



# The State of Illinois Transformation: *A view from inside*



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## OUR METHODOLOGY

18 executives with overarching responsibilities (chief financial officers, program managers, deputy directors etc.) who were or still are a part of the organization were interviewed. Consulting firms that were involved in helping plan and implement the transformation were contacted to provide an outside perspective. In addition, the internal organizational materials were reviewed.

The main topics covered in interviews includes: the rationale for beginning the transformation, the decision-making process, challenges, lessons learnt and vision for the future.

In 2003 the State of Illinois launched an unprecedented process to transform its administrative services. Led by the Department of Central Management Services (CMS), the State implemented processes and practices from the private sector to begin managing its business operations as a business would and, as a result, achieved savings of more than \$529 million in just two years.

CMS has fundamentally changed the process by which it manages procurement, information technology and other administrative services in support of State agencies. While the early results are impressive, however, benchmarking of enterprise-wide transformations in the private sector indicates that efforts of this magnitude require a process of seven years or longer to effectively implement and guarantee long-term change. As CMS Director Paul Campbell has recognized publicly, the effort is akin to building a house while living in it.

Consequently, CMS sought an independent academic institution to examine the first three years of the Illinois transformation and identify key lessons and continuing challenges that the agency's leadership could use in completing the ongoing, multi-year effort.

In the summer of 2006, CMS brought in two graduate students from the University of Chicago Harris School of Public Policy – one a PhD candidate and the other pursuing a master's degree – to conduct an independent assessment of the transformation effort so far.

The two authors of this paper reviewed numerous documents, examined State of Illinois processes and interviewed 18 people, including current and former CMS executives and outside consultants, to identify the drivers, challenges and critical success factors of transforming a government into a businesslike organization.

The goal of the paper is to share findings of this research with other governmental and large public entities to help them streamline their own organizations using the lessons learned from the State of Illinois. This paper opens with an executive summary followed by a case study of the Illinois experience so far, and concludes with a discussion of the components necessary for a successful government transformation.

# EXECUTIVE SUMMARY: Running Government Like a Business

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## *Challenge*

In 2003, newly elected Governor of Illinois, Rod R. Blagojevich, faced a \$5 billion annual deficit. The deficit had steadily increased between FY 1993 and FY 2003, and was expected to ratchet even higher due to a variety of pressures including the increasing number of retiring baby-boomers demanding more services and benefits. Decisive action was necessary if state government was to wage a successful fight to reduce the deficit in the face of an increased demand for services among its constituents.

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*“This governor is doing what no other Illinois governor has set up to do – get his arms around the cost of the government.”*  
– Former Executive

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Using Executive Orders, the Governor instructed Central Management Services (CMS) to start running the State’s business operations the way a private sector business would, and save taxpayer money while improving the services of state government.

## *Solution: Running Government like a Business*

CMS hired a group of private sector professionals and consulting firms to identify a route necessary to bring private-sector discipline to its public-sector mission. As the result, two primary directions were adopted – to eliminate inefficiencies in current processes and to implement a shared-services organizational model to administrative functions. CMS assumed responsibility for reducing spending on and improving the management of most of the core business functions of all government agencies.

## *Results: From Cost-Savings to Cultural Change*

In two years (FY04 and FY05) CMS achieved more than \$529 million in savings as it implemented the new Shared Services organizational structure and reduced inefficiencies in many administrative operations. As a result of the CMS-led efficiency initiatives, Governor Blagojevich was able to address the budget deficit while directing state spending to expand healthcare, support education and increase public safety.

While cost cutting was the initial rationale for bringing private sector practices into state government operations, the implementation also fueled the transformation of the state government’s culture by introducing changed business processes, policies, organizational structure, personnel management and technology.

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The State of Illinois transformation was driven by the Governor’s executive orders and a team of government and private sector professionals with help from a number of consulting firms.

The executive team faced a number of challenges in conducting a transformation process, establishing buy-in and ensuring continuous funding. The former and current management team shared their experiences and thoughts about what were the critical components in their success, as well as what factors posed a challenge and how these challenges were addressed.

