



KH Responds to Public Sector Needs

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DYNAMIC TIMES DEMAND DYNAMIC RESPONSES

Businesses and governments worldwide face rapid and unexpected changes. They face new demands from managers, workers, customers, and oversight groups. The scale of large businesses has grown through mergers and alliances, fueled by advances in technology that make global enterprises more sustainable. Ironically, the same technology has fostered the proliferation of small businesses that depend on computer and communication capabilities that barely existed 15 years ago.

This growth has brought about interesting and unusual changes. Once the dominant institution in telephone communications, AT&T was split into several parts by court decision and then overtaken by smaller, more agile rivals. At one point, there was a body of opinion that its day as a major force in telecommunications was nearly done. Recently, it has reemerged as an integrated telecommunications giant, buying out one of its major successor firms. U.S. Air, frequently mentioned as one of the weakest U.S. airlines, has been purchased by a rival – America West – and revitalized under its old name.

The world today is experiencing a period of remarkable technological and economic expansion. India and China are making breathtaking advances, while the European Union has expanded to include most of Eastern Europe. Despite well-publicized difficulties, the United States, Canada, and Mexico are forging a powerful economic alliance that promises to dominate the New World. Pacific Rim countries are also working in closer economic cooperation. A key measure of progress in this area is that

poverty is no longer considered inevitable. Rather, the world is beginning to address destitution as a social ill that calls out for action. This stance is a watershed change.

The real cost of transportation continues to fall. Air cargo is no longer reserved for immediately perishable or high-value items. Specialized planes carry aircraft subassemblies from Japan and China to Seattle for final assembly at Boeing. At the same time, the cost of sea freight, fueled by containerization and ships considerably larger than aircraft carriers, are making possible the dispersion of production facilities to almost every corner of the globe.

Access to capital is now worldwide and without interruption. Major capital markets are linked by instant news on the internet – and increasingly by direct alliances – so that it is possible to trade many securities 24 hours a day, seven days a week, from any point in the world.

Population is rising. While, theoretically, there are enough resources for everyone, there is a lack of adequate distribution. Some people have more goods and services than they appear to need, while others are destitute. This concern is especially evident in the United States in the area of health care.

There is concern about the cost and consequences of the way energy is produced and used. Users need to become more efficient and reduce the impact of energy consumption on the environment. The answers to these needs lie in a combination of technological, political, and social change that presents a considerable challenge. In addition, effective action in this area must be global, requiring use of emerging worldwide information and communications networks to their fullest extent.

KH Know-How

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In the public sector, KH services address these developing challenges and shifting demands. KH's clients in local government struggle to change their organizational structures, learn new ways to work, and invest in the technology they must have to meet the expectations of their constituents. Port and airport clients find that they need better strategies, improved organization design, and better ways to adopt emerging technology. Security is a major concern, and the design of police and security organizations within these agencies is a high priority.

KH's educational clients struggle with escalating expectations emanating from both students and faculty. Community aspirations are also driving significant changes. All of this must be balanced with traditional missions in environments where resources cannot be increased as rapidly as cumulative expectations. This represents a thorny problem in strategic design, and it requires innovative ways to measure and communicate the accomplishments of the colleges.

KH develops practical, workable recommendations. More importantly, KH builds the consensus so critical to rapid adoption of new ways of working. Consensus, in turn, allows KH clients to reap the benefits of improved strategy, organizational design, and Balanced Scorecard performance measurements in a timely fashion.

KH SERVICES OFFERED

KH is a full-service management consulting firm. We offer services in:

- Strategic Planning
- Organizational Design
- Business Process Re-engineering
- Human Resources
- Information Technology (IT)

In the public sector, KH focuses on improving performance for a wide range of essential services, programs, operations, and administrative functions. We work with client organizations to create new visions of success, and we deliver the tools and support to make these visions real. Our larger studies primarily involve:

Strategic Planning. KH's Strategic Planning practice:

- Facilitates strategic planning and assists with preparation of strategic plans or master plans
- Analyzes customer satisfaction; evaluates different scenarios for service delivery
- Assesses an organization's resources (staffing, capital, facilities, etc.) and competencies to determine if they are sufficient for achieving the desired strategic directions
- Assesses environmental and competitive situations
- Conducts market research, including community needs assessments and opinion surveys
- Evaluates options (acquisitions, divestitures, mergers) available to enterprises and selects among them

- Structures strategic initiatives to achieve strategic goals and objectives
- Defines policies, objectives, and goals for building a long-term competitive advantage
- Delineates strengths, weaknesses, opportunities, and threats (SWOT analysis)
- Prepares Balanced Scorecards for accountability and achievement of Strategic Plans
- Analyzes an organization's external environment and competition
- Analyzes market position and opportunity; evaluates different scenarios for product, geographic, and service diversification
- Conducts Board and management planning retreats

Organizational Assessments and Management Audits.

Even the most successful organizations periodically need an outside assessment of current management, operations, and organization design. These reviews provide executive management and elected boards with an improved understanding of the existing organization, and sharpened insights on where improvements can be made. KH has developed a comprehensive, thorough, and highly cost-effective approach to these assignments. A typical evaluation includes:

- Use of one or more advisory groups, including union representatives, to ensure that the study addresses constituent concerns
- Broad-based input from the community, employees, and management for stakeholder and customer input
- In-depth probing into problem areas
- Thorough review of findings and recommendations with management, advisory groups, and others who would be affected by the outcomes
- Integration of recommendations with existing strategies, operations, and plans

Business Process Reengineering. The conflict created when rising standards and expectations collide with declining revenues requires radical change. For many public sector entities today, incremental change will no longer suffice. Reengineering takes advantage of analytical techniques and advanced technology, proven in the private sector, to improve productivity and quality of services significantly for organizations that:

- Face serious financial difficulty, necessitating major cost reductions, improved service, quality, or higher service levels
- Currently perform adequately, but foresee changes that will severely challenge them
- Lead their peers and want to maintain their status

MASTER AGREEMENTS

KH has a number of Master Agreements with governmental agencies, including:

- **Office of the Chief Administrative Officer, County of Los Angeles:** Master Agreement (2001-2016) to perform Strategic Planning, Customer Service, Performance Measurement, and Special Studies
- **Office of the Auditor-Controller, County of Los Angeles:** Master Agreement (since 1994) to perform Management Audits and Special Studies
- **Office of the City Controller, City of Los Angeles:** Master Agreement (since 2001) to perform Management Audits and Special Studies
- **Information Technology Service (ITS) of the County of Los Angeles:** Master Agreement (three years) to perform Technical Systems Consulting
- **Public Utilities Commission (PUC) of Pennsylvania:** Master Agreement (pre-approved list of consultants) to perform Management Audits
- **State of California, Department of General Services (DGS):** Master Agreement to perform Business Management Consulting Services
- **Los Angeles World Airports (LAWA):** Master Agreement to perform Audit Services
- **Community Redevelopment Agency of the City of Los Angeles (CRA/LA):** Master Agreement to perform General Audit and Review Services
- **Salt Lake City, Utah:** Master Agreement to perform Management Studies

To be certified as a firm capable of performing management audits, KH has completed several Peer Reviews, as per the U.S. Government's Yellow Book requirements.

Representative KH Public Sector Projects

The following projects show the size and scope of projects we can manage. We conduct small and large studies – both in terms of dollar amount and complexity of management issues. KH has performed more than 200 consulting studies in 25 states and 6 foreign countries.

We have a track record of providing our clients with a thorough and well-documented set of alternatives for their consideration. The detailed processes that lead to conclusions ensure that the alternatives developed are all feasible and applicable. Our approach to sharing developing ideas throughout the study ensures “buy-in” and commitment to the final recommendations, thus facilitating implementation.

KH's public sector expertise encompasses:

 Transportation	 State and Local Government
 Grand Jury	 Federal Government
 Utilities	 Non Profit



TRANSPORTATION

City of Los Angeles, Department of Airports (Los Angeles World Airports (LAWA))

The Department of Airports is also known as Los Angeles World Airports (LAWA), which includes Los Angeles International Airport (LAX) and Ontario International Airport (ONT), both full-service airports; Van Nuys Airport (VNY), a general aviation airport; and Palmdale Regional Airport (PMD).

► LAWA: 2008 Industrial, Economic, and Administrative (IEA) Survey

The Los Angeles City Charter mandates the performance of an Industrial, Economic, and Administrative (IEA) Survey at least once every five years for the Department of Airports (also called Los Angeles World Airports or LAWA). As specified by the City Charter, the IEA Survey is a third-party management audit, conducted under the joint supervision of the Offices of the Mayor, the City Controller, and the Chief Legislative Analyst (CLA) representing the City Council and in consultation with LAWA Executives and managers and other City officials. KH conducted the last IEA Survey of LAWA in 1999.



The scope of the IEA Survey covers LAWA's strategic issues, management, administration, and operations carried out by nearly 3,800 employees at the four Airports. KH conducted a variety of fact-finding tasks, including:

- Completed 195 interviews with City officials, LAWA Executives and managers, other governmental leaders, and LAWA airline and non-aviation customers
- Conducted an online IEA External Stakeholder Survey, completed by 3,258 individuals
- Conducted 5 focus groups with 152 external stakeholders and opinion leaders (e.g., citizen, community, business, and political opinion leaders) regarding their perceptions and concerns
- Surveyed 2,639 LAWA employees (of 3,800 total employees), representing the management,

professional, technical, and support staff with computer access

- Benchmarked LAWA's Airports against 25 domestic and international airports around the world that have similar characteristics

The 500-page final report documents the strengths and challenges and presents recommendations pertaining to:

- **Strategic focus** – worldwide trends and economic downturn, regional challenges, lack of rail access, planning for the future airport infrastructure requirements, environmental initiatives, external relations, facility planning, and financial and risk management
- **LAWA airport operations** – property and concessions, law enforcement, airport maintenance, LAX, ONT, PMD, and VNY
- **LAWA corporate** – purchasing and contract administration, information technology, building an effective work culture, human resources, organizational development, and governance and City relations

The full LAWA 2008 IEA Survey Final Report is available on the website of the Office of the Controller, City of Los Angeles at:

http://www.lacity.org/ctr/audits/2008_LAWA_IEA_Survey.pdf

► LAWA: 1999 Industrial, Economic, and Administrative (IEA) Survey

KH also completed the 1999 IEA Survey (management audit) of LAWA. The City's Co-Managers included representatives from the Offices of the Mayor, City Administrative Officer, and Chief Legislative Analyst.

KH developed a model for conducting the IEA Survey that focused on positioning LAWA to be "world class and cutting edge." As part of our fact-finding, KH conducted 166 interviews with City officials, LAWA executives and managers, other governmental leaders, and LAWA airline and non-aviation customers; conducted site visits of LAWA's Airports; benchmarked the LAWA Airports against 10 domestic and international airports; and conducted 20 focus groups with 213 external stakeholders and external leaders. The recommendations addressed areas of improvement in governance, air transportation leadership, regional transportation planning, intra-City relationships, strategic business planning, organizational structure, external affairs, environment implementation, master planning, accounting and financial reporting, administration, facilities planning, engineering and construction management, and asset management.

The Co-Managers approved the Final Report. LAWA executives implemented the strategic business processes and new organizational structure.

▶ **LAWA: Airport Police and Security Organizational Design**

The objectives of this organizational design project were to assess LAWA's airport safety, security, and related facilities policies, procedures, and organization, concentrating on Airport Police's administrative overhead functions, traffic, changes from Public Law 107-71, "The Aviation and Transportation Security Act," and collaboration with Federal security organizations and the Los Angeles Police Department (LAPD).

