

Performance Management in Practice: Improving Organizational Results

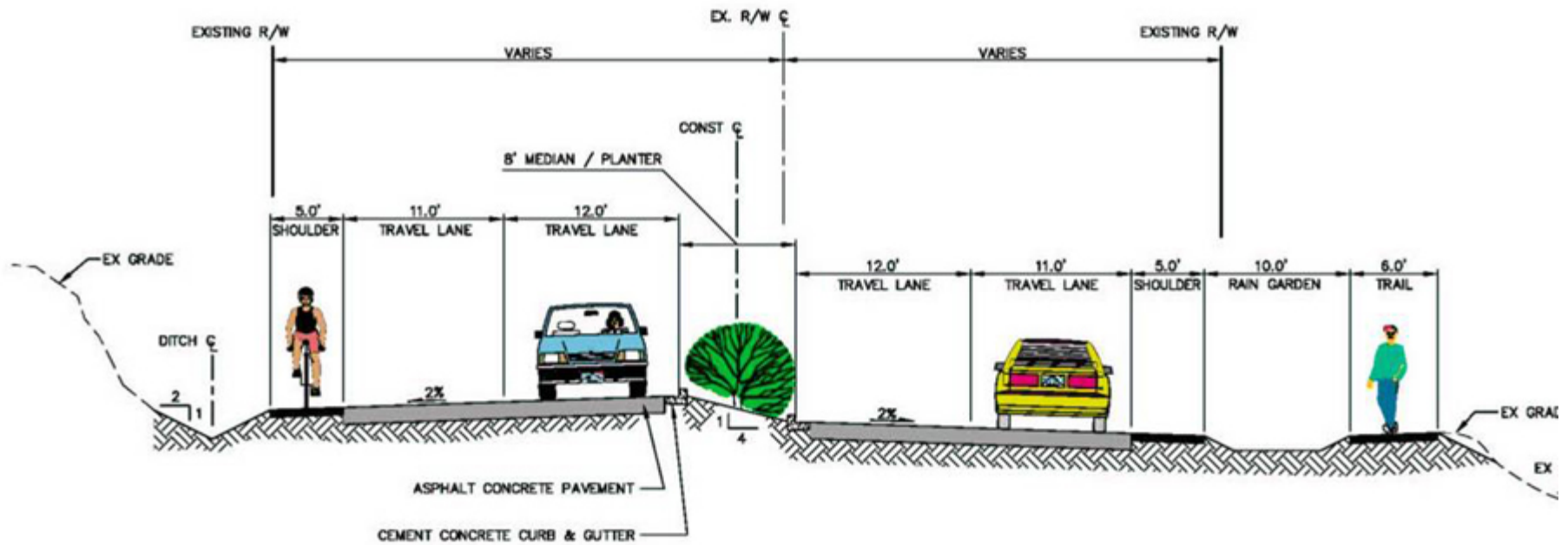
Preparing Engineers for Future Innovation!

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Management



The infrastructure 'boom' defined the transportation industry for the past 50 years



Plan

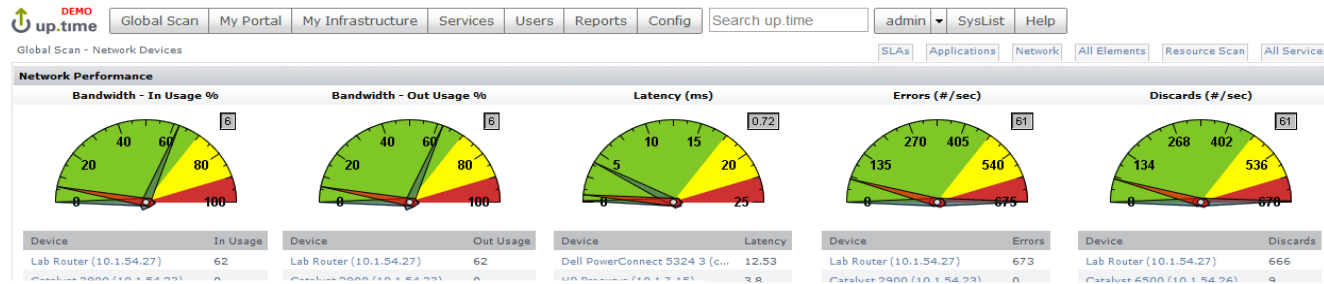
Design

Build

Operate

Maintain

Post 'boom' the transportation industry is challenged with an increasingly complex network of assets and demands



Issues and Needs facing DOTs and Large Cities

With aging infrastructure **and increased regulations**, DOTs are faced with more project needs than they have funding & resources for:

- What are the priorities?
- What's the risk?
- What is the decision process to select the right projects?
- What performance measures & are appropriate?
- What data is available & how can you get the rest?
- How to look forward and not always on “lagging indicators”?



