you might provide that are best from a central area (e.g. grant writing).”*

*“OMF can be the lead bureau to take on issues that are decentralized, such as the asset management group. This is one that annually puts together a report about the City’s assets. It seems like the leadership of OMF could take a strong role in this, own it, and use it to drive the City’s funding priorities. Don’t leave this up to the individual bureaus, as they need a champion. This is possibly true of continuity planning, as well. It is not just natural disasters that trigger continuity actions (labor strikes, for instance, can also trigger it). Everyone relies on OMF, so it makes sense for them to lead this. OMF is in a perfect place to coordinate and lead this effort.”*

*“The purpose of OMF is to have city-wide coordinated services, but some of the larger bureaus duplicate those services. That is a structural problem for the City. There should more conversation so citywide processes are coordinated and uniform for everyone as possible. Minimize the differences. For example, renting a parks bureau property should be similar to renting another OMF managed property.”*

### **3. Simplify the budget process by decreasing time and complexity while increasing transparency and communication.**

The current budget process is perceived as time intensive, cumbersome, lacking in transparency and hard on its customers. During the budget process, the Mayor is perceived as receiving primary support, which is attributed to the current reporting structure for OMF. Council members would like to be more consistently in the loop and supported throughout the budget process. As issues arise, they would appreciate a briefing on alternatives and impacts.

*“Budget advisory committees are used well and are important to screen out bad stuff before City Council sees it.”*

*“Reduce the complexity of the budget process. It is time intensive with questionable added value for many of the steps.”*

*“Make sure the city is financially stable and not overly obligated. Serial one-time budget appropriations need to be managed carefully. Too many repeated is dangerous.”*

*“Ideally: in five years bureaus directors will decide on the budget and the council simply approve it.”*

*“Can we simplify the budget?”*

*“Simplify the process. We spend way too much time and effort in the way it is done now. Too much paper, analysis, reports. Someone should look at the whole. This is especially important to develop a proposal as to how to do this for the next council.”*

*“Fix the budget process. It needs to be simpler, less time consuming, and less expensive.”*

*“Budget process that happened a month ago went well with OMF (not so much a year ago).”*

*“Continue progress toward greater transparency during the budget process – neither adversarial nor cloaked in secrecy.”*

*“OMF serves all of us but mostly the mayor during budget. Communications tend to be spin offs of this when talking to the Commissioners. Can this become more like a congressional budget office serving the whole council? The current approach leads to some confusion about who does what. This is a mix straddling both serving the mayor and the council, but is an odd hybrid. Does this really work? The Council might want to balance this with its own budget office or the mayor have his own team that prepares the budget that is not OMF. The real budget seems to get hashed out behind closed doors. OMF needs to maintain strict neutrality as a service to the whole commission with the Mayor crafting a budget with a team of his own. Never have OMF unavailable to the council members during the budget process.”*

*“We spend too much time doing a budget exercise. Preparation, review, public process, etc. leading to a disconnect by the mayor’s budget. That budget might or might not reflect the historical work leading into it. Technically, the mayor’s budget should be an accumulation of that process, but instead it reflects the mayor’s opinions more than the probes – especially the discretionary one-time budget. Lacking check and balance.”*

*“Could the Council as a whole come up with architecture for the budget and agree on principles of how it will be run plus the policies/themes to be realized. This could lead into the mayor’s framework.”*

*“Perhaps OMF could present facts in a way to help craft the themes and show choices that could be determined? (Similar to how Tim and his team did when faced with a critical budget difficulty. He made a presentation of the facts, alternatives and possible consequences that was very educational but also very neutral.)”*

*“I would like a standing budget advisory committee that exists year around that gives input to Council issues.”*

*“The whole budgeting process should be year around. Financial planning and public engagement could be much better if so.”*

*“In depth budget meetings don’t always have adequate lead time of information for study, and there is no discussion after the presentations. It only shows up in the mayor’s budget. Citizen input is also muted – only shows up in the bureau.”*

*“OMF should be in a position to provide the budget information the Council needs.”*

*“Is there a better way to prepare budgets and evaluations that would streamline the system and take into account more information pertinent to the bureaus? Can OMF impact how this is done as we get a new mayor?”*

*“Implementing the Portland plan and integrating it into the budget process will be a challenge for OMF.”*

#### **4. Streamline and improve the recruitment and selection process.**

There was general satisfaction with the services provided by Human Resources. The recruitment and selection process is perceived as having inconsistencies in candidate selection, however, although there were also positive statements for the current process. Streamlining and improving the results of this process as perceived by all bureaus and elected officials would prevent confusion and strengthen the succession planning and diversity programs that are important to the City.