The scope included airport police, security, safety, and traffic management operations at all LAWA airports: LAX, ONT, VNY, and PMD. The effort involved an extensive review of documents; tours of airport police operations; more than 62 interviews with management, 5 focus groups (with Traffic Officers, Access Control Officers, Airport Police Officers, Airport Police Sergeants, Field Training Officers, and ONT Airport Safety Officers (ASOs)), union representatives, LAPD, and Federal Security representatives; analysis of operations; and administrative and interpretation of the Virtual CEO survey (completed by 79 individuals).

KH recommended an Airport Police and Security organizational infrastructure to manage common functions across all airports with specific restructuring within each of the individual airports from an operational perspective. The new structure assumed that Orange and Yellow Alerts were the new standard operating mode and applied an Incident Command matrix model for day-to-day operations.

▶ **LAWA: Project Management of Engineering- and Inspection-Related Projects**

KH conducted an initial fact-finding effort – extensive interviews, document reviews, and review of flow charts – that led to an all-day retreat with the Engineering & Project Management Division (EPMD) managers and the Deputy Director to identify agreed-to strengths, opportunities for improvement, and next steps. The outcome was the formation of 4 Work Groups that KH team members facilitated to identify strategies for addressing EPMD mission and values, streamlining work processes, analyzing staffing requirements, and identifying human resource improvements.

▶ **Organizational Review of LAWA's IT**

In reviewing the LAWA IT organization, KH examined several aspects of IT from both the internal and IT customer perspective.

IT Organizational Performance. KH captured both quantitative and qualitative information in this area. The quantitative information was collected via a survey that rated several standard IT areas. This survey was provided to both the CIO direct reports and representatives of the IT customer base. KH obtained the qualitative information through one-on-one interviews with the same group of people.

IT Operational Performance. As part of understanding the operational side of the IT organization, KH surveyed the degree of formality and ability to audit aspects of the IT organization across the CIO's direct reports.

IT Accountability, Responsibility, and Decision-Making.

A final part of the review was to address the areas of accountability, responsibility, and decision-making within the IT organization. For this review, KH used a combination of interviews and a survey of IT process areas assigned to the CIO's direct reports.

▶ **LAWA: Organizational Restructuring**

LAWA had maintained the CEO-COO structure KH had designed during the IEA Survey in 1999. Since 9-11, LAWA's world had changed – new Federal security requirements, reduced air travel, increased need to modernize the airports, etc. In November 2005, LAWA retained KH to conduct a two-phase organizational design project. Phase I was the restructuring of the executive team (1st two levels under the CEO) into four core businesses. Phase II was the realignment of all of the core business functions, including the reallocation of approximately 3,700 employees. KH facilitated several dozen meetings with the LAWA lines of businesses to review organizational options for the core businesses, divisions, sections, and units.

Port Authority of New York and New Jersey (PANY&NJ)

▶ **Activity Analysis of Engineering Functions**

(SUBCONTRACT TO URS GREINER, INC. AND BOOZ ALLEN HAMILTON)

KH prepared Activity Analysis functional and physical dictionaries, describing what work tasks the Engineering Department performs, and how work is physically performed (e.g., meetings, analysis, written communications, etc.). In total, KH administered the Activity Analysis survey to approximately 1,000 employees in various locations around greater New York City and New Jersey. KH then compiled the Activity Analysis survey data and produced a series of Activity Analysis reports that displayed how Engineering employees spent their time – by organizational level, by project stages, and in terms of full-time equivalents, actual labor costs, et al. URS Greiner and Booz Allen then used this information as

part of their analysis of needed improvements and recommendations.

Port of San Diego

▶ **Assessment of Strategic Alternatives**

(SUBCONTRACT TO BOOZ ALLEN HAMILTON)

KH assessed key strategic alternatives for the sea port, airport, and real estate divisions of the Port of San Diego. The effort focused on identifying programs that would increase short-term revenues and support long-term capital projects that the Port anticipated. Among the programs considered were: new policies for Port real estate leases, expansion of shipping and rail facilities, and environmental initiatives. The KH consultants led the environmental studies and provided an assessment of communication strategies to stress the positive impacts the Port has on communities in the San Diego area. The report and discussions with the Board were later used in the development of a new five-year strategic plan for the Port of San Diego.

Port of Oakland (California)

▶ **Activity Analysis of Port, Airport, and Real Estate Operations**

(SUBCONTRACT TO BOOZ ALLEN HAMILTON)

KH conducted a multi-faceted Activity Analysis to benchmark the work activities of employees at the Port of Oakland Divisions, including the Airport, Harbor, and Property Management. The Activity Analysis forms, dictionaries, and survey process were customized by a KH-led work group of key managers from the revenue and administrative organizations. Booz Allen used the results to test hypotheses that focused on ways to change the organization's effectiveness so that long-term financing of development projects for the next five years could be justified. The project was completed on time and within budget.

Port of Los Angeles, Harbor Department, City of Los Angeles

▶ **Port of Los Angeles: Work Simplification of Support Functions Performed in the Executive Office**

KH analyzed the administrative, secretarial, and clerical support activities. The purpose of the study was to address work-related issues, including workflow, administrative and clerical staff responsibilities, and office layout. We focused on:

- Reactions to and perceptions of existing work procedures and reporting relationships
- Characteristics of positions and functional activities

- Feasibility of alternative work arrangements

The outcomes of these interviews included: (a) an understanding of the current situation and the modifications desired and (b) identification of organizational and work processes that needed additional clarification. The results were summarized in a written report and the recommendations adopted.

KH then assisted with the implementation of the recommendations and further refinement of the action steps. Most of the implementation work involved periodic updates and monitoring of support staff's reactions to the alternative work methods and procedures and consolidated work efforts.

▶ **Port of Los Angeles: Organizational and Operational Effectiveness Study**

(SUBCONTRACT TO BOOZ ALLEN HAMILTON)

The Board of Commissioners at the Port of Los Angeles retained Booz Allen to perform an organizational and operational effectiveness study of the Port. Booz Allen subcontracted with KH to apply Activity Analysis to the Port. KH designed the questionnaire and collected surveys from 708 incumbents. In addition, we analyzed the Activity Analysis reports, considering:

- How work was physically performed
- Functions performed
- Primary customers within the Port, within the City, and outside of both the Port and City
- Primary providers of information or services, and the quality of information or services provided

KH developed a computer model of staffing levels in terms of full-time equivalents, labors costs, and relative importance of work performed, by organizational structure, and management hierarchies.

▶ **Port of Los Angeles: Reengineering Strategies**

The Port of Los Angeles established a Strategic Planning Task Force to oversee a wide-sweeping change process to ensure the Port's competitiveness and success in the second half of the 1990s and beyond. As the "steering committee" for the change process, the Task Force worked with Port senior management on a Working Committee and a variety of employee Action Teams to develop a cost-effectiveness plan. The Task Force formed two types of Action Teams: Functional Action Teams and Policy and Procedure Action Teams.

The Port of Los Angeles retained KH to work directly with the Functional Action Teams in their initial efforts and later to help in developing strategies to overcome City, political, and personnel (e.g., Civil Service) barriers to implement adopted recommendations. The Functional Action Teams'

role was to identify opportunities to improve overall cost-effectiveness and productivity, with particular emphasis on their respective operational areas, namely:

- Administration, including Management Services, Personnel, Information Systems, Purchasing, and Risk Management
- Finance, including Accounting, Treasury, etc.
- Marketing and Customer Service, including Strategic Planning, Communications, Wharfingers, Police, Port Pilots, Marketing, and Real Property
- Construction and Maintenance (C&M), including seven Support Teams in the areas of Administration; Crane and Electric; Gardening and Warehouse; Machine, Boat and Garage; Maintenance, Carpentry, Pile Driving, Roofing, and Painting; Plumbing; and Street Maintenance, Water and Land Clean-up, and Equipment
- Development, including Construction Management, Engineering, and Environmental Affairs

Each Action Team attended at least six formal meetings with KH. In addition to the 120 to 150 meeting hours, Action Teams met informally to brainstorm ideas, prepare background information, and refine their change proposals for the next meeting. Each Functional Action Team was actively involved, highly committed, and willing to face some hard issues confronting the Port of Los Angeles. Some of the recommendations addressed “softer” operational concerns that would enhance overall effectiveness. Other recommendations were hard-hitting with major cost savings. Yet other recommendations had critical strategic implications and presented innovative approaches for the Port in the future.

KH team members facilitated the meetings, addressing cost-effectiveness strategies and alternatives. The Functional Action Teams generated many change proposal ideas – all of which were debated, some rejected, many consolidated, and 119 remained.

KH then reviewed, refined, and reconstructed these change proposals into formal recommendations. KH’s role was to ensure consistency in the presentation of the recommendations across Functional Action Teams, and strengthen their arguments where feasible; understand the Functional Action Teams’ ideas; help them to form their ideas; where appropriate challenge their thinking; and finally, ensure they considered all possibilities.

After KH’s refinement of the change proposals into recommendations, all Action Teams reviewed their respective recommendations before finalization. The teams identified opportunities to reduce costs by millions of dollars in the areas of finance, marketing,

real estate, maintenance and construction, engineering, human resources, purchasing, risk management, etc.

Orange County Transportation Authority (OCTA)

GARDEN GROVE, CALIFORNIA

► Efficiency Review of the Employment Section

OCTA employed 1,600 individuals to manage, maintain, and operate its transportation system, serving Orange County, California. Each year, approximately 340 individuals were recruited for either new positions or vacant positions. KH was retained to improve the overall efficiency of OCTA’s recruitment activities because of the lag-time in filling vacant positions. As part of the review, KH analyzed hiring trends, interviewed hiring authorities, met with departments that routinely interfaced with Employment Section personnel, and surveyed 340 employees who were hired within the last year. Using a participatory approach, KH reviewed its findings at various stages with Employment Section staff, resulting in uniform acceptance of our recommendations. The efficiency review resulted in changes in recruitment strategies and consolidation of previously fragmented work activities, thereby simplifying the recruitment process and shortening the turnaround time.

South Australia Department for Transport, Energy and Infrastructure

ADELAIDE, SOUTH AUSTRALIA, AUSTRALIA

► Activity Analysis to Assess Overhead Functions

(SUBCONTRACT TO PAK-POY & KNEEBONE CONSULTING ENGINEERS, LTD.)

The South Australian Department for Transport, Energy and Infrastructure (formerly Department of Marine and Harbours) was interested in applying U.S. productivity tools to its operations. KH established a two-year strategic alliance with Pak-Poy & Kneebone Consulting Engineers, Ltd., in Adelaide, Australia, to become partners in delivering such tools to Australia.

Working with Pak-Poy & Kneebone, KH applied its Activity Analysis approach to administrative positions in this state governmental agency. The study team was intimately involved with three of the strongest unions in Australia. Because KH instilled a participatory approach to Activity Analysis, the result was widespread acceptance of our recommendations. During the course of the study, KH trained the South Australian team in the Activity Analysis approach, including dictionary development, employee surveys, and interpretation. Cost savings for the Department exceeded \$1.2 million in the first year.

Port of Long Beach

LONG BEACH, CALIFORNIA

- ▶ Benchmark Comparisons with the Port of Los Angeles

(SUBCONTRACT TO BOOZ ALLEN HAMILTON)

Booz Allen retained KH to collect benchmark Activity Analysis data from the Port of Long Beach. KH worked with 22 senior and division managers to collect data on work performed by approximately 290 employees. The benchmark data was then used to compare the two Ports: Port of Long Beach and Port of Los Angeles.



