

A Blueprint for Transformation: Redefining the Customer and Employee Experience in Minnesota

State of Minnesota: Minnesota IT Services

Category: Enterprise IT Management Initiatives

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Executive Summary

Minnesota's political leadership turned a crisis into an opportunity. They saw an opportunity to create more value for Minnesotans by making it faster and easier for residents to find, apply, and receive what they need, when they needed it, and in a way that worked best for them. The vision for the future, developed with the help of public and private sector input, puts the residents, customers, and visitors of Minnesota first. The approach ensures Minnesota is managing all the assets of a state service with people in mind by aligning business processes, people, technology, communications, etc. – the end-to-end, holistic delivery of a service to a person – to meet the needs everyone we seek to serve.

Minnesota launched its product approach in January 2023 when four early adopters began their learning journey of product and agile transformation. The work has support from the highest levels of Minnesota government including the Governor's Office. Minnesota IT Services (MNIT) formed an Office of Transformation and Strategy Delivery in July 2020 with the mission to create an innovative digital government that works for all. That Office formed the Product and Agile Center of Enablement (PACE) in 2022 to help bring a disciplined, structured, and consistent

process for enhancing customer insight and experiences, and creating and delivering greater value more frequently and incrementally.

Through PACE's work, and the launch of the early adopter program, the State of Minnesota has dramatically accelerated its modernization efforts; the product approach was recommended by the Minnesota Technology Advisory Council and Governor Tim Walz subsequently required that all State of Minnesota agency strategic plans included customer experience goals.

The process of evolving how we interact with and serve Minnesotans with the help of PACE has become a blueprint for transformation as envisioned in the One Minnesota Plan. By prioritizing the customer experience, we can help improve the lives of all Minnesotans.

Why it matters: A new way to meet the needs of Minnesotans is gaining momentum less than a year after launch. Product and agile coaches have engaged 22 state agencies, trained over 600 people, and advanced 4 early adopters in the transformative approach.

Embracing the Opportunity

States with higher customer satisfaction rates enjoy higher trust in government, lower cost-to-serve, lower risk of negative public coverage or commentary, and greater levels of voter participation. Residents are, on average, [four times more likely to agree](#) that their state provides an adequate standard of living (on aspects such as affordability, education, and health quality) when they are satisfied with customer experience.

In the early days of the Walz administration, Minnesota had some challenges with IT applications that were inherited from previous administrations. While the State replaced the specific application MNLARS in 2020 with an improved MNDRIIVE, an analysis of what went wrong showed more work to be done. On February 6, 2019, by Executive Order 19-02, Governor Walz established the Blue Ribbon Council on Information Technology (BRC-IT),

stating, “Minnesotans expect reliable, secure, and accurate information technology services when they interact with the state. That is why the Blue Ribbon Council on Information Technology was created to ensure the people of Minnesota have access to high-quality, dependable services.”

BRC-IT and MNIT outlined a roadmap for the state IT systems and government programs to work together efficiently to deliver value. Bringing IT and agencies together was the first step toward the product approach. In 2020, MNIT established the Office of Transformation and Strategy Delivery, led by a Chief Transformation Officer, to align priorities across agencies and improve end-user access.

BRC-IT was codified into law in June 2021 and renamed the Technology Advisory Council (TAC). TAC and the Office of Transformation and Strategy Delivery began to think beyond IT and project management – identifying best practices for the state to consider and apply to better meet the needs of the people of Minnesota. The decades-old

approach needed to evolve into a modern method of organizing development – products – where a persistent product team manages all aspects of what a customer needs and aligns business, technology, people, programs, and processes to deliver that service.

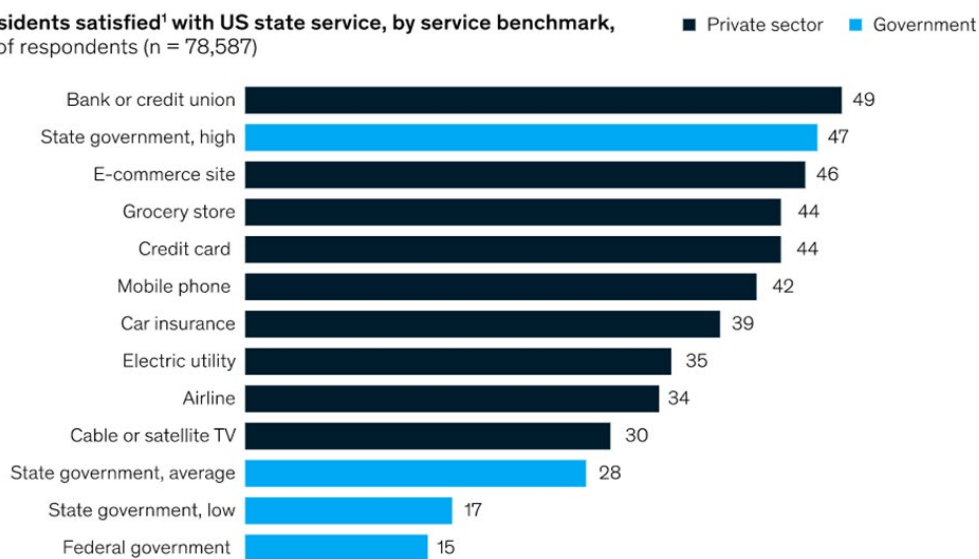
Minnesotans Expect More

Technology today advances at a breathtaking pace, challenging teams to keep up with the constant flow of new hardware and software. Multi-year IT projects that focus on a static set of requirements, gathered early in the process, run the risk of becoming obsolete before they launch. State agencies need a more flexible, agile approach focused on the customer needs that are (or will be) met by a technology asset or digital product, rather than on a specific project or timeline.