*“The hiring process has not changed even though it needs to. We are trying to do a better job on recruitment, diversity, etc., but we get no help, just rules.”*

*“Get the hiring process streamlined and effective to help with future succession planning, commitment to diversity, and getting this right on all dimensions.”*

*“BHR is very involved in hiring. Equity in hiring is critical and needs to be excellent. This involves training, as well. (...and they have been excellent...very happy with that process).”*

*“BHR – continue to be on the leading edge of recruiting.”*

*“Job recruiting should be handled consistently throughout the City, including the recruitment for the number 2 person in HR (if he is that qualified, he would have gotten the job anyhow).”*

*“There seems to be a recent trend toward internal or handpicked selection to fill vacancies rather than open recruitments (no disrespect to any person).”*

#### **5. Develop and communicate a technology and service strategy for customers.**

The Bureau of Technology Services is viewed as having a talented staff that is progressing in the areas of communications and managing expectations. They are generally viewed as heading in a positive direction. However, in some areas, the technology is viewed as behind and restrictive. It was acknowledged that there is an important need to balance emerging technology, cost, and support for small bureaus while managing large citywide systems technology. Several interviewees requested better communication from BTS about the City’s technology and service strategy and expressed that this is particularly important in light of rapid changing technology and changing employee demographics impacting expectations.

*“Being nimble is tough but important. Technology, for instance, needs to be more nimble and respond faster to needs and changes.”*

*“Keep up with the rapid change in technology.”*

*“OMF is not strategic about use of technology for the city as a whole. They seem to not connect the dots between bureau requests to solve larger needs. Also no apparent overall strategy to technology. A bureau must pay for something before anyone can get it...meaning that local problem solutions tend to drive the direction of technology”.*

***Summary of Key Internal Business Processes Perspective Findings***

1. Eliminate silos and simplify service processes.
2. Properly centralize or decentralize services across City of Portland bureaus.
3. Simplify the budget process by decreasing time and complexity while increasing transparency and communication,
4. Streamline and improve the recruitment and selection process.
5. Develop and communicate a technology and service strategy for customers.

### **Overview**

Strengthening the City's financial position and planning is important for ensuring long-term financial health. The interview responses in this area are framed on this question:

***"How should we manage our resources to address changing customer needs?"***

There was common understanding that the economy and funding will continue to be challenging issues to manage for the City. OMF has provided good fiscal responsibility and solvency for the City throughout the economic downturn. The budget process was previously discussed. Two topics for considerations are described below.

**1. *Continue to actively manage City finances and resources and increase help to bureaus as they seek new revenue sources.***

OMF is generally highly regarded in how they have managed the City finances through the recent challenging economy. Every general fund bureau, however, is feeling financial stress and is seeking new revenue sources. They would like help from OMF as they do so.

*"Has done an outstanding job navigating the pitfalls of what has happened in the national and local economies. Attention to this will need to continue as the economy continues a slow improvement cycle. Make sure debt levels are responsible. Be thoughtful about how we capitalize our projects and maintain manageable debt levels and resources for adequate coverage. Maintain creditability for the bonds. The rainy day fund and reserves are a model for other agencies. Policies are great and need to maintain. A counter cyclical fund built to counter blows of the bad times is important to keep in mind and execute on as we come out of the economic downturn. Include a policy to guide the use of these funds, as well."*

*"OMF manages the revenue bureau. Small businesses that want to do business with the City can be supported by changes and improvements in how this is done (taxes, etc.) OMF has the opportunity to lead and create dialogue to bring in small businesses."*

*"Add to the OMF mission the need to help Parks (and other bureaus) be revenue healthy. As a city, the priorities of funding need to be high; bureaus will be cutting noticeable services if something is not done."*

*"One time money needs to be replaced with ongoing revenue streams."*

*"OMF needs to be planning for huge changes in revenue streams and budgets. This will cause a rethinking of how we provide services. For example, 50% of the people in the country are at or near the poverty level, but many were not there before and thus miss services if removed. Seventy-five percent of the City budget is on people...we will have to rethink how people are used and paid to maintain as many services as possible."*