STATE AND LOCAL GOVERNMENT

City of Beverly Hills

- ▶ Performance Audit

The City of Beverly Hills Government (City) contracted with KH to conduct a performance audit of the contracted visitor marketing and economic



development functions provided through the Beverly Hills Chamber of Commerce (Chamber) and the Rodeo Drive Committee. The audit was overseen by an Ad Hoc Committee of the Beverly Hills City Council, including the Mayor of Beverly Hills. KH conducted extensive research, including:

- Interviewed local elected representatives, City business leaders, and City staff
- Conducted focus groups of business leaders within the City
- Surveyed residents and businesses within Beverly Hills, as well as other California cities
- Conducted an Activity Analysis survey of the work performed within the Chamber
- Benchmarked best practices of other cities
- Performed a salary survey of Chamber staff engaged in the contract

The performance audit revealed a variety of areas for improvement. Although the Chamber was performing the functions called for in the contracts, KH recommended changes in the contracts between the City and the Chamber to focus on performance outcomes and flexibility. In addition, KH recommended the development of a strategic plan to prioritize and focus work performed in visitor marketing and destination management. KH suggested that the Visitors Bureau & Convention Center be set up as an independent, non-profit organization.

County of Los Angeles, Office of the Chief Administrative Officer (CAO), Office of Unincorporated Area Services (OUAS)

- ▶ Development of a Strategic Plan

KH was retained to assist the OUAS to work with approximately 17 County departments and other stakeholders in developing a strategic plan for delivering municipal services to approximately one million residents in unincorporated areas of the

County of Los Angeles. KH reviewed various documents on municipal services provided, departmental surveys, related budget information, and the County's overall plan.

In addition, KH interviewed various departmental heads to solicit their input on strategic issues. KH designed and conducted a series of strategic planning retreats with more than 60 stakeholders and held follow-up planning meetings. The outcome was a Strategic Plan with an Action Plan, which the County's Board of Supervisors approved. The Strategic Plan outlined 7 major and new initiatives, involving:



- **Action Plan – Model A: A County Civic Center Complex**, built in East Los Angeles and potentially the expansion of the complex concept to other unincorporated communities
- **Action Plan – Model B: Make-Buy-Sell-Annex Analysis** of unincorporated “islands” surrounded by incorporated areas
- **Action Plan – Model C: Access Model**, which involves the development of web sites, community guides, kiosks, toll-free help lines, and other applications of technology to assist the public in accessing County services and information
- **Action Plan – Model D: Strategic Service Area and Lead Department**, which entails formal collaboration of County departments to meet specific Countywide needs or to coordinate services within a given community
- **Action Plan – Model E: Economic Development and Revitalization**, which has led to the identification of 5 unincorporated areas where concerted investments and efforts will be made over a sustained time period to revitalize them economically
- **Action Plan – Model F: Emergency Management Planning**, involving the development of a plan for the community of Topanga, coordinated with the County's Office of Emergency Management, Fire Department, Sheriff's Department, and 8 other County and State agencies
- **Action Plan – Model G: Improvement of Management Processes**, including performance measurements and cost accounting of municipal services

Over an eight year period, KH assisted with implementing specific Action Plans and Strategic Models. Assistance entailed identifying unincorporated communities for piloting strategic models, conducting focus groups with community

groups to assess their needs and priorities further, facilitating emergency management planning initiatives, and developing performance measurements for municipal services.

▶ Topanga Canyon: Emergency Preparedness

Over a four-year period, KH designed and facilitated an emergency management planning process with Topanga Canyon stakeholders – community members and organizations, as well as county and state public agencies – which produced a collaborative emergency response strategy consisting of:

- [Topanga Disaster Survival Guide](http://www.topangasurvival.org) (<http://www.topangasurvival.org>)
- [Planning Guide](#) for sharing lessons learned in Topanga with other communities

The following guiding principles formed the approach to this project:

- Engage the community with the appropriate public agencies in the planning and communication processes
- Build on the assets already in place in the community
- Solicit a strong commitment from all involved stakeholders
- Provide the unincorporated area with the same level of hazard and community-specific planning that the law mandates that cities provide for their residents

▶ Florence-Firestone: Pilot Project Assessment

(KH PRIME, EPSTEIN & FASS ASSOCIATES SUBCONTRACT)

Florence-Firestone is an older, urban neighborhood in southeast Los Angeles County which is home to over 60,000 residents facing challenges of disinvestment, poor property maintenance, gang-related crime, illiteracy, and unemployment.

KH assessed the Lead Department Model pilot project, the Florence-Firestone Community Enhancement Team (FFCET). The assessment compared the project to a best-practice model of Community Governance, described in the newly published book “Results that Matter” by Paul Epstein. The KH Evaluation Team was also asked to identify issues to be considered before duplicating the model and project in other unincorporated areas.

The Evaluation Team started its assessment using a self-evaluation completed by FFCET team members, augmenting information in that assessment with interviews, reviews of written material and reports, a tour of the community, and interactions with County and community groups.

FFCET has been widely recognized as a successful project by the County, National Association of Counties (NACo), and the American Public Works

Association. Even more importantly, community leaders working with the project believe that the County is more responsive and effective at solving many problems. This success is directly attributable to the project’s focus on:

- Three core skills described in the Effective Community Governance model – Engaging the Community, Measuring Results, and Getting Things Done
- The project’s attention to advanced practices of Community Problem Solving and Organizations Managing for Results

The Evaluation Team also found areas where those skills and related practices could be improved. FFCET leaders deserve credit for wanting to evaluate FFCET against best practices that had not been documented at the start of the project, and viewing the recommendations as opportunities for FFCET to become more effective.

The project received the Best Interagency Cooperation Award from Los Angeles County’s Quality and Productivity Commission in 2005 because of Collaboration for Performance Management with the Department of Public Works with Department of Animal Care and Control, Department of Parks and Recreation, County of Los Angeles Public Library, Department of Regional Planning, and Sheriff’s Department.

The California Children and Families Commission (Proposition 10)

The California Children and Families Commission, created by Proposition 10, supports children from prenatal to age 5 by creating a comprehensive and integrated system of information and services to promote early childhood development and school readiness. The initiative, approved by voters in November 1998, added a 50 cent-per-pack tax to cigarettes and a comparable tax to other tobacco products. Proposition 10 generates approximately \$700 million annually, which supports the State initiatives and all of the counties.

Each county has set up agencies to administer their share of Proposition 10 revenues and develop innovative solutions to address the unique issues faced by prenatal to 5-year-olds in their jurisdictions. KH has worked with two of these agencies.

► First 5 LA: Multiple Tasks

KH has supported First 5 LA since its inception through a variety of assignments: an organizational review, a senior management development program, a compensation review, executive coaching, and facilitation of the Board’s annual performance review of the Executive Director.

► First 5 Orange County: Management Audit and Strategic Planning

KH has undertaken two assignments with First 5 Orange County: 1) a management audit and reorganizational study and 2) the facilitation of a human resources strategic plan.

County of Los Angeles Public Library

► Strategic Planning

KH assisted with the development of the Strategic Plan for the Public Library system. In addition to document reviews, fact-finding, management interviews, and focus group discussions, KH conducted 33 Q² focus group sessions (an in-depth, disciplined interview strategy to obtain both Quantitative and Qualitative perspectives), involving almost 500 stakeholders, throughout the County. This information was used as input to the SWOT analysis for the strategic planning retreats.

KH facilitated a second management development program for the leaders of the Integrated Library System (ILS) implementation teams; supported the “refresh” of the Strategic Plan; and was engaged for a third year to support the management and organizational development of the Collections Development unit.

As a result of Strategic Planning, the Public Library received a 2006 Top Ten Award from the County of Los Angeles Quality and Productivity Commission for positioning the library as a contemporary information/community center to meet the changing needs of the 21st century customer.

County of Los Angeles, Department of Public Health, United Homeless Healthcare Partners

The County of Los Angeles is home to the largest population of homeless people in the United States. On any given night, more than 88,000 individuals are homeless and on the streets of the County. Every year, more than 250,000 people will experience homelessness in the region. The Departments of Health Services and Public Health are addressing the healthcare needs of the County’s homeless through a strategic planning process that involves a coalition of service providers, public agencies, related organizations, and foundations.

► Strategic Planning

KH assisted with:

- Convening the diverse organizations concerned with homeless healthcare and directing the development of a strategic plan that will close the gaps between the need and available services
- Testing various models of governance, service delivery, and policy development

- Identifying best practices in this area and adapting them to fit the region
- Establishing a formal network of organizations called United Homeless Healthcare Partners (UHHP) that is now a project of Community Partners, an incubator of non-profit organizations
- Securing grant funding to continue UHHP
- Producing a regional planning conference attended by 200 homeless healthcare providers and advocates from across Los Angeles County

County of Los Angeles Sheriff's Department

► Strategic Planning

KH facilitated a process addressing the needs of current and formerly incarcerated people and communities for successful re-entry. The project's goal was to reduce recidivism through implementation of evidence-based practices in treatment, services, and policy. Participants included local, county, and state public agencies and non-profits service providers and advocates. This process resulted in a strategic plan encompassing Los Angeles County.

Los Angeles County Office of Small Business (OSB)

► Initial 2002-2005 Strategic Plan

Los Angeles County has more than 10,000 community-based enterprises (CBEs) and 2.5 million small businesses. KH was retained to assist in preparing a Strategic Plan that addressed OSB's future directions. In preparation, OSB surveyed County departments to determine:

- What is their small business outreach if any?
- How much activity do they have with small businesses?
- What is their budget for small business initiatives?
- How much staff do they allocate?

In addition to working with OSB staff and involved managers, KH facilitated meetings with the OSB Commission to ensure needed review and buy-in. KH interviewed 12 key leaders and developed meeting agendas, summaries, and action plans as required.

Some of the issues explored were:

- What are OSB's major strengths, weaknesses, opportunities, or threats (SWOT)?
- What OSB programs, services, or efforts proved to be most effective?
- What are the implications of the already defined vision, values, organizational goals, and strategies set for the County?

- What are the key strategic challenges for OSB in the next three years?

KH recommended OSB form a Strategic Planning Work Group to guide the strategic planning process. This Work Group served as the focal point for the strategic planning effort and included a cross-section of OSB, OSB's Executive Committee, and other County representatives or key users or beneficiaries of OSB's programs and services.

To plan the future OSB strategy, some of the key questions asked were:

- What should be the OSB mission and program activities?
- How should the OSB be structured – organizationally, financially, and physically?

KH conducted three planning retreats with the Strategic Planning Work Group. The core participants in the retreat included: OSB Commissioners and staff; County representatives and partners (CIO, ISD, CAO, and Affirmative Action); and others deemed appropriate. The outcome was a three-year Strategic Plan for OSB.

► 2008-2013 Strategic Plan Update

In 2008, the Los Angeles County Small Business Commission retained KH to update its Strategic Plan and prepare the Commission's 2007-08 Annual Report. KH worked with the Executive Committee of the Commission to identify its accomplishments and remaining goals. KH coordinated a survey of the full Commission, as well as a meeting of the members. Within three months, the plan was updated, and the Commission submitted it and its Annual Report to the County Board of Supervisors.

County of Los Angeles, Board of Supervisors – Executive Office

The Executive Office of the Board of Supervisors of Los Angeles County serves as the general clerk for the County's vast operations and provides general support to both the Board and the Commissions active throughout the County. The Executive Office performs services for the Board of Supervisors and its many commissions.

► Board of Supervisors' Executive Office: Organization Review and Workflow Reengineering

KH conducted an organizational review of the Executive Office and a detailed assessment of the property tax Assessment Appeals operations. Findings enabled the Executive Office to restructure to support new areas of demand, adjust to changing business conditions within the County, and improve the efficiency of staff operations.

▶ **Executive Office’s Assessment Appeals Board (AAB): Application Processing and Audit**

KH worked with the Board of Supervisors, Executive Office, and its Assessment Appeals Board (AAB) to address several issues associated with the dramatic increase in Applications for Reduction of Assessment. During the mid-1980s, the AAB typically received 5,000 applications per year. With new legislation, recessionary housing prices, and recent disasters (e.g., earthquakes, riots, fires, floods, etc.), Los Angeles real estate prices declined, thereby increasing the number of application appeals to 45,000 by 1994. During that same time period, the AAB had addressed the increased workload by relying on a contingency work force.