MAP -21, now FAST Act -- Burning Platform for Performance, Asset, and Risk Management!

- Performance-Based Planning and Management mandated for DOTs and MPOs
- Required Performance Measures and Target Setting in:
 - Safety
 - Congestion
 - Pavement Condition
 - Air Quality
 - Bridge Condition
 - Freight
- Transportation Plans, short and long range, constrained and unconstrained
- Asset Management Plans required for all DOTs



What is Performance Management?



- Performance management is an ongoing, systematic approach to improving results through:
 - Evidence-based decision-making
 - Continuous organizational learning
 - A focus on accountability for performance

Why is Performance Management Important?

Tool used to focus on and increase performance!

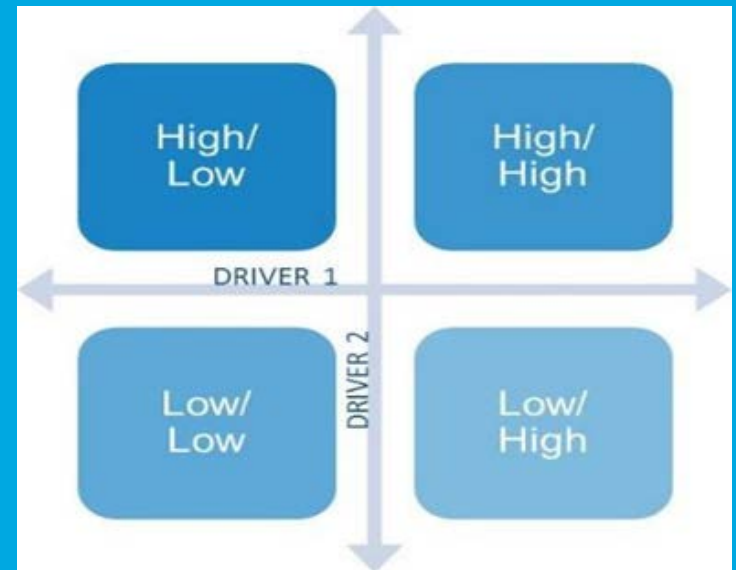
- Management tool to make the best decisions based on fact
- Planning tool to ensure the best use of resources and to meet objectives
- Accountability tool to drive performance throughout the organization



Nearly all state DOTs have performance measures

But.....

- The focus isn't on organizational performance management
- Strategy development is lacking
- Communication of performance is not consistent or understood – internally or externally

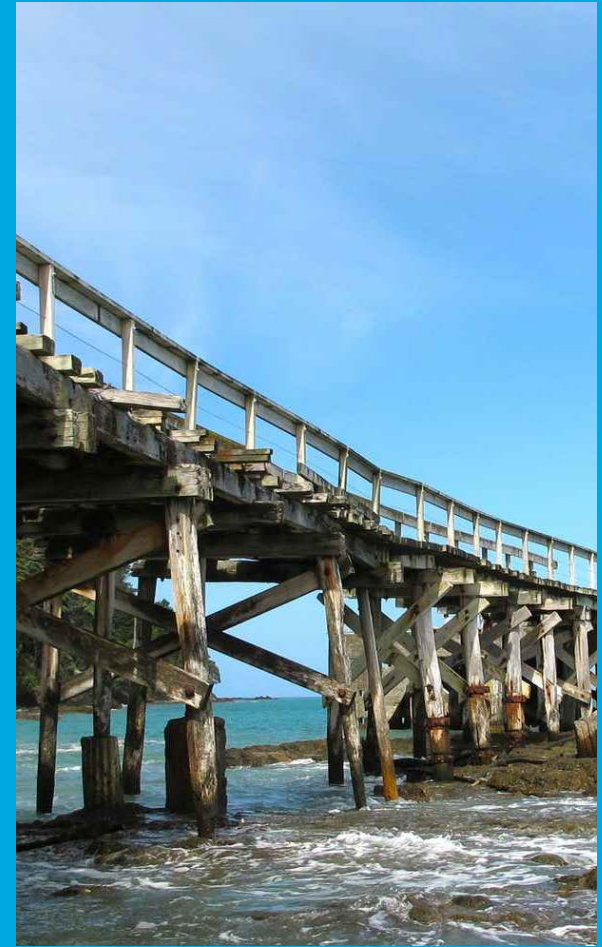


Adopting a proactive and integrated approach for asset and operations management by minimizing the life-cycle costs of owning, operating and maintaining assets, at an acceptable level of risk, while continuously delivering expected levels of service customers desire.