# Components of Government Transformation

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## ***1) Executive Mandate***

Clear direction from the Governor cut through potential political and territorial issues. This crucial support overcame initial challenges and provided credibility to the initiative.

## ***2) Pro-active Management***

A change-management team composed of government experts and private sector professionals together with consulting teams became the driving force of the transformation. Experienced government professionals helped lead the transformation, provided insight on how things were run before, and also served as a vital source of getting buy-in from within the organization. Seasoned private sector professionals brought change management expertise as well as business experience, knowledge and discipline. Consulting firms generated ideas that fueled the transformation and developed plans to implement existing proposals.

## ***3) Process***

What to consolidate, when, and how? Constrained by a budget deficit and a short political cycle, the management team proceeded with the transformation at an unprecedented speed. Although the high speed of implementation enabled significant savings, important components of the change, such as effective communication with affected parties and sufficient funding, were initially overlooked.

## ***4) Relationships***

Motivating and encouraging employees to not only embrace but push for change was difficult. The management worked to develop employees' understanding of their value and role in the process, and to instill a sense of pride, ownership, and accomplishment to compensate for the lack of material incentives.

## ***5) Funding***

Since using budgeting processes to fund project-based transformation initiatives was not feasible, the management team developed alternative methods to fund its initiatives that entail long-term savings.



# Illinois Government Transformation Case Study

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## *Challenge*

The first Democratic governor in 26 years, Rod Blagojevich faced a \$5 billion annual budget deficit in FY 2004 that represented 10% of the total State budget. From FY 93 to FY 03 the Illinois deficit grew at more than twice the rate of inflation. Student aid was low for most of the period. The number of working parents with private health insurance shrank each year. Pension payments were under-funded by at least \$810 million annually.

In addition, the pending retirement of Baby Boomers contributed to the funding pressure. Aside from State pensions, baby-boomers also demanded more services, public goods and social protection.

Conventional methods of dealing with budget deficits, such as raising taxes or decreasing the number or quality of services provided, were not feasible or acceptable. The government had to find a way to do more with less.

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*“State government was like a family of four having four cars and four separate cell phone plans instead of sharing one car and one cell phone plan.”*

– Former Executive

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## *Solution: Running Government like a Business*

To do more with less required unconventional methods of running government operations. The Governor decided to reduce the cost of government – by running it like a business.

The Governor asked the Department of Central Management Services, the administrative services arm, to find ways to decrease the total cost of government. Serving 66 state government agencies, Central Management Services (CMS) was given the responsibility of overseeing the annual purchase of approximately \$12 billion in goods and services for State government agencies; administering a fleet of 13,600 vehicles; managing approximately 60 million square feet of facilities owned or leased by the State; managing the State’s information technology and telecommunications systems; serving as a personnel department for more than 66,000 employees and administering benefits for approximately 400,000 retirees, employees and their dependents; and conducting internal audits at and providing legal and public information services to all State agencies.



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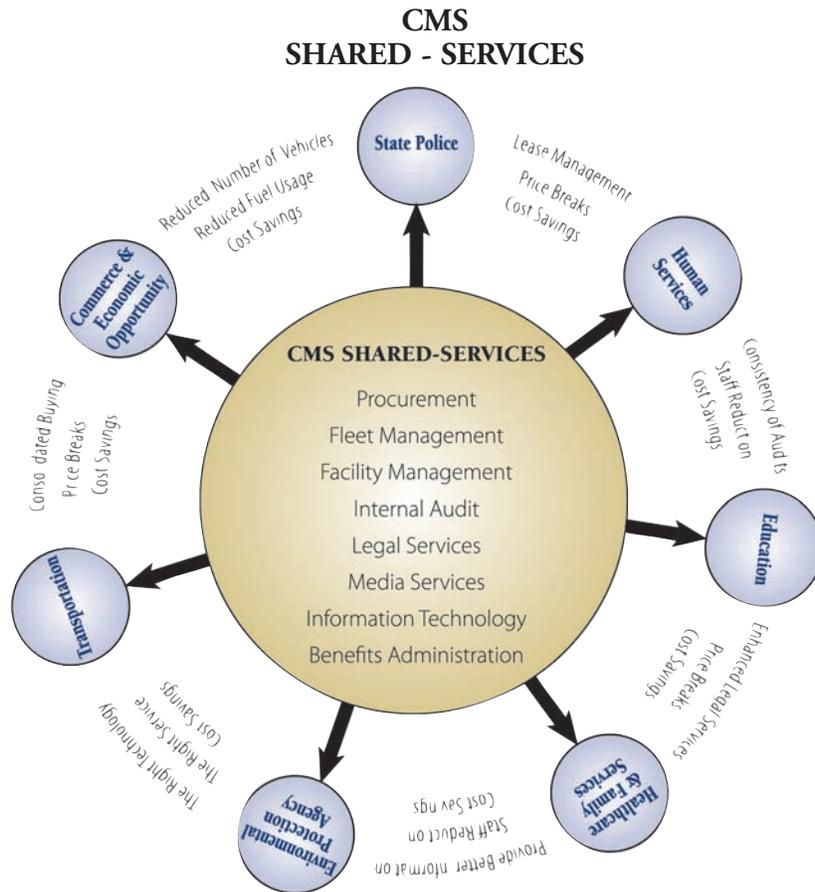
*Two Ideas to Change Government into Business-Like Organization:*