KH was retained to reorganize specific processing aspects of AAB to help it address its backlog. In addition to the significant tasks described below, KH worked with the AAB and the Executive Office to identify stakeholders in the Assessment Appeals process and to enlist their participation in various efforts to improve processing.

- Working closely with AAB, Executive Office, and County Counsel, KH established and implemented detailed review and reject processing procedures for “Applications for Reduction of Assessment.”
- Using temporary space and new temporary employees, KH supervised the processing of approximately 40,000 applications, covering approximately 55,000 parcels.
- KH established audit criteria and supervised an audit of more than 20,000 “Applications for Reduction of Assessment” and AAB System files to determine accuracy and completeness of application processing.
- KH established user-friendly access to the AAB System and Assessor Property Data Base information for use by new temporary employees.
- KH also helped with the development and review process for the subsequent year’s application form.

This experience provided KH the opportunity to become familiar with the details of the County property tax procedures and inter-dependencies of the AAB with the other four County departments (Registrar-Recorder, Assessor, Auditor-Controller, Treasurer-Tax Collector) that are part of the property tax system.

▶ **Board of Supervisors’ Executive Office: Ongoing Implementation Assistance**

KH continued to work with this client to implement key recommendations, and to further automate and refine the Assessment Appeals operations.

County of Los Angeles, Department of the Registrar-Recorder

▶ **Efficiency Review**

KH conducted a review of the efficiency of designated Registrar-Recorder functions for the County of Los Angeles, using interviews and surveys to collect information from employees. Comparative information was also collected from neighboring counties to evaluate the potential for changing Los Angeles County’s operations.

County of Los Angeles, Department of Regional Planning (DRP)

▶ **Initial Strategic Plan**

DRP retained KH to prepare a Strategic Plan, a succession plan (called a Strategic Workforce Plan), and performance measurements. As part of this effort, KH conducted two strategic planning retreats, 12 strategic work groups, and a series of executive management meetings. The performance measurement system integrated the anticipated outcomes from the Strategic Plan, Management Appraisal and Performance Plan (MAPP), and key performance indicators into a Scorecard format.

▶ **New Strategic Plan**

Six years later, KH was retained to update DRP’s Strategic Plan, succession plan, and performance measurements. KH is currently working with DRP to develop their Strategic Plan and create internal and external Strategic Plan posters. Once the Strategic Plan is complete, KH will provide leadership training to DRP staff members and work with them to develop plans for accomplishing DRP’s strategic goals.

County of Los Angeles, Department of Public Works (DPW)

▶ **Development of a Strategic Plan**

KH was retained to prepare a Strategic Plan for the DPW. For this complex project, KH reviewed dozens of documents, including a survey of staff perceptions of the Department undertaken by DPW during the course of the strategic planning effort. KH staff conducted approximately 50 individual interviews, as well as a series of 6 focus group discussions of strategic issues facing the department. These were used to identify key strategic issues confronting the Department. KH then designed



and facilitated two strategic planning retreats, each involving 40 to 80 individuals. These helped the Department articulate its goals and values as an institution, briefly assess its current condition, and identify key strategic initiatives. To stimulate creative thinking and innovative approaches, KH offered a variety of business models for participants to adapt and modify to DPW's needs. The outcomes of these retreats were a series of strategic initiatives that were passed on to working groups for development into action plans. Eight working groups developed 13 action plans that will guide the Department's major initiatives over the next three to five years.

In addition, KH designed and delivered briefing sessions for middle managers, aimed at keeping them informed of developments in the strategic plan, and building support for its implementation. The quality and accuracy of the report were ensured by a group of senior managers who functioned as an oversight committee. This group regularly reviewed progress on the strategic plan, screened report drafts, and provided guidance to the effort. The draft Strategic Plan was submitted to DPW for final review. KH was retained to assist with the implementation process.

DPW was the first public sector entity to ever receive an Association of Strategic Planning (ASP) award.

County of Los Angeles, Community Development Commission (CDC)

► Development of a Strategic Plan

KH initially reviewed documents and conducted 20 management interviews, 15 focus groups, and in-depth analysis of the strengths, weaknesses, opportunities, and threats (SWOT) at the CDC. Next, KH conducted three strategic planning retreats with more than 80 internal participants that focused on CDC's SWOT analysis, mission, values, customers and stakeholders, and strategic priorities. The outcome was a list of strategic priorities which 4 work groups are further analyzing the areas of fiscal responsibility and diversity, expansion of services, community assessment, strategic cost management, transitional strategies to break the cycle of poverty, streamlining of internal processes, and internal and external communications. These areas were further refined in preparing the Strategic Plan.

City and County of Denver

DENVER, COLORADO

► Human Resources Management Audit

The City and County of Denver (referred to as "the City") retained KH to identify ways to improve specific human resources practices that affect Career Service employees. This undertaking was part of a

series of management review initiatives that the Mayor spearheaded through the Management Review Oversight Committee (MROC).

The scope of this project was based on the human resources issues that Career Service employees identified in an Employee Opinion Survey (EOS).

As a result, the project scope involved the following human resources areas: hiring and promotion; supervision and training; evaluation of the Performance Enhancement Program (PEP); discipline, grievances, and dispute resolution; communications; and benefits. KH assessed how these functions were both designed and delivered by: (a) the Career Service Authority (CSA), an independent authority established in 1954 in Denver to provide personnel services, and (b) the City's departments and agencies.

In conducting this project, KH reviewed human resources documents and interviewed more than 70 individuals, including department and agency heads, managers and personnel assistants, key CSA managers and staff, the Mayor, and City Council members. In addition, KH conducted 9 focus groups with 99 management and employee representatives (randomly selected from the earlier EOS project) to discuss alternative approaches. All employment categories of Career Service employees were represented in these focus groups. Of the 99 focus group participants, 93 individuals completed a brief KH survey. KH also met with the Ad Hoc Human Resources Panel, which served as a review panel on behalf of the MROC. The Ad Hoc Human Resources Panel consisted of 17 members, including external human resources experts from the private sector, a City Council member, department management, CSA management, Career Service employees (also randomly selected), and an American Federation of State, County, and Municipal Employees (AFSCME) representative. KH's findings and recommendations were subjected to multiple reviews with this Panel, the MROC, CSA, Finance, the Mayor's Cabinet, City Council representatives, and Career Service employees. The Mayor and City Council adopted these recommendations in concept and CSA has proceeded in developing strategies for their implementation.

State of California, Office of the Chancellor for the Community Colleges

► Strategic Planning

KH designed and facilitated a two-day retreat of the Economic Development Program Advisory Committee (EDPAC) to explore ways that:

- 1) Education Workforce Development could become more future-focused and forward-thinking
- 2) EDPAC could contribute to this new focus

City of Los Angeles, Office of the City Controller

▶ General Services Department (GSD) Performance Audit

The City Controller first retained KH to audit the performance of the Asset Management Division (AMD) in the GSD. KH used a comprehensive asset



management model to identify potential areas for improvement in the management of the City's real property assets. The over-arching recommendation was that AMD move toward a strategically coherent approach to property management, and simplify the transactions and the

processes for their review. AMD should revise its mission to reflect a focus on strategy/policy development and for reporting on key asset management issues.

▶ City Asset Strategy

As a result of that audit, the City Controller had KH focus on issues that the City of Los Angeles should address in developing a strategy for managing its real estate assets city wide.

City of Los Angeles, Personnel Department

▶ Training Needs Assessment

KH worked with City employees to evaluate the training needs of managers. Skill areas studied were computer technology, human relations, and administration. Working with panels of employee work groups, KH developed dictionaries of skills to assess the current skill repertory, the criticality of the skills, and the frequency of use of the skills among a sample of managers from a variety of City departments. Skill repertories of the same managers were also evaluated by their supervisors. Areas of deficiency were identified and training recommendations across the 38 departments were developed. KH retained ETI and Slaughter and Associates to assist on this project.

▶ Review of Personnel Practices

(SUBCONTRACT TO DAVID M. GRIFFITH AND ASSOCIATES)

KH was a member of the team that performed a management audit of the City's Personnel Department. KH's primary focus was on the City's Human Resources Information Systems (HRIS).

City Council of Los Angeles

▶ Update of Merit Pay Plan for Department Heads

During the mid-1980s, the City of Los Angeles retained KH because of prior work Dr. Kraetsch Hartsough, KH President, performed while with Towers Perrin. With Towers Perrin, she designed and implemented a merit pay plan for motivating general managers to improve City departments' operations and productivity. She also developed individual goals and performance standards with each of the general managers. As part of the study, she presented the study results and responded to Council members' questions during three executive closed sessions and one open session of the City Council. At the time, this study was considered to be innovative for large governmental operations because of the application of private sector pay concepts to top City officials.

Since then, the City Council retained KH for Dr. Kraetsch Hartsough to reassess the Merit Pay Plan after it had been in place for four years. The Phase I assessment involved extensive interviews with the Mayor, Deputy Mayor, City Council members, Commissioners, General Managers, and City Administrative Office staff. After a formal presentation in an open session before the City Council, the Council adopted all 12 of KH's recommendations for improving the Plan. For Phase II, KH prepared a manual on the Merit Pay Plan for internal City use.

County of Los Angeles, Internal Services Department (ISD)

In 1987, the Board of Supervisors in the County of Los Angeles merged six departments to form the ISD, offering County departments a range of services, including purchasing, data processing, telecommunications, architecture and engineering, construction project management, real estate, warehousing, fleet and parking management, safety police, maintenance, custodial services, and mail services. A part of this new department's mandate was the requirement that it become customer service oriented and entrepreneurial – the net result was to be "zero net added cost" to the County. Simultaneously, the other County departments – ISD's customers – were told that they could purchase services from ISD if they desired and found their costs and services competitive; otherwise, they could contract for such services with outside vendors and suppliers.

▶ ISD: Management Audit

(SUBCONTRACT TO HARVEY ROSE ACCOUNTANCY CORPORATION)

Working with Harvey Rose Accountancy Corporation, KH performed a management audit of ISD under the aegis of the County's Internal Auditor and Board of Supervisors. The purpose of the audit was to determine if the "experiment" started in 1987

was working. This audit confirmed the improvements that were accomplished through the consolidated department and ISD's management commitment to its new competitive role.

▶ **ISD: Organizational Structure**

As an outgrowth of the Management Audit, KH analyzed approximately 320 management positions and restructured the first four management levels under the Executive Director. By widening spans of control, a management level was eliminated, resulting in \$2.6 million in savings.

▶ **ISD: Generic Job Classifications and Compensation**

The overall objective of this management study was to minimize and "deep class" a number of classifications in ISD. The scope of the study was limited to 63 management classes with 209 incumbents, 18 marketing classes with 20 incumbents, 116 professional and technical classes within ISD's Information Technology Service (ITS) organization with 1,352 incumbents, and all 21 purchasing and contracting classes with 88 incumbents. In total, the 320 classes were reclassified into 65 new generic or "deep class" classifications. Prior to implementation of the generic job classifications, KH developed a Broad Pay Band (BPB) approach to compensation.

▶ **ISD: Organizational Structure of ISD's Facilities Operations Service (FOS)**

KH conducted a retreat to explore and analyze different organizational models for improving customer service for maintenance operations, alternations and improvements, and custodial services in ISD's Facilities Operations Service.