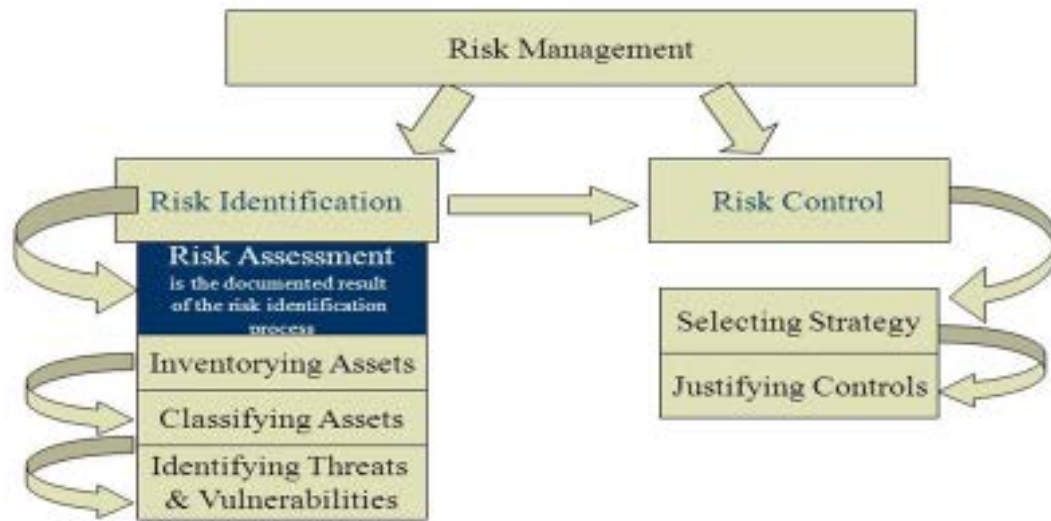
Managing assets has always been part of running a DOT!

But.....

- The focus has not been on minimizing total cost of ownership
- Service levels have not been established based on customer expectations
- Maintenance has been intuitive or politically driven and not fact-based



What is Risk Management?



Risk management is a process of analytical and management activities that focus on identifying and responding to inherent uncertainties of managing a complex organization and its assets.

Risk Management Perspectives

Enterprise

Program

Project

Asset



Hazards

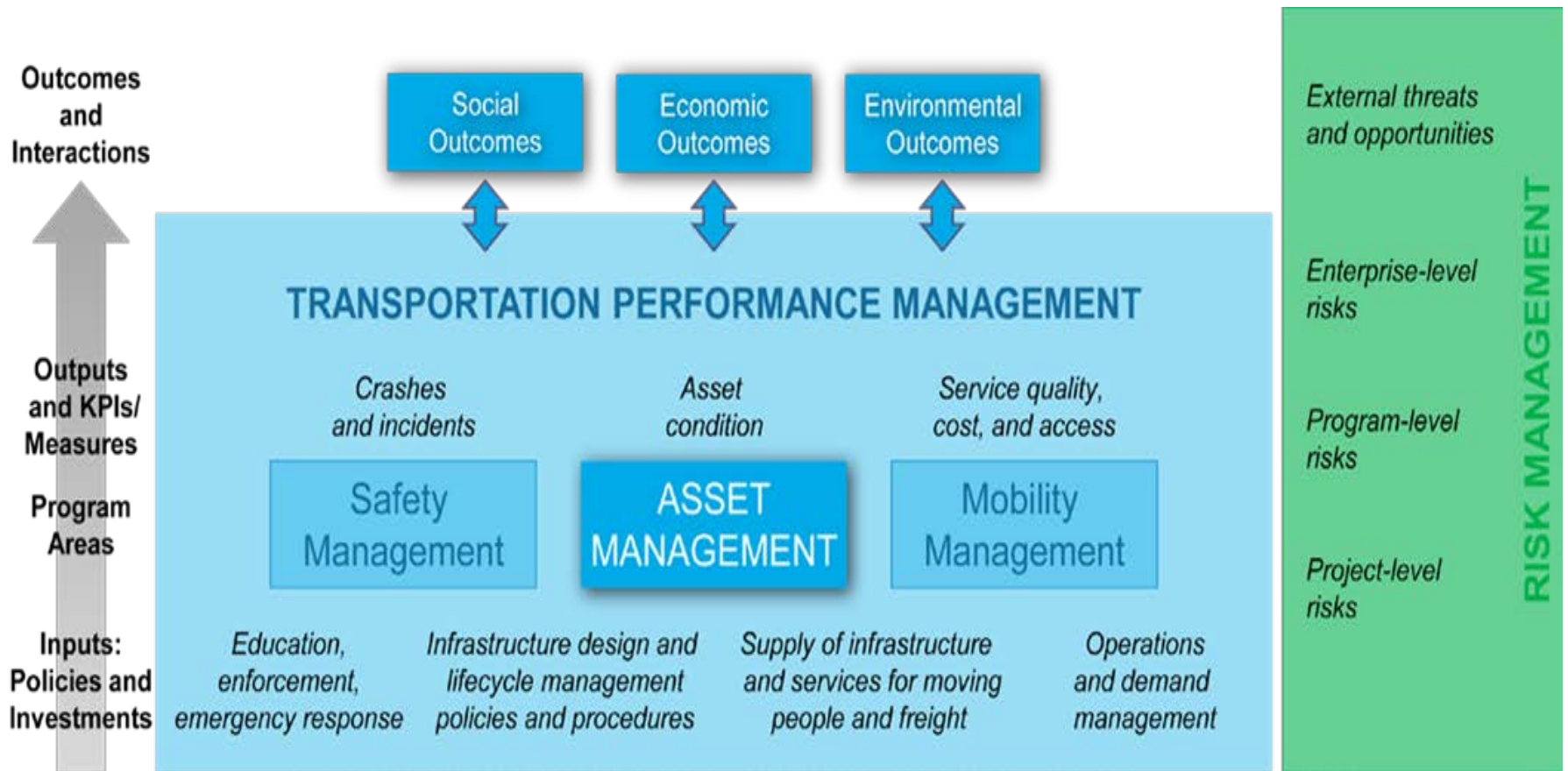
Managing risk has always been part of running a DOT!