- *Reduce Inefficiencies*
  - *Implement Shared Services*
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To accomplish its mission, the newly appointed CMS executives selected and brought in a new team of government professionals and private sector experts. The new management conducted meetings with major consulting firms to generate ideas on what a government could do to transform itself into a more business-like organization.

Two main ideas emerged: reduce inefficiencies and implement a Shared Services concept. CMS took a closer look at each agency’s spending categories to identify and eliminate inefficiencies. As a result, for example, federal reimbursement was enhanced, significant costs savings were realized from strategic sourcing and leveraging federal programs, and unnecessary capital depreciation expenses – like owning a fleet of cars and maintaining obsolete equipment – were eradicated, or sold at auction to bring in additional revenue.

The second step was to implement the Shared Services concept. Used in the private sector for decades, the Shared Services concept offered a possibility of 1) reducing the total cost of running a government, 2) focusing agencies' operational leaders on their core accountabilities, functions and missions, and 3) increasing the professional capacity of human resources.



### *What exactly is Shared Services?*

*The main idea behind Shared Services is that a single entity runs core business functions for government agencies such as procurement, telecommunications, facilities management, legal services and internal audit, allowing other agencies to concentrate on their core responsibilities and missions. A Shared Services entity takes advantage of economies of scale as well as economies of skill.*

*A Shared Services center combines advantages of centralized and decentralized systems. Like a centralized system, Shared Services can achieve economies of scale by creating a single purchasing contract on desktop computers, temporary services or computer software for all state agencies. Unlike a centralized system, Shared Services offers customized solutions to all of its customer agencies through service-level agreements (SLAs). Thus, Shared Services can help a government achieve two objectives: decrease costs associated with running the government and increase the value of services to its stakeholders.*

*Shared Services can be organized in a number of ways. In particular, shared services can be centralized or center-led, in order to incorporate governance, accountability and visibility into the process.*

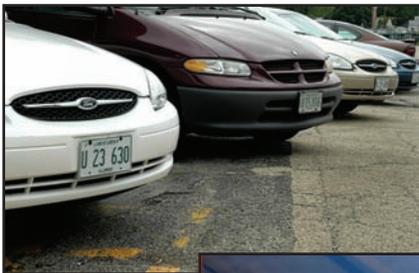
**Centralized shared services** model brings people who are specialists in a particular field to a centralized location. Here specialists in a particular field can concentrate on a particular aspect of their work, share knowledge with counterparts, and work on behalf of multiple agencies.

**A center-led shared services** organization does not bring people from agencies to a centralized location. Instead, a Shared Services center sets up a network of professionals in which each agency has its own staff in the field, i.e. procurement or media services, who have expertise in his or her agency and are dedicated to ensure services for that agency only. A Shared Services Center provides these in-field personnel with guidance and support, and creates processes, guidelines, forms and “how to’s”.