▶ **ISD: Strategic Planning for ISD Services and Development of a Balanced Scorecard and a Customer Service Program**

(IBM, SUBCONTRACTOR TO KH)

ISD had developed a Strategic Plan for the department but the Executives wanted to drive the ISD Strategic Plan down through the organization with its major Services and lines of businesses developing their own Strategic Plan on how to best support the ISD Strategic Plan. KH worked with the ISD, a subgroup of Strategic Sponsors, and four Service Strategic Planning Teams. KH worked with ISD to conduct two large forum presentations with workshops for approximately 350 of its executives and managers.

KH also conducted a total of 12 Workshops with smaller forums in four strategic planning cycles to develop five Strategic Plans for Facilities Operations, Purchasing and Central Service, Administration and Finance Service, Customer Service, and Information Technology Service (using IBM as a partner).

KH then applied a Balanced Scorecard model to help ISD focus on the high-priority measurements for monitoring and measuring success. The Balanced Scorecard required an iterative process to develop high priority metrics for ISD's four Services; the Department as a whole; and for accountability reporting to the Board of Supervisors, CAO, and ISD customers. In general, the ISD Executives had taken a bold move by pioneering Balanced Scorecards with KH in the County for the first time.

County of Los Angeles, Department of Human Resources (DHR)

Under KH's master agreement with the County of Los Angeles, KH has performed a number of studies and services for DHR.

▶ **DHR: Management Appraisal and Performance Plan (MAPP) Study**

KH designed MAPP for approximately 1,300 top level County managers. The new plan, replacing an outdated individually-oriented, performance-based pay plan (PBP), focused on defining County- and department-specific priorities and the achievement of related goals. Throughout the study, KH worked closely with the Ad Hoc Panel charged with developing the plan and with DHR, which would administer the plan.

The fact-finding component of the study included the review of all documents relating to the old plan, as well as structured interviews and focus groups with all groups involved with or affected by the plan, including plan participants, their department heads, the Board of Supervisors, the CAO, and DHR. As part of consensus building throughout the plan design component, KH consultants presented findings and plan concepts to the Ad Hoc Panel, department heads, the CAO, and other key constituents to ensure the plan met broad department, County, and participant requirements.

As a result, MAPP was designed to address current County concerns, including management accountability for individual and departmental performance, recognition and reward for outstanding performance, and compensation and appraisal fairness. Furthermore, it is designed to enhance and complement departmental planning efforts, the development of relevant and measurable goals, and the communication of department and County priorities.

▶ **DHR: Implementation Assistance Through Training**

The County retained KH to implement a comprehensive training program to ensure successful plan implementation, as well as periodic refresher training. KH conducted MAPP Orientation Training with 800 County managers and 150 human resources

professionals. The County managers were trained in small group sessions of 20 to 30 managers so that particular attention could be given to customizing the development of their respective performance objectives to their departmental strategic, budgeting, and operational plans.

KH was retained mid-year to train all managers (approximately 400 people) who would be conducting interim performance reviews of MAPP employees.

► DHR: Strategic Planning

KH was retained to assist DHR with identifying key strategic issues and developing Action Plans to address those issues. The strategic planning process included several meetings and a retreat with DHR senior staff members to complete an environmental scan and identify strategic priority areas. Interdivisional work groups developed objectives and Action Plans to address the key strategies, and develop measures to assess their success.

County of Orange (California)

KH has performed three projects for the County of Orange – the first during bankruptcy (whose findings helped the County to demonstrate to Wall Street that it was fiscally sound in how it compensated its employees), the second after bankruptcy for motivating those managers who remained with the County, and the third to develop strategies to attract a quality workforce.

► Orange County: Compensation Survey

During the County’s bankruptcy, KH conducted a Confidential Compensation Survey to compile compensation market comparisons for 57 specific benchmark positions for the County of Orange. The objective of the KH report was to provide an *objective and comprehensive comparison of compensation* among a wide variety of employers. Therefore, data reflected both public and private sector employers in three market areas: local Orange County, Greater Southern California, and All Other California.

The 24-page survey instrument requested general information about the participating employer and salary information for the benchmark positions, presented as capsule position descriptions. It further requested a wide variety of information about the other components of compensation in terms of their cost to the employer, and about recruitment experiences and compensation policies.

In identifying potential survey participants, KH ensured adequate representation from the private and public sectors, as well as firms of different sizes, different industries, and different California market areas in which County of Orange competes. We also contacted organizations, that would be able to match some of the less common benchmark positions. The

report categorized the potential and actual participants by market area, sector, and size.

The KH team mailed survey instruments to 1,204 potential organizations to participate, and

systematically followed up every contact by telephone, letter, or fax to encourage participation, answer questions, and request completed surveys.

In the final analysis, survey participants provided base salary data for the 57 benchmark positions, for a total of

1,604 matches representing more than 45,938 incumbents. We believe that this high participation rate was a direct result of the intense and personal contact with potential participants. Simple and weighted averages were provided for the base salary for each position. More than 35% of all matches were from the Public Sector. Of the 103 private sector matches, 51.5% were from “large” firms (more than 500 employees), 32.0% from “medium” firms (between 100 and 500 employees), and 16.5% were from “small” firms (fewer than 100 employees). Specifically, 43.7% of all private sector matches were from Orange County businesses.

This project was widely published in the *Los Angeles*



An Orange County Perspective:

DEBUNKING THE MYTH OF OVERPAID COUNTY WORKERS: Study Should Reduce Skepticism for Civil Employees

“...The Board of Supervisors was right to order the study Even without a bankruptcy, government needs to spend taxpayers’ money wisely. Monitoring private sector salaries can help ensure that county staff are not overpaid...”

“Supervisor William G. Steiner said the salary study, done by KH Consulting Group, was probably the most comprehensive examination of pay comparisons done in the county.”

Los Angeles Times
Orange County Edition
June 2, 1996

Additional coverage was reported in other issues of the Los Angeles Times and the Orange County Register.

Times and the *Orange County Register* and discussed on National Public Radio (KFWB) and other venues. Taxpayers, community groups, and investors were concerned about whether the County was overpaying its employees. Moreover, the data were useful for the County of Orange to approach Wall Street in documenting prudent fiscal controls to come out of bankruptcy.

Each survey participant received a complimentary copy of the 150-page **Confidential Compensation Benchmark Survey: Participant Report**, supplemented with a customized report showing their pay levels relative to survey findings. Several hundred additional copies were sold to the public.

▶ **Orange County: Pay-for-Performance and Performance Appraisal for Managers**

KH designed a new pay-for-performance and performance appraisal system for more than 800 County managers. The process involves interviewing all department heads; conducting focus groups with a stratified, random sample of managers, administrators, and staff analysts; sharing findings and design options with a task force; and designing a new plan.

▶ **Orange County: Compensation, Recruitment, and Retention Study**

The County of Orange Human Resources Department retained KH to conduct a three-phase workforce-focused project.

- **Phase 1:** As a follow-up to the earlier compensation survey, KH designed, created, facilitated, and analyzed an online Confidential Compensation Survey of Public and Private sector organizations throughout the State of California. Compensation data and benefits information were collected on 54 benchmark positions representing 67,312 incumbents.
- **Phase 2:** KH designed, organized, and facilitated a Recruitment and Retention Workshop. The purpose of the workshop was to discuss strategies to strengthen the County's ability to address these challenges. The workshop consisted of expert presentations on the workforce issues, recruitment, and retention; an expert panel discussion; and a brainstorming session.
- **Phase 3:** KH worked with County of Orange Human Resources personnel to develop an ongoing compensation analysis program as part of the County's strategic goal of "attracting the best and the brightest" to the County of Orange workforce.

County of Los Angeles, Internal Services Department (ISD), Information Technology Service (ITS)

ITS is one of four services in ISD in the County of Los Angeles. It provides data processing, customer applications, computer operations, and telecommunications services to County departments. In total, it has a staff of more than 850 professional and technical employees. KH assisted this large government services organization (\$180 million in revenues) with strategic planning, project management, and technical assistance during a series of projects to restructure the IT organization and operations and launch new, downsized lines of computing business.

▶ **ITS: Restructuring of Information Technology (IT) Organization**

Initially, KH assisted senior ITS management in identifying and evaluating different models for this organization. This study focused on analysis of the current practices versus "best practices" from private industry. A range of scenarios was developed and tested over a three- to four-month period to identify workable alternatives, while the organization concurrently benchmarked its performance against other large, mainframe computing centers. In addition, KH developed financial frameworks to test the impact of restructuring operations, improve efficiencies, and communicate financial implications to this client's customers as an alternative to outsourcing the data center and related operations.

Subsequently, KH assisted management in the computing services branch of the organization in developing cost savings ideas and related implementation plans, involving reengineered workflows, accelerated implementation of advanced systems administration tools and techniques, and improved standardization and customer service throughout the operation.

▶ **ITS: Launching of New Lines of Computing Business**

KH worked with ITS management to implement a new line of business for computing services. Initial assistance included definition of production roles and responsibilities, standards, production turnover procedures, conversion cost/benefit frameworks, and production workflows and staffing levels. Ongoing assistance included development of a two-year tactical plan for the new, multi-million dollar line of business, selection and implementation of operations and systems administration tool sets, and development of marketing plans.

▶ **ITS: Tactical Planning for Mid-Range Services, Application Downsizing Feasibility Study**

KH developed a tactical plan to guide deployment of the lines-of-business and related staff functions. As

part of this project, KH worked closely with client and vendor technical and managerial staff to design the configuration of the new processing center, assess cost/benefit factors to guide conversion of mainframe operations to new platforms, and establish distributed and client/server computing policies and infrastructure requirements. KH also assisted in developing financial projections and customer service agreements for key systems and supporting components of the infrastructure. Deliverables included a comprehensive report outlining mid-range systems tactics, revenues, operating costs, and required investments. As a result of this project, management rationalized and continued funding support for mid-range initiatives, while most other areas underwent dramatic budget cut-backs.

In addition, KH assisted in the ongoing analysis of feasibility for conversion candidates, and designed a reusable analytical framework and standards to help guide the conversion planning process. KH also helped to plan for reengineering of data center facilities, relocation of certain components to new data center facilities, relocation of certain components to new data center facilities, and establishment of network monitoring and control facilities.

▶ **ITS: Streamlining and Competitive Advantage Analysis**

KH worked with ITS management to identify strategies to reduce its operating costs by 10 percent per year for the next ten years, for a total ten-year reduction of approximately 65 percent. Moreover, the organizational alignments and staffing levels were adjusted to be more supportive of models found in private outsourcing companies.

▶ **ITS: Market Study**

KH conducted an external market study to determine receptivity of other public sector or non-profit entities to use a facility similar to ITS (as a non-profit entity) for outsourcing services. Such a facility would compete with private sector corporations vying for public sector contracts.

County of Los Angeles, Treasurer and Tax Collector (TTC)

▶ **Strategic Plan**

KH launched an effort to identify key strategic issues facing TTC, and develop Action Plans to address those issues. This process included a series of meetings in which each of the program areas completed an environmental scan, discussed strategic themes, and identified key issues to be addressed through the planning process. Both consistencies and differences in issues across program areas were identified. On the basis of the meetings, KH developed the Strategic Plan.

County of Los Angeles, Department of Health Services (DHS)

▶ **Reengineering and Change Enablement of Human Resources Functions**

(SUBCONTRACT TO ACCENTURE AND APM)

DHS employed more than 24,000 employees, working in five major medical center networks. Because of a Federal agreement, DHS had to restructure its operations by reducing its expenses by at least \$300 million. As part of a \$15 million reengineering effort of County health operations, KH's role was to reengineer human resources functions.