*"What structural changes can governments make to stabilize funding or at least mitigate future downturns? OMF needs to lead this charge for the city."*

*“Budget shortfalls are relatively minor here as compared to many other organizations. That is huge for those impacted. We have a really stable taxation structure, very stable revenue sources, and secure reserves.”*

*“Doing better than expected revenue wise, but we are not out of the woods.”*

*“Need good revenue forecasts from the economists. So far so good.”*

*“OMF could help by becoming an advocate [to help address the funding shortfall in PBOT].”*

## **2. Lead an effort to better market City services.**

One interviewee asked that OMF take a lead in marketing the services of the city to citizens.

*“Marketing of government services will become increasingly important in order to help people understand what they are getting from the City and can help make informed decisions about what is needed and how much to pay. OMF might need to be the leader of this effort. This must be a marketing plan that is effectively (such as short and interesting, frequent communications in places they are at).”*

### **Summary of Key Financial Perspective Findings**

1. Continue to actively manage City finances and resources and increase help to bureaus as they seek new revenue sources.
2. Lead an effort to better market City services.

## LEARNING AND GROWTH PERSPECTIVE

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### **Overview**

Self-renewal is a critical part of maintaining a healthy organizations that adapts to evolving challenges. In this section, the primary findings are presented regarding learning and growth within OMF. The information in this section is categorized based on the framing of this question:

*“To achieve our vision, how will we sustain our ability to change and improve?”*

The employee workforce is generally acknowledged as having strong skills, experience, and valuable knowledge in how the City operates. Within the functional business areas, OMF employees are considered professional, credible and are respected by their customers for their subject matter expertise.

#### **1. Instill a culture of honoring proactive behavior.**

Instill a culture of honoring proactive behavior, including working as much as possible with customers to anticipate their needs, inform or educate them on issues, inform and provide options for them to consider, and partner with them to achieve acceptable results.

*“Rebalance from just responding to requests to also being proactive in bringing value.”*

*“Anticipate issues the city will be facing and proactively and strategically help guide the city through them...far in advance rather than reactively putting out fires once they occur.”*

*“Be proactive. Share best practices. [Reference here was specifically on addressing the aging workforce.]”*

*“OMF is responsive to our questions, but there are no proactive presentation [to elected officials]. (We don’t know what we don’t know... would feel better if there was upfront involvement).”*

*“Be proactive at providing recommendations but, like Legal, allow the Bureaus to make informed risk based decisions. Partner, don’t require, ignore, or cave in. Provide options, clear views of consequences, and then support the decisions made.”*

#### **2. Develop or replace key skill sets that may be lost within the planning horizon due to the aging workforce. Ensure seamless transfer of responsibilities and customer support.**

Employee turnover within OMF is increasing and hiring talented employees is important to the success of the organization. Succession plans to identify and develop or replace key skillsets are important for near and long-term success. Several interviewees asked that OMF work to make changes in OMF personnel as seamless as possible.

*“Get the new OMF management team introduced to the bureau and functioning in a coordinating function between the bureaus. Form strong relationships quickly. Use fresh eyes to look for better ways to do things, but in partnership with the bureaus.”*

*“Lots of new people in OMF roles – strong learning curve. Get them up this curve quickly.”*

*“Lots of turnover, primarily but not exclusively due to age. Succession planning in OMF is important and support from OMF to the other Bureaus is important. At the analyst level the bureau has seen a “bunch of new faces.”*

### **3. Prepare for a younger workforce.**

Newer employees in the workforce are accustomed to newer technology tools and process information differently than more seasoned employees. With the economic downturn, college hires are more interested in creating a long-term relationship with an employer than in recent decades. Job satisfaction trends are decreasing locally and nationally. Pay structures, employee training and development, onboarding procedures and the like should be optimized to foster an environment of growth and ability to make a difference.

*“There is a quickly changing workforce. New employees have different expectations about how technology is to be used, for instance, as well as how their jobs should be structured.”*

*“New hires into the workforce process information and require much different things than the baby boomers leaving the organization.”*

### **Summary of Key Learning and Growth Perspective Findings**

1. Instill a culture of honoring proactive behavior.
2. Develop or replace key skill sets that may be lost within the planning horizon due to the aging workforce. Ensure seamless transfer of responsibilities and customer support.
3. Prepare for a younger workforce.