The Illinois Department of Central Management Services implemented multiple initiatives to build out its Shared Services organization structure, using a centralized model, a center-led strategy, or sometimes both. Those initiatives involved core business functions including:

- Procurement
- Information technology
- Facilities
- Fleet/vehicles
- Internal audit
- Legal services
- Public communications

The projects that sprang from these initiatives were wide and varied in their scope and impact. The Bureau of Strategic Sourcing and Procurement (BOSSAP) built a state-wide purchasing network and implemented a Knowledge Management system. The Bureau of Internal Audit implemented a Risk-Based Assessment model. The Bureau of Property Management launched a survey of every State-owned and -leased space and also developed a model for space appropriation, use and management. BOSSAP renegotiated the contract with the vendor that provides the State with emission-testing services, and also coordinated with its client agencies to advocate the use of new, cleaner-burning biofuels derived from domestically produced crops.



although a transformation effort involving so many major initiatives can easily take seven years or longer to complete. The initiatives were to be funded through Efficiency Initiatives Revolving Funds (EIRF) which were created using cash from available funds and agencies' budgets. The Governor's executive orders informed agencies about the transformation and directed them to collaborate with CMS.

Within a year most of the initiatives were launched and many individual projects were completed. However, the time-line for most of the initiatives had to be revised. Some initial plans had to be altered due to their incompatibility with State agency missions. A few projects were put on hold or delayed because of insufficient staff resources or funds.

However, despite many challenges, in just two years the State of Illinois achieved significant savings and laid the groundwork for further organizational changes.

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*“People who have the same profession are now in one place where they can learn skills that one may have and another may not have. They can develop professionally – just being able to share projects. Everybody may be at different skill levels, but everybody has a good amount of experience to share.”*

– Current Executive

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CMS executives proceeded with the transformation at an unprecedented pace. The decision was to initiate the consolidation of the business functions (e.g., procurement, information technology, facilities, fleet/vehicles, internal audit, legal services, and public communications) within a year,

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#### Transformation Derivatives

- *Knowledge Management System in Procurement*
  - *Risk-based Assessment in Internal Audit*
  - *Master Database of State-owned and -leased space*
  - *Master contract for cleaner-burning biofuels*
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***Results: The Road from Cost-Savings to Cultural Change***

In the fall of 2005, two years after the beginning of the transformation, Deloitte Consulting conducted an independent review of more than 100 individual projects CMS implemented under Gov. Blagojevich’s mandate to improve government operations and reduce overall costs. The independent, external review validated that CMS achieved \$529 million in savings – through its efforts in FY04 and FY05 alone – as it reduced waste, implemented new technologies and rethought many of the administrative operations of the state. The complete Deloitte savings validation report is available online at [www.cms.il.gov](http://www.cms.il.gov).

The review confirmed that the savings were achieved using the following methods:

INITIATIVE	METHODS	SAVINGS (MILLIONS)
Procurement, Healthcare and Employee Benefits	Renegotiated contracts with many vendors to lower overall costs; improved purchasing process to better evaluate cost/benefit of purchases; reduced costs through new employee benefits plan; increased federal government reimbursements	\$216.905
Information Technology and Telecommunications	Reduced number of outside contractors; renegotiated contractor rates; reorganized and reduced headcount of IT workforce; controlled costs of new IT purchases; renegotiated cell phone rates	\$210.930
Facilities Management, Internal Audit and Legal	Reduced need for outside legal counsel and other consultants while reducing overall headcount; achieved efficiencies with new software	\$ 82.707
Fleet Management	Reduced state fleet by 1,600 vehicles; sold unneeded cars and trucks; lowered fuel and maintenance costs due to reduced fleet size; carefully review the need for new vehicles	\$ 17.136
Media Services	Reduced overall headcount; introduced technologies to improve operations	\$ 1.871
<b>Total Savings (FY04 and FY05)</b>		\$529.549

As a result of the CMS-led efficiency initiatives, Governor Blagojevich was able to reduce the budget deficit while directing state spending to expand healthcare, support education and increase public safety.

While improving efficiency was the initial rationale for implementing the shared services concept, adopting shared services started a dramatic, long-term transformation of culture through changed business processes, policies, organizational structure, personnel management and technology.