The basic structure of the reengineering efforts for human resources was the formation of a Human Resources Core Team with two Co-chairs. Human resources was divided into functional areas for in-depth review by seven Human Resources Work Groups, each headed by a Work Group Leader, including:

- Work Group No. 1: Classification
- Work Group No. 2: Workforce Reduction
- Work Group No. 3: Placement of Impacted Employees
- Work Group No. 4: Hiring and Testing
- Work Group No. 5: Incentives and Awards
- Work Group No. 6: Position Control
- Work Group No. 7: Human Resources Functions

The Core Team and each Work Group had further representation from DHS management; human resources management – both from headquarters and within the facilities; facility management; the County's Chief Administrative Office (CAO); Department of Human Resources (DHR); the Auditor-Controller; employee representatives; and various labor representatives from Local 660, Local 434, and BTC. In total, more than 82 individuals were involved in the Core Team or one or more of its Work Groups. Meetings were held over a six-month period. Some of these meetings were weekly; others were semi-monthly. Most lasted all day, some half days.

Extensive work was devoted to understanding how the processes currently worked; this effort was accomplished through flow charting; review of manuals, policies, and procedures; and overview of other structures in place. Once all participants had a good grounding in the current processes, the Work Groups then developed and critiqued the strengths, weaknesses, opportunities, and threats (i.e., SWOT analysis) to build consensus on the major areas requiring improvement. These opportunities for improvement became the basis for developing recommendations. All the recommendations were summarized in an Executive Summary and elaborated on in detailed Concept Papers, one per Work Group.

Each recommendation had an action plan, including proposed accountability for its implementation (if adopted), time lines, and expected outcomes. The Human Resources Core Team reviewed each recommendation; some were adopted, others modified, and some rejected before being subjected to DHS's executive review.

The Work Groups also balanced the human resources recommendations from DHS headquarters, medical centers, and other facilities to ensure they did not conflict with each other and aligned with human resources "best" practices (or, at least, "better" DHS practices). For example, some facilities wanted to achieve some of their targets through centralized testing for hiring; in contrast, DHS headquarters wanted to achieve part of its target by decentralizing testing. Because these two testing strategies were in conflict with each other, two Work Groups (No. 4 and No. 7) had to analyze the entire process to determine how testing could be performed most cost-effectively while meeting user needs within DHS. Consequently, the focus of the Human Resources Work Groups' efforts was on overall net savings to DHS (and not just a myopic focus on savings to reach stand-alone facility or DHS targets). The Human Resources Work Groups generated cost savings that met the established targets. Across DHS and the facilities, savings of \$1.7 million in human resources functions were identified and adopted.

The most notable accomplishment was the bringing together of diverse perspectives in the County to consider ways to reengineer or streamline human resources from a process and user perspective. In addition to DHS's human resources professionals meeting at times for the first time on such intense issues, few previous meetings had such integral involvement of CAO, DHR, and Auditor-Controller representatives. Unlike Department-wide functions that are unique to DHS, few human resources functions are unique to DHS and often required complementary changes to how the County in general approached human resources. Consequently, the recommended change required buy-in from DHS, as well as the CAO, DHR, and other County departments. The labor and employee representatives were a further enhancement to the work efforts because they served as a further check and balance. Fundamentally, DHS had to view human resources differently if it were to manage its work force more effectively. These concepts were outlined in a separate White Paper, prepared independently by KH.

County of San Bernardino, General Services Group, Department of Information Services

SAN BERNARDINO, CALIFORNIA

► Strategic Planning Retreat

KH facilitated a Strategic Planning offsite retreat involving the Director and Division Chiefs of this IT organization. Over the course of the two-day sessions, KH identified and discussed numerous issues and developing trends which either currently or in the near term affect the County and its IT organization and operations. Issues discussed included IT cost containment, reengineering of platforms and applications to use new developments in technology (e.g., client/server computing, etc.), and upgrades to the infrastructure to support new diverse technologies.

Deliverables from the session included a "target" for the new organization and a high-level tactical plan to guide key activities over the upcoming 18-month period. In addition, KH prepared an informal report outlining key issues, areas to consider for outsourcing or privatization, "best practice" alternatives for administrative functions, areas of technology or infrastructure needing to be addressed (i.e., as prerequisites to migration into client/server computing), and an outline of roles/responsibilities for a new "matrixed" organization structure.



GRAND JURY

County of Los Angeles 2007-2008 Civil Grand Jury (CGJ)

► An Investigation of the Future of Youth Aging Out of the Child Welfare System

The CGJ selected KH to investigate the Department of Children and Family Services (DCFS) and Probation Department (Probation) programs to prepare transition age youth (TAY) for their exit from “the child welfare system.” KH performed the following tasks:

- Site visits to facilities and discussions with service providers, including probation officers and social workers
- Interviews with key officials at DCFS, Probation, Department of Mental health (DMH), Los Angeles County Office of Education (LACOE), and Judge Nash of the Children’s Court
- A half-day Entrance Conference in a workshop format with the Los Angeles County Deputy CEO and key officials from DCFS, Probation, Department of Public Social Services (DPSS), LACOE, and DMH. The purpose of the format was to solicit their support of the investigation and their ideas for improvement of the TAY system
- Research of:
 - ⇒ TAY best practices used in other jurisdictions
 - ⇒ Analysis of data provided by DCFS, Probation, DMH, and other services
 - ⇒ A survey of TAY currently in DCFS and Probation
- Extensive discussion of data findings and conclusions with DCFS, Probation, and DMH officials
- An Exit Conference with the 15 officials who attended the Entrance Conference to review the CGJ draft findings, conclusions, and recommendations to ensure factual accuracy of the data they provided, review recommendations, and solicit final suggestions to be considered in the report

The CGJ made a series of recommendations to strengthen the services provided, improve the information systems, and implement a more comprehensive output-oriented evaluation of how

TAY children were faring, both in the system and once they had left the system.

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury07-08/2007-08FinalReport.pdf> (see page 21 of the PDF document).

County of Los Angeles 2006-2007 Civil Grand Jury (CGJ)

► Investigation of Pharmaceutical Processes in the County Department of Health Services

KH reviewed the existing inpatient pharmacy process at the following Los Angeles County medical centers:

- Los Angeles County + USC Medical Center
- Harbor-UCLA Medical Center
- Rancho Los Amigos Medical Center
- Olive View Medical Center

For this investigation, KH:

- Reviewed documents, including processes, procedures, training and evaluation protocols, reports, and class specifications
- Conducted interviews and site visits
- Developed new flow charts for key processes at each medical center (existing flow charts were reviewed where available)
- Identified areas of risk
- Researched best practices of pharmacies nation-wide

As a result of this study, KH recommended that the County:

- Continue to invest and expand investments in technologies that reduce the likelihood of error, moving towards Computerized Physician Order Entry
- Train and deploy additional Clinical Pharmacists
- Provide 24-hour pharmacist coverage at all facilities
- Improve Department-wide medical error trend analysis
- Build a “Safe and Just” culture within the Department to encourage medical personnel and pharmacists to report all errors, thereby improving the Department’s ability to take preventive action when trends emerge

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury06-07/2006-07FinalReport.pdf> (see page 16 of the PDF document).

► Investigation of How the Department of Children and Family Services (DC&FS) and the Probation Department Assess the Quality of Services Provided by the Juvenile Group Homes

The 1996-1997 CGJ investigated Juvenile Group Homes in the County of Los Angeles and found evidence of “...significant financial abuses and illegal and inappropriate use of foster care funds” that were often “not expended in accordance with federal, state, and local laws and regulations.”

A decade later, on behalf of the 2006-2007 CGJ, KH:

- Collected and analyzed demographics and recorded grievances committed at Juvenile Group Homes
- Explored opportunities for improvement
- Researched trends or best practices found elsewhere
- Applied what was learned toward progress in foster care and probation administration, service provision, and the ultimate well-being and success of children going through the system
- Identified the standards threshold that Juvenile Group Homes need to meet and maintain as set by DC&FS and the Probation Department

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury06-07/2006-07FinalReport.pdf> (see page 160 of the PDF document).

County of Los Angeles 2005-2006 Civil Grand Jury (CGJ)

► Review of Emergency Communication

In the wake of the Hurricane Katrina disaster, the 2005-2006 CGJ asked KH to assist in its review of emergency communication in Los Angeles County. KH also included in the review: 7 Departments within the County of Los Angeles, 4 Departments within the City of Los Angeles, 3 other cities within Los Angeles County, and a school district.

With the CGJ, KH focused on:

- **Public Education and Communication** – the implementation and development of adequate communication plans and programs to encourage individuals and communities to prepare for emergencies, and to provide critical information should an emergency occur
- **Communication Interoperability** – the technologies, protocols, and procedures needed to ensure clear, coordinated voice and data communications within agencies, among agencies in the same jurisdiction, and among jurisdictions during emergencies

The targeted jurisdictions submitted relevant documents and were interviewed extensively. To identify best practices in emergency communication, KH benchmarked more than 15 jurisdictions outside of Los Angeles County and interviewed Los Angeles City and County staff who provided emergency assistance to New Orleans and Mississippi after Hurricane Katrina.

KH found that the County of Los Angeles is a standard-setter in emergency preparedness, widely viewed as having excellent planning and cooperation in all aspects of emergency response. KH recommended enhancing and building on initiatives underway, including those for:

Public Education

- Expand Office of Emergency Management staff within the CAO’s office
- Apply social marketing approaches to increase public compliance with emergency preparedness recommendations
- Provide basic emergency preparedness materials in additional languages
- Increase the number of Los Angeles County and City of Los Angeles staff who have emergency plans and supplies in place for their families
- Increase availability of low- or no-cost emergency preparedness options to vulnerable groups
- Increase community-based programs (such as Community Emergency Response Team (CERT) and ham radio programs)

Communications Interoperability

- Support county-wide communication interoperability using a standards-based shared platform
- Continue to support Los Angeles Regional Tactical Communications System, a radio system that can patch together the channels and frequencies of various agencies responding to an emergency
- Continue to pursue the adoption of promising communication technology, using life-cycle costing in the evaluation of the new systems and requiring vendors to support and provide parts and materials for the equipment throughout its projected useful life

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury05-06/LACGJFR_05-06.pdf (see page 59 of the PDF document).

► Organizational Effectiveness Review of a LAUSD Program

The CGJ retained KH to review:

- LAUSD after-school programs at 437 elementary schools in Los Angeles County
- Permissive recreational program offered at 435 schools with staffing provided directly by the Beyond the Bell (BTB) branch of LAUSD
- Comprehensive programs provided by 19 community-based organizations under contract to BTB, including academic assistance, enrichment, recreational, and nutrition activities offered at 315 schools

As part of the study, KH:

- Interviewed and met with BTB officials, a State Evaluator, and BTB after-school program contractors
- Designed and distributed an online survey to key stakeholders and analyzed the 730 responses
- Trained CGJ members and provided guides for site visits to 47 schools to observe the after-school programs and facilitate discussions with both after-school staff and school administrators

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury05-06/LACGJFR_05-06.pdf (see page 139 of the PDF document).

County of Los Angeles 2004-2005 Civil Grand Jury (CGJ)

► Real Estate Collaboration

The CGJ identified five city departments or municipal entities within the County of Los Angeles as appropriate venues for the review of a spectrum of approaches to real estate collaboration. These agencies included:

- The County of Los Angeles
- The City of Los Angeles Asset Management Division (for Council-controlled Departments)
- The City of Los Angeles, Department of Water and Power (as an example of a Proprietary Department)
- The City of Long Beach (as an example of an independent city within Los Angeles County)
- The Metropolitan Water District of Southern California

With the CGJ, KH identified processes and procedures that would enhance the effectiveness of the management of real estate assets. The analysis included assessing the value of a consolidated database of available and needed real property among jurisdictions, and establishing both formal and informal channels of communication.

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury04-05/LACGJFR_04-05.pdf (see page 264 of the PDF document).