But.....

- The focus has been on projects
- Risk has been somewhat of a nebulous term – not fully embraced or understood
- Actions have been mostly stand alone



Integration of Performance, Asset and Risk Management



Why is Leadership so Important?

- Leaders must drive organizational excellence by:
 - Role Model
 - Examines the measurement and alignment of performance in all parts of the organization
 - Initiates process management in the key aspects of the DOT/agency
 - Project Design/Delivery
 - Maintain/Operate
 - Business Support



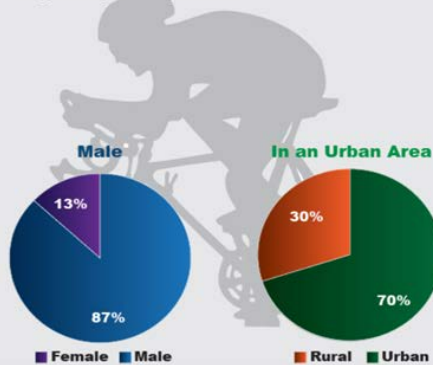
Communicating Transportation Performance

MOBILE MOMENTS: BICYCLE SAFETY

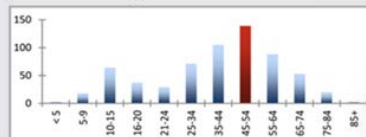


630 cyclists died on U.S. highways in 2009

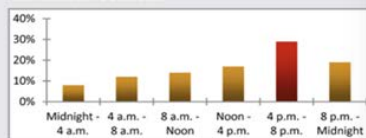
The typical bicycle fatality victim was...



Between 45 and 54 years old

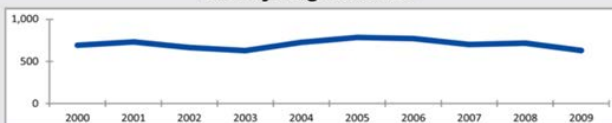


The Accident Occurred...



Between 4 p.m. and 8 p.m.

U.S. Cycling Fatalities



The number of trips by bicycle was **UP 25%** between 2001 and 2009

Sources: National Household Travel Survey 2009

National Safety Report

Are We Making Our Roads Safer?

While the number of fatalities on our roads continues to decline, injuries have slightly increased. Certain driver behaviors and crash types have remained a persistent threat to the safety of our roadways.

Number of Fatalities

33,210

Annual 5-Year Average



TREND

Projection

States are projected to reduce fatalities below **28,000** by 2017

States that expect the number of fatalities to...



Data: Annual Fatal Crashes from FARS; Data are from latest available year.

Fatal Crash Rate

1.14

Per 100M VMT

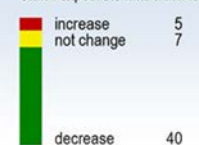


TREND

Projection

States are projected to reduce the fatal crash rate below **1.0** by 2017

States expect the fatal crash rate to ...



Preparing Engineers for Future Innovation – TOP 5



TOP 5 Things I Know Now I Wish I Knew THEN!

1. Build credibility by understanding transportation
Inside and OUT
2. Eliminate “NO” from your vocabulary and replace
it with “How To”
3. Listen and don’t “Over-Engineer” – Think
differently about your business
4. Leave the fear of data behind – embrace it
5. Ask “Dumb” questions – Challenge the “status
Quo” - Speak UP and WORK HARD

Thank You!

Performance Management Improves Organizational Results!

Questions?

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