These changes serve to break down traditional silo thinking. In Illinois, agencies have begun to work more collaboratively with CMS, with the Office of Management and Budget, and most importantly, with each other. People inside an agency realize that they are owners of the organization and that each of them is responsible for executing a part of a bigger plan, larger than their individual agency's mission.

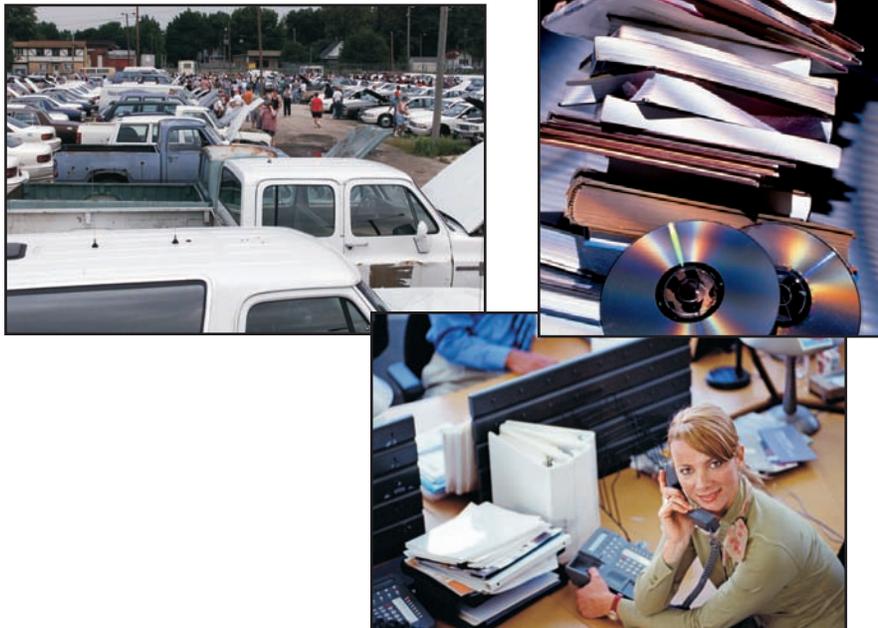
The creation of a statewide purchasing network and the implementation of a Knowledge Management system added a creative element to the tasks of the Bureau of Strategic Sourcing and Procurement' personnel.

Risk-based assessment in the internal audit division changed how internal audit personnel prioritized their responsibilities by concentrating on the most important projects.

Valuable input from the CMS Division of Vehicles brought about environmentally conscious changes.

The Bureau of Property Management developed an accurate listing of the State's leased and owned real estate portfolio. Although the Bureau is still a long way from realizing its full potential of cost-savings, it completed the critical first step, enabling an assessment of existing facilities conditions and a calculation of the State's total cost of occupancy.

At this time, CMS continues to work on completing this enterprise-wide cultural shift, as is to be expected for an effort that generally takes seven years or longer.



# Components of Government Transformation

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Five components were essential in the State of Illinois transformation. An executive mandate from the Governor's Office together with a proactive management team became the driving force of the transformation. Implementation process choices, relationships with agencies and funding were among the challenges handled by the executive team.

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*“The way we were able to accomplish [the change] is by having unquestionable endorsement and support from the Governor's office. The Governor's office provided the shielding we needed and supported us the entire way throughout the transformation.”*  
– Former Executive

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**1. Executive mandate** helped bypass politics and territorial issues. The Governor's mandate helped to overcome initial resistance and provided credibility that fostered commitment at all levels. Mandating shared services at the top levels of the government helped sweep aside territorial disagreements and enabled the initial momentum to gain traction.

**2. Proactive management team**

The State of Illinois benefited immensely from getting a team of government and private sector experts together with consulting professionals to guide its unprecedented transformation. There were benefits and costs associated with hiring people from the public and private sectors. There was the challenge of synchronizing and coordinating the efforts of these three groups in running the transformation processes. However, the benefits realized were profound and worthwhile.

*Government experts vs. private sector professionals*

Government experts provided in-depth knowledge of internal processes and helped prioritize relationships within the state government structure. Throughout the transformation, in-house experts served as agents to get a buy-in from those within the organization and many times took charge and actively led certain initiatives using their knowledge and relationships.