County of Los Angeles 2003-2004 Civil Grand Jury (CGJ)

► Management Audit of Community Redevelopment Agencies located in the County of Los Angeles

Along with the CGJ's Public Integrity Committee, KH was retained to assess the Community Redevelopment Agencies (CRAs) of the following three cities in the County of Los Angeles:

- City of Carson
- City of Lancaster
- City of Irwindale

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury03-04/LACGJFR_03-04.pdf (see page 464 of the PDF document).

► Management Audit of Domestic Violence Programs in Community and Senior Services (CSS)

In performing a management review of CSS's Domestic Violence Programs, KH completed the following tasks:

- Data gathering and analysis of CSS's 3 Domestic Violence Programs
- Extensive review of documents
- 10 interviews with CSS managers and staff
- 13 interviews with Domestic Violence Council (DVC) representatives and other County departments affiliated with the Domestic Violence Program
- The design and implementation of a CSS-Domestic Violence Provider Survey, which 36 of 47 providers completed (a 77% response rate)
- 8 site visits to shelters in the County
- A review and analysis of a sampling of CSS contracts with shelters
- A review of the monitoring instruments, budgets, and program statistics
- Identification of State-wide programs
- Review of "Best Practices" in other jurisdictions

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury03-04/LACGJFR_03-04.pdf (see page 74 of the PDF document).

► Management Audit of Custody Assistants

KH performed a management review of the Los Angeles County Sheriff's Department (Sheriff),

focusing on the: a) expanded use of Custody Assistants in the Custody Division and b) use of Custody Assistants in the Court Services Division. KH:

- Assessed progress made by the Sheriff's Department in implementing the 1996-1997 CGJ recommendations for using Custody Assistants in the Men's Central Jail and any further implementation within the Custody Operations Division and Correctional Services Division
- Analyzed the feasibility of extending the use of Custody Assistants by the Court Services Division in the lock-up areas of the Los Angeles County Superior Courts
- Determined the staffing level of Deputies and Custody Assistants for performing their duties for the Superior Court system and, in turn, the potential cost savings with a change in the staffing

The project included extensive document review, 21 interviews with management and staff, 9 site visits to custody and court facilities, and focus groups with deputies and custody assistants. Total savings calculated with the recommended staffing configuration exceeded \$20 million.

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury03-04/LACGJFR_03-04.pdf (see page 330 of the PDF document).

▶ A Management Review of the Effectiveness of Civil Gang Injunctions (CGIs)

The management review's objective was to determine the efficiency and effectiveness of CGIs in the City and County of Los Angeles. The scope encompassed the CGI efforts in the City of Los Angeles (Los Angeles Police Department (LAPD) and the City Attorney's Office) and the County of Los Angeles (Los Angeles Sheriff's Department (LASD) and the District Attorney's Office). The management review tasks were to:

- Review research and other literature pertaining to CGIs
- Gather financial and performance data and other information
- Conduct approximately 20 interviews with gang-related law enforcement experts and officials from the Los Angeles County District Attorney's Office, Los Angeles City Attorney's Office, Los Angeles County Sheriff's Department (LASD), Los Angeles Police Department (LAPD), Pasadena Police Department, and Lodestar Management Research, Inc., the third-party monitor of the Community Law Enforcement and Recovery (CLEAR) program

- Conduct interviews with residents and community leaders in neighborhoods subject to CGIs
- Conduct four site visits with police officers and deputies, sergeants and lieutenants assigned to the LAPD Northeast Division, LAPD Pacific Division, LAPD Southeast Division, and LASD Lennox Substation
- Compare and contrast the experiences with CGIs in the City of Los Angeles with those in unincorporated areas of Los Angeles County – during the course of the study, an additional point of comparison with the City of Pasadena was added
- Analyze data on reported serious crimes to identify the impact of CGIs on a neighborhood

The study results were published and can be found at http://grandjury.co.la.ca.us/gjury03-04/LACGJFR_03-04.pdf (see page 177 of the PDF document).

County of Los Angeles 2002-2003 Civil Grand Jury (CGJ)

▶ Investigative Audit of Senior Services and the Community and Senior Services (CSS) Department

KH investigated senior programs and services available through:

- The Community and Senior Services (CSS) Department in the County of Los Angeles
- Community-based organizations (CBOs) that are funded by CSS
- Local cities in the County (but excluding the City of Los Angeles, which is funded separately from CSS)

Therefore, the perspective of the CGJ considered the needs of the County's senior population, and not just those served by CSS today. The County's seniors, age 65 or older, is 926,673 or 10% of the residents. The Investigative Audit was far-reaching and involved extensive CSS interviews, document reviews, data analysis, a survey of cities regarding their senior programs, site visits to 15 senior centers with interviews with CBOs and city representatives, and *input from more than 4,000 seniors in response to written surveys:*

- **General Senior Population Survey** – a written survey (in both English and Spanish) mailed to a stratified, random sample of 17,000 County seniors with 15% or 2,601 responding
- **A Senior Stakeholder Survey** – a written survey distributed on site to 1,770 current users of senior services offered by the County, CBOs, or cities

Some of the recommendations in the Investigative Audit are concurrent with planned improvements that CSS is undertaking. The recommendations cluster into three areas:

- **Rising Demands and Needs for Senior Services and Programs** – Seniors make up 27% of the County residents, including 10% who are age 65 or older and 17% who are between the ages of 55 and 64. Within the next 5 to 10 years, the potential growth of seniors is at least 73% in the County. Overall, **senior survey respondents rate senior services used as effective (54%) but are unaware of most senior services or programs.** Fifty percent or more respondents were not aware of 9 of the 11 services offered through CSS funding. Senior programs are not aggressively advertised because of an inability to meet potential demand.
- **Improved Accountability: Fiscal and Outcomes-Oriented** – The recommendations built on the need for: 1) fiscal efficiency and effectiveness, resulting in streamlined and innovative senior programs and services and 2) results driven and outcomes orientation.
- **CSS Organizational Change** – The recommendations focused on the need for a major organizational transformation to achieve CSS's proposed strategic directions.

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury02-03/grandjury02-03.pdf> (see page 108 of the PDF document).

County of Los Angeles 2000-2001 Civil Grand Jury (CGJ)

- ▶ **Management Audit of the Recruitment Strategies and Programs in the Los Angeles Police Department (LAPD) in comparison to other police departments, including Signal Hill Police Department**

LAPD had been facing shortfalls in its target recruitment levels. KH was retained to analyze LAPD's recruitment strategies and programs. The assessment involved benchmarking LAPD's processes against other police departments locally and nationally. KH conducted extensive interviews within LAPD, the City of Los Angeles's Personnel Department, and with other jurisdictions and developed a series of recommended improvements.

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury2000-2001/gj2000-2001.pdf> (see page 212 of the PDF document).

- ▶ **Management Audit of the Public-Private Partnerships in the County's Department of Health Services (DHS)**

KH analyzed approximately \$54 million in contracts between DHS and private clinics in providing non-ambulatory (clinical) medical services. KH conducted site visits, reviewed contracts, and interviewed DHS and clinical managers regarding the partnerships, monitoring procedures, and commitments.

The study results were published and can be found at <http://grandjury.co.la.ca.us/gjury2000-2001/gj2000-2001.pdf> (see page 77 of the PDF document).

County of Los Angeles 1999-2000 Civil Grand Jury (CGJ)

- ▶ **Management Audit of the Sheriff's Department, Inmate Welfare Fund (IWF)**

At the direction of the CGJ Audit Committee, KH conducted a management audit of the IWF, which averages approximately \$35 million in revenues from services provided to inmates (e.g., collect telephone calls, canteen, etc.). KH documented the history of the IWF, its legislative requirements, historical uses, and current situation. KH interviewed more than 39 individuals involved with the IWF as either commissioners, managers, vendors, etc. KH also reviewed innovative practices in other Sheriff operations, using IWF funds.

The outcome was a series of recommendations submitted to the CGJ that encouraged strategic planning for the multi-year use of these funds to maximize their benefits. As per State of California legislation, the primary purpose of the funds should be for the health, welfare, and education of inmates. Other recommendations focused on governance, innovative program development, and financial accountability. KH encouraged the Sheriff's Department to use the funds for piloting new programs that would benefit inmates and help other jurisdictions learn from the County's experiences. In this way, the Sheriff's Department could become a national leader of programs that make a difference in terms of inmate recidivism and integration into society.

The study results were published and can be found at <http://grandjury.co.la.ca.us/x1z2.pdf> (see page 232 of the PDF document).

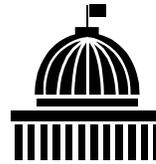
- ▶ **Management Audit of the County of Los Angeles, Department of Children & Family Services (DC&FS), Foster Family Agencies**

At the direction of the CGJ Audit Committee, KH conducted a management audit of the Foster Family Agency (FFA) model employed at DC&FS. DC&FS contracts with approximately 75 FFAs to recruit, screen, train, and support foster families to meet the County's need for foster homes. Approximately 8,000 children are housed in FFA foster homes. During the last decade, DC&FS has received ongoing negative press regarding its organization, placement

of foster children, internal politics, lack of accountability, etc. Our area of focus was on the selection, training, and monitoring of FFA foster parents, investigation of complaints and abuse, and information and communication.

Our fact-finding was extensive involving 23 interviews, focus groups with 32 D&CFS social workers, document review, 25 site visits to FFAs, 8 focus groups with 50 foster parents, attendance at Blue Ribbon Task Force meetings, meetings with the FFA Steering Committee, review of 25 investigation case files (randomly selected), site visits to 5 foster families who were investigated, survey of “best practices” in other states, etc. Because so many inquiries have been conducted over the years regarding DC&FS, KH chose to focus on establishing a “context for change.” This context for change was to help DC&FS make the FFA model more viable, including the initial assessment and placement of children into foster care; case management and caseload; investigations; FFA foster parent roles and responsibilities; FFA foster family recruitment, training, orientation, and monitoring; tracking of decertified foster family homes; quality assurance; and FFA operations.

The study results were published and can be found at <http://grandjury.co.la.ca.us/x1z2.pdf> (see page 104 of the PDF document).



FEDERAL GOVERNMENT

Federal Housing Finance Board (FHFB)

WASHINGTON, D.C.

► Strategic Planning and Governance Structure

(SUBCONTRACT TO FIRST BOSTON CORPORATION AND THE 12 FEDERAL HOME LOAN BANKS)

The FHFB embarked on a major strategic planning effort to redefine its role in U.S. housing for the balance of the decade.

Phase I – Critique of Strategic Planning Papers.

As a subcontractor to First Boston Corporation in New York City, during Phase I, KH critiqued 12 papers the Federal Home Loan Banks had prepared on the topics of governance, customer base, capital, regional structures, and other relevant topics.

Phase II – Governance and Structure of the Federal Home Loan Bank System.

KH then performed its own independent analysis of how the FHFB should govern the Federal Home Loan Bank System, including its governance structure, regional structure, and accountabilities. As part of the fact-finding, KH conducted site visits at the Federal Home Banks in San Francisco, New York, Atlanta, and Des Moines. The recommendations involved a new configuration to the FHFB and a regional structure more reflective of those found in Freddie Mac and Fannie Mae.

Federal Home Loan Bank of Boston

► Organizational Design Study

The Federal Housing Finance Board had mandated that the Federal Home Loan Bank of Boston reduce its budget by \$2 million. As a result of this mandate, the Federal Home Loan Bank of Boston retained KH to assist with restructuring its management structure to respond to these cost reduction requirements while ensuring the achievement of its mission. In response, KH developed a short-term organizational structure and then outlined its organizational options in the longer term.