However, relying exclusively on in-house expertise to conduct a grand scale transformation might not have been possible. Some of the government experts were reluctant to accept the change because with new ways of running government their old expertise lost value. Some were also weighted by an unwillingness to jeopardize their relationships with colleagues within government who resisted the change.

Private-sector professionals brought the science of change management as well as business principles such as Total Cost of Ownership, Knowledge Management and new models of Cost-Benefit Analysis. These specialists were used to working in constantly changing environments, leading transformation projects, and dealing with the obstacles posed by the change process. They were also not weighted down by previous public-sector experience or relationships, and their political neutrality helped them make bold decisions.

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*“Private sector professionals come and work for government because they believe that government has hope and believe that the only way that things get better is if they take an active role in their government.”*

– Former Executive

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**Tip: How to attract seasoned private-sector professionals**

In hiring high-caliber experts from the private sector the executive team relied on the belief that some talented private sector professionals would be willing to interrupt their private-sector career for a "chapter" in the public sector. Some might be interested in public service and could be looking forward to making a difference by becoming a part of a grand-scale unprecedented government transformation. Others could be drawn by a change-management challenge and eagerness to gain large-scale operational experience at a level beyond their immediate reach in the business world at this stage in their careers.

Most of these professionals were hired through the executive team's personal, educational and professional connections. Some were found at unconventional networking events such as business and professional association meetings and outplacement seminars.

On the other hand, private-sector professionals had a limited understanding of how much more challenging it may be to conduct changes within a state government than it is in private businesses. They did not understand that in certain respects conducting a transformation in the public and private sectors are similar, i.e. people resist change and prefer the status quo, while in other respects, the change process in government is more complex. In government one needs to deal with the absence of an incentive structure to motivate people financially, limited control over budget and hiring, accountability to many stakeholders, and alignment around competing and often changing goals and objectives.

By creating a management team composed of government and private-sector specialists, CMS captured benefits of both groups, helped them learn from each other, and then synergized and leveraged each group's knowledge and skills.

*Consulting Firms*

Where do consulting firms fit? Consulting firms brought the short-term influx of a highly qualified labor force and the expertise of finding creative solutions to unique problems.



These firms had knowledge of multiple sectors and had worked with large and small organizations in both the private and public sectors. Having constantly changing problems and multiple clients allowed them to develop the skill of finding unique customized solutions for each issue. In the Illinois effort, consultants were the fuel that generated new ideas and developed practical ways to implement existing proposals.

Selecting and working with consulting firms can sometimes be inefficient. Governments often do not take full advantage of the creativity and knowledge of private-sector best practices that consulting firms offer.

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**Government Specific Transformation Challenges**

- *Absence of incentive structure*
  - *Limited control over budget and hiring*
  - *Accountability to many stakeholders*
  - *Alignment around competing and changing objectives*
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*“I think two of the most important benefits of hiring consulting firms were: 1) consultants became catalysts of moving in the right direction, and 2) they helped us find and capture ‘low hanging fruit’ quickly.”*  
– Current Executive

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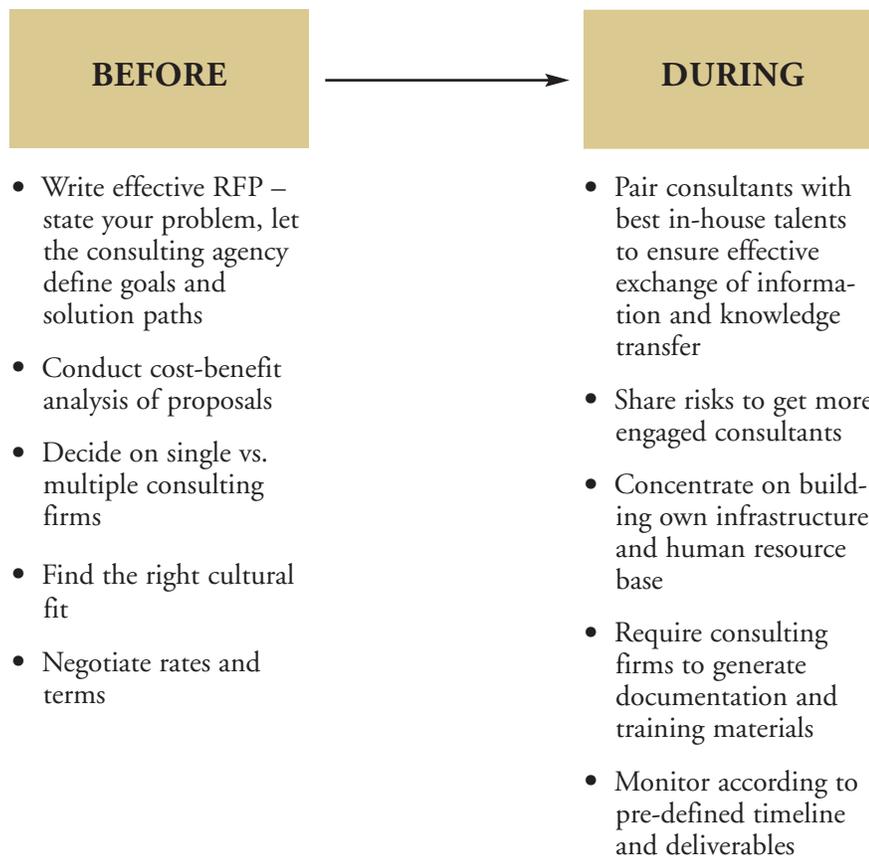
Working with 9 different consulting firms over the course of the first two years of the transformation, Illinois government executives developed a strategy for maximizing benefits of working with consulting firms. Government can maximize its benefits by eliciting consulting firm creativity, selecting proposals using cost-benefit analysis and performance guarantees, finding the right cultural fit, and aggressively negotiating terms and rates of contracts. Further, a government organization should pair consultants with best in-house talents to ensure the effective exchange of information and knowledge transfer, sharing risks and responsibility for final results, monitoring performance according to deliverables, and developing mutually beneficial partnerships.




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### Advantages of Working With Consulting Firms

- *Talented and creative people. Short term influx of highly qualified labor-force*
  - *Significant expertise in various areas*
  - *Similar experience with other private and public organizations*
  - *Flexibility in finding and bringing in human resources as the need arises*
  - *Think-tank expertise with research of best practices, best processes, best procedures*
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### 3. Procedures: Virtues and Vices of Speed

The State of Illinois management team proceeded with the transformation at an unprecedented speed, launching all the efficiency initiatives in a single year. In addition, the management team developed and put in place new processes and policies and an organizational structure to implement shared services enterprise-wide.

Fast implementation helped reduce natural resistance to changing how employees do their jobs without allowing time for roadblocks and barriers to build. The management team did not get stuck on “analysis paralysis” and consequently helped save significant resources, both in terms of time and dollar amounts. The results were demonstrated fairly quickly and the transformation gained acceptance and support from the higher authorities.

Implementing the shared services concept quickly, however, the management team initially overlooked two important components of the transformation process – consistent communication with parties affected by the transformation and sufficient continuous funding necessary to ensure the new organizational structure operates to its full potential.

### 4. Relationship with Agencies

Changing the organizational structure and putting new processes and policies in place were the first steps towards implementing a shared services concept to achieve long-term efficiencies in government operations. For the concept to start operating to its full potential, however, the management team had to also ensure commitment of all agencies and their employees by instilling a long-run vision.

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*“We typically had a velocity that you would find in a Fortune 100 company as it related to taking concept to planning and implementation.”*

– Former Executive

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*“The slower you go, the more time there is for that roadblock barrier to build. You want to pass through before there is enough time for those barriers to build.”*

– Consultant

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*“Even if you do implementation fast, you still need strategic planning and procedures in place.”*

– Former Executive

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*Lack of understanding and lack of incentives led to initial resistance to the change.*

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Initial lack of communication with the agencies directly involved in the transformation effort (and with groups of employees within those agencies) led to resistance at the employee-level. Employees resisted the change for reasons that usually fell into one of two categories: lack of understanding or lack of incentives. Some employees did not understand the reasons for the change or they did not realize the benefits to them individually. Lack of understanding induced employees to believe that with an election and the potential for another government coming in a few years, their job duties would go back to what they had been before. Other employees knew that if they decided not to cooperate, they ran little risk, pursuant to the collective bargaining agreement, of incurring immediate penalties.