Sepulveda Veterans Administration (VA) Medical Center, U.S. Veterans Administration

SEPULVEDA, CALIFORNIA

- ▶ Efficiency Review and Productivity Assessment, Using Activity Analysis
(Contract No. SB9-87-1-1610/V665P-1297-87)
(SUBCONTRACT TO SLAUGHTER & ASSOCIATES, A MBE)

As part of a series of mandated efficiency reviews by Congress, KH conducted four efficiency reviews at the Sepulveda VA Medical Center; these efficiency reviews focused on Medical Information Service, Maintenance and Repair Services in Engineering Service, Dietetic Service, and Office Operations. We analyzed each organization's current situation, including organizational structure, staffing levels, budgetary constraints, and work processes. We also defined required work inputs and outputs, linked to performance standards and acceptable quality levels of performance. By applying our computer-aided Activity Analysis approach, we could determine labor costs and baseline performance for 350 employees. In collaboration with VA management, we defined opportunities to contain costs and reallocate available resources, amounting to a savings of at least \$500,000 per year.

U.S. Department of Labor (USDOL), Employment and Training Administration, Unemployment Insurance Service

WASHINGTON, D.C.

- ▶ Contingency and Disaster Recovery Planning

USDOL retained KH to assist the 53 State Employment Security Agencies (SESAs) in developing contingency and disaster recovery plans. Phase I involved documenting what the SESAs were doing regarding contingency and disaster recovery planning. KH conducted site visits at six SESAs and surveyed nine other SESAs.

During Phase II, KH prepared a Technical Assistance Guide (TAG), outlining how SESAs could:

- Develop their recovery strategies
- Prepare their own Disaster Recovery Plans (DRPs)
- Test and train their SESAs on the DRPs
- Update and disseminate DRP information

Phase III entailed conducting two two-day workshops – one on the East Coast and one on the West Coast – on the TAG for more than 100 SESA and USDOL attendees.

U.S. Department of Health and Human Services, Health Care Financing Administration (HCFA)

WASHINGTON, D.C.

- ▶ Medical Records Review
(Contract No. 7570511 75092780)

KH completed medical record reviews of 2,500 Medical records randomly selected at five California hospitals. In total, the KH study team identified cost savings of approximately \$400,000.



NON PROFIT

Getty Conservation Institute (GCI) of The J. Paul Getty Trust

LOS ANGELES, CALIFORNIA

KH was retained to design a matrix structure and human resources tools to support the new strategic directions of GCI, one of five institutes at The J. Paul Getty Trust.

► Design of a Matrix Organizational Structure

The GCI concluded that its mission should be to manage conservation projects through international partnerships and contracted experts. Therefore, given the new project orientation, a matrix structure model was determined to be the optimal approach.

KH worked closely with GCI executives, project managers, and employees to understand what had worked in the past, what were the unique project challenges, and what kinds of organizational structures would help manage the complexities of operating more than 100 projects worldwide. The outcome was a matrix structure designed along discipline lines (science, conservation, communications and information, and administration) and projects themes (heritage recognition, monuments, artifacts, new knowledge about the field (“think” tank).

► Accountability and Decision-Making Matrices, New Job Descriptions, and Performance Appraisal Plan

After the adoption of the new structure, KH revised the job descriptions, worked closely with the Operations Committee to develop accountability and decision-making matrices for the new structure, and designed a new performance appraisal plan that linked performance to the Strategic Plan and project initiatives.

The California Children and Families Commission (Proposition 10)

The California Children and Families Commission, created by Proposition 10, supports children from prenatal to age 5 by creating a comprehensive and integrated system of information and services to promote early childhood development and school readiness. The initiative, approved by voters in November 1998, added a 50 cent-per-pack tax to cigarettes and a comparable tax to

other tobacco products. Proposition 10 generates approximately \$700 million annually, which supports the State initiatives and all of the counties.

Each county has set up agencies to administer their share of Proposition 10 revenues and develop innovative solutions to address the unique issues faced by prenatal to 5 year olds in their jurisdictions. KH has worked with two of these agencies.

► First 5 LA: Multiple Tasks

KH has supported First 5 LA since its inception through a variety of assignments: an organizational review, a senior management development program, a compensation review, executive coaching, and facilitation of the Board’s annual performance review of the Executive Director.

► First 5 Orange County: Management Audit and Strategic Planning

KH has undertaken two assignments with First 5 Orange County: 1) a management audit and reorganizational study; and 2) the facilitation of a human resources strategic plan.

LA★VETS

LOS ANGELES, CALIFORNIA

► Management Audit

This demonstration project’s objective was to form a public-private sector partnership to address the issue of formerly homeless veterans in the Los Angeles area; Los Angeles has a population of approximately 270,000 homeless veterans. A real estate developer entered into the partnership with the Century Housing Authority and the Westside Veterans Administration (VA) Medical Center’s Comprehensive Homeless Center. Financed through the Century Housing Authority (with \$5.6 million in funding), the developer remodeled the former dormitory at Northrop University, renamed the Westside Residence Hall. The Hall is located in Inglewood, near the Los Angeles International Airport (LAX). The VA screened potential residents and furnished counselors and random drug testing. Residents were required to be drug-free and non-alcoholic to remain residents. The new center assisted veterans by furnishing career, transitional, and personal counseling, as well as job counseling and training opportunities to seek employment. In exchange, the veterans paid rent for a room in a suite and two meals per day.

KH was retained to conduct a management audit to determine how the model could be enhanced and if the model could be replicated. Much of the success of the program was the result of the dedication, hard work, and long hours of the developer who had a vision of providing a network of such facilities

throughout the United States. Century Housing was concerned that the model was dependent on a single entrepreneur. During the course of the audit, the developer finally began to turn a modest profit of 5% once the facility exceeded 300 residents. KH completed the audit and the model has since been expanded to the former naval facility in Long Beach for formerly homeless veterans and families and individuals seeking low income housing. A management team operates the original Westside site on a day-to-day basis, thereby freeing the entrepreneurial developer to pursue new projects. To date, more than 1,250 homeless veterans, including 325 current residents, have been served at Westside Residence Hall. More than 80% graduate from Westside with sobriety, new social and technical skills, and hope for a positive future. Moreover, the Department of Veterans Affairs (VA) conducted a review that estimated that more than \$14 million in taxpayer dollars are saved annually in decreased re-hospitalization costs.

Los Angeles Universal Preschool (LAUP)

► Performance Measurement

LAUP is an independent public benefit corporation created in 2004 and funded by First 5 LA. LAUP's goal is to make voluntary, high-quality preschool available to every 4-year-old child in Los Angeles County, regardless of their family's income, by 2014.

LAUP is guided by a 10-year Master Plan developed by hundreds of educators, parents, government officials, and business and community leaders. To build this plan, LAUP is bringing resources together from across the county in support of early childhood education. When LAUP has reached full scale, funded classrooms will serve more than 100,000 4-year-olds.

KH supported the Executive Director and its Personnel Committee in the development of performance criteria for the Executive Director.

National Mental Health Association of Greater Los Angeles (NMHA)

► Strategic Planning

(SUBCONTRACT WITH TOWERS PERRIN)

After inheriting a \$25-million Trust, NMHA retained KH to conduct interviews to determine the best use of the new funds. KH interviewed 50 mental health opinion leaders, including psychiatrists, psychologists, social workers, service providers, family members of mental health patients, legislators, and other association professionals. KH also interviewed major foundations in the Los Angeles area to solicit their input.

Public Health Foundation Enterprises, Inc. (PHFE)

CITY OF INDUSTRY, CALIFORNIA

► Strategic Planning

KH worked with the Board of Trustees and the Executives of PHFE to develop its first strategic plan. This process involved four all-day, off-site retreats with board members and PHFE executives and managers.

KH was then retained to assist with implementation of the new plan.

Special Olympics Southern California (SOSC)

LOS ANGELES, CALIFORNIA

► Board Policies and Procedures

SOSC is the largest state organization of the Special Olympics International. The Board of Directors retained KH to update its policies and procedures. KH interviewed the individual Board members; offered advice regarding different policy options, particularly in such areas as Board membership, roles, responsibilities, and financial management; and prepared draft policies and procedures. KH presented these policies and procedures at a SOSC Board retreat and then made the necessary revisions. The Board then adopted the policies and procedures.

World Vision International (WVI)

► Worldwide Distributed Human Resources Functions

KH determined which WVI human resource functions were best performed centrally; which should be performed in the donor nations (primarily in North America, Europe, and Australia); and which should be performed in the field in Asia, Africa, and South America. As part of this study, KH conducted a survey worldwide, performed extensive interviews, and identified what functions could best be performed on a decentralized focus.

Note: While with Towers Perrin, Dr. Kraetsch Hartsough developed a strategic plan for worldwide recruitment of expatriates and contract employees, particularly in the health care professions, to meet staff shortages in undeveloped countries. These systems allowed WVI to recruit ten times the number of individuals recruited in the past by increasing current recruitment staffing levels by three.

Pasadena Senior Center (PSC)

PASADENA, CALIFORNIA

► Strategic Planning and Operations Review Study

PSC was one of eight recipients of an \$80 million endowment from the Margaret Bundy Scott Trust Fund. Each year, PSC was to submit a proposal to the Trust Fund, outlining its needs, requesting special funding, and demonstrating how the funding would complement its proposed strategic directions.

In the initial years of the Trust, PSC received marginal funding because of a lack of a well-formulated, articulated strategic plan. The PSC Board of Trustees retained KH to conduct a strategic planning study. KH surveyed 10,000 Pasadena households (with individuals aged 50 or older) to determine senior citizens' needs. KH designed the mailed survey and coordinated the sorting, mailing, and compilation of results. We also worked closely with City of Pasadena officials regarding program needs for the elderly. As part of our analysis, we reviewed program requirements for education, recreation, and services for senior citizens. KH then conducted a series of goal-setting workshops with the Board of Directors. As a result of the objectives established in these workshops, KH worked with Board members and staff to develop specific strategies, tactics, and plans for achieving the goals.

KH also completed an organizational and operations review of PSC's structure, staffing, facility constraints, and management processes, including financial systems. Since then, PSC received the needed funding to build a new, state-of-the-art Senior Center.

W. M. Keck Foundation

LOS ANGELES, CALIFORNIA

► Operations Review

SUBCONTRACT WITH TOWERS PERRIN

During Phase I, KH surveyed 320 grant applicants concerning the Foundation's image, procedures, selection criteria, etc. KH designed the telephone survey, conducted the survey with The Gallup Organization, and analyzed the results. During Phase II, KH assisted with developing operating policies and procedures for the Foundation.

ASH (Action on Smoking and Health)

WASHINGTON, D.C.

► Board Retreat

KH facilitated a Board retreat for ASH, focused on prevention of smoking.

Los Angeles City Employees Association (LACEA)

► Compensation and Merit Pay Plan

For the LACEA Board, KH developed a Merit Pay Plan, applying pay-for-performance concepts, for all LACEA management and employees. KH also established a new pay plan, with base pay scales competitive with local market conditions.

WHY HIRE KH?

In these dynamic times, boards, corporate executives, educational leaders, elected officials, and public sector administrators retain KH because of their need to:

- Bring about change from within
- Accomplish specific initiatives despite internal time pressures and staff constraints
- Remain or become a regional, state, national, or international leader
- Acquire special expertise and tools
- Solicit a fresh perspective, as well as independence, objectivity, and discretion
- Bypass both "politics" and natural resistance to examination and change, particularly in environments with diverse agenda
- Solicit external, professional opinions without the risk of prejudice (i.e., internal managers may be defensive when their operations are under review)
- Obtain insights into "best practices" and "lessons learned" at other comparable organizations
- Have nothing taken for granted, including data that might otherwise be overlooked or unused (e.g., consultants can ask "naive questions" such as "why are you doing that task that way?")
- Leverage respected external authorities before their boards or executive team

Additional descriptions of KH firm capabilities, including a general KH firm brochure, are available upon request.

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