#### *Developing understanding*

Before the transformation started, CMS could have better nurtured an understanding of the value of the transformation for the government and the people of Illinois, as well as to each individual government employee; however, this approach would have taken significant monetary and more time resources. The management team could have devoted time to communicate to agencies about all the changes that were to come as well as to include agencies and their employees more directly in the planning process.

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*“Every time you are changing how the people do their work, there is going to be a natural resistance. That’s how we are as people.”*

– Consultant

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By communicating with agencies, CMS would have helped agencies' employees comprehend the reasons for the transformation, realize the benefits and internalize the larger perspective of the change. By making a group of agencies a greater part of the planning process, the management team would have furthered acceptance at later stages. The agencies' employees would have thought of transformation as something accomplished together with them rather than forced upon them.

However, the upfront communication and involvement processes would have required a substantial time commitment and would have restrained the extent and the pace at which the transformation plans could be accomplished. Given the pressing fiscal crisis, the management team could afford neither to lose time nor to spend additional resources.

The management team at the State of Illinois launched the transformation relying primarily on executive orders from the Governor's office. As soon as the new organizational structure was in place, and new processes and policies were developed, CMS began an extensive communication campaign towards agencies and employees.

The management team met with groups of people affected by the procurement transformation, for example, and explained the short- and long-term benefits to the organization, as well as the benefit to each individual employee.

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*“You motivate everyone who wants to be motivated. When you get 85% of the people motivated and fired up and moving in one direction, the people that don't oftentimes will be dragged along, just by sheer force of momentum of the rest of the team.”*

– Former Executive

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The strategic communications division with CMS was created to ensure that constant and continuous communication takes place. The function is responsible for disseminating success stories of shared-services initiatives, organizational teams and individual employees. The group is also responsible for delivering news from the top management directly to State employees.

#### *Building in motivation techniques*

The change-management team approached the issue of the lack of material incentives and the absence of punishment with creativity. The team worked to motivate its employees by instilling a sense of pride, ownership, and accomplishment to encourage employees not only to embrace the change but to actively participate in the process.

## **5. Funding**

Initial and continuous funding is needed to ensure that a transformation gets started and becomes fully implemented. However, since state governments are funded using agency-specific budgeting principles, securing funding for an enterprise-wide project such as this can become a challenge.

The management team organized the initial funding of the transformation using the Efficiency Initiatives Revolving Fund (EIRF) where each agency was required to contribute from its funds based on projected savings and efficiencies to be incurred in the transformation. This fund was primarily used to pay for hiring the outside expertise.

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*“I think if there were better communication and more focus groups, and trying to include some good representative agencies into the decision making and policy setting, it would help.”*

– Current Executive

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*“In the political reality, sometimes you've got to pull the trigger, and let people figure out the details later.”*

– Former Executive

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*“The Efficiency Initiatives Revolving Fund was established as a mechanism to go out and get cash from other funds and agencies to fund projects that might be required in the initiatives.”*

– Current Executive

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Additional methods of funding had to be developed as the EIRF was exhausted and the initiatives moved from “cutting waste” stage to “implementing shared-services” stage. Many of the shared-services initiatives required significant investments in technologies and human capital both upfront and on an ongoing or “rolling” basis. To ensure necessary funding of these initiatives, the management team developed a charge back system, established individual initiatives’ revolving funds, and created its independent fund/budget.

## ***Conclusion***

The early results of the State of Illinois transformation indicate that it is possible to improve the efficiency of government operations and align them according to the best private-sector practices. The room for improvement in the public sector is significant and well worth undertaking the effort.

It is challenging to orchestrate change within a government organization due to its organizational structure and operations, and because of the lack of private-sector incentives to motivate change. The rigidity of culture and structure, however, assures that when new policies, procedures and practices are successfully put in place – the change will be sustained.