The nature of work in state government has also changed, and Minnesota looked for ways to adapt. The high levels of complexity and many unknowns require collaboration and coordination – it is

Government services lag behind most private-sector services in the United States when it comes to customer satisfaction.

Residents satisfied¹ with US state service, by service benchmark, % of respondents (n = 78,587)



¹Selected 9 or 10 on a scale of 1–10.
Source: McKinsey State of States Survey, 2022

nearly impossible for one individual to have all the answers or knowledge. Newer technology enables endless options and possibilities for what a product and service can be, and how someone should connect with the State of Minnesota. Minnesotans expect their interactions with the government to be as easy as their interactions with a bank or store. Current approaches to developing solutions make it difficult to meet those needs because it requires a more structured, consistent approach for collaboration and customer insight.

The Product and Agile Approach

In 2022, the State of Minnesota launched a fundamental change to creating and delivering services: the product and agile approach. By delivering more frequent and incremental improvements, Minnesota will increase satisfaction and make sure that people benefit from teams building the right thing in the right way at the right time.

Migrating from a project-centered model to a product-centered model is not limited to MNIT or any specific agency. It's a fundamental change in operations that requires a shift in thinking and leadership behaviors across all agencies and the Legislature. But for the State of Minnesota – like thousands of companies who have made this leap already – the benefits of this change have been very positive, very quickly. They include:

- Faster delivery of services,
- More agile response to new or shifting needs,
- More efficient software development,
- Higher quality services, and
- Better outcomes for Minnesotans who are the customers of these products.

This change – in concert with concurrent efforts in user experience – is driving dramatic improvements in customer satisfaction for state agencies and the people they serve and the ability of the state to advance objectives in the Governor's One Minnesota Plan.

Impact of the Product and Agile Approach

How Work is Done:

Product teams, comprising business and technology resources, are deployed to meet specific business or customer needs. Work is collaborative, team-oriented, and product-driven. Product enhancement is incremental with frequent and continuous improvement.



Who Owns the Work:

A dedicated, small team with diverse skills from the business and IT serves as problem solvers, not order takers. Together, the team is accountable for sustainable success and continuous improvement of their product. Leaders help prioritize and practice servant leadership.



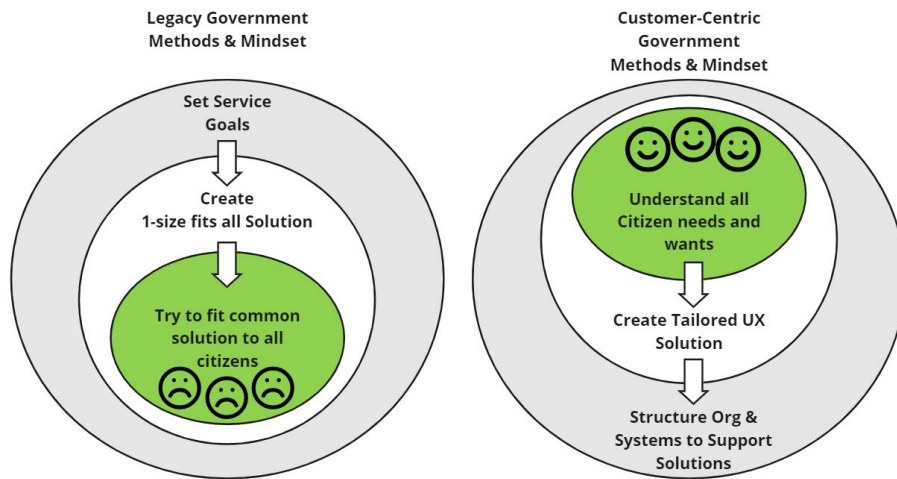
How Work is Funded:

All sources of funding to support and improve an offering are aligned long-term to enable continuous improvement, with adjustments over time to meet the needs and mission of both the organization and its customers.



Product Adoption at the State of Minnesota

Product and agile adoption changed the state’s perspective and helped put customers, residents, and visitors’ needs first. Instead of fitting customers into how the state is organized and set up, Minnesota is now organizing itself around the value and experiences people want. This encourages broader and deeper collaboration within and across agencies.



Think Big, Start Small, and Learn Fast

PACE was established in 2022 with a vision: create a better experience and steady stream of high-value improvements for individuals that need and want the state’s services. The team focused on helping agencies adopt the approach at a pace that felt comfortable to them.

The team quickly started co-creating playbooks to help the state identify what may need to change and how.

- **Product Adoption Playbook:** How to do journey mapping; value stream mapping; and streamline and improve delivery processes for digital and other services.
- **Agile Development Playbook:** Values and principles of Agile development; how to start using Agile team techniques with projects and products; and how Agile works

with services for both internal (government) and external (public) customers.

- **Change Management Playbook:** Organizational change management for state agencies; how to lead change; and cultivating a change leadership mindset.
- **Human Resources Playbook:** Clarifying future roles, responsibilities, titles, and position descriptions; supporting Agile and product teams within the state’s collectively bargained framework; and creating a plan to select, train, manage, and reward staff who are product-focused.

PACE built an internal website to share resources, FAQs, definitions, and updates on the program with key stakeholders. PACE held informational sessions with agency-based technology leaders to build awareness and buy-in before the early adopter program launched. Over 500 state employees have engaged with the website, with the average user spending 5 minutes on the content.

Seeing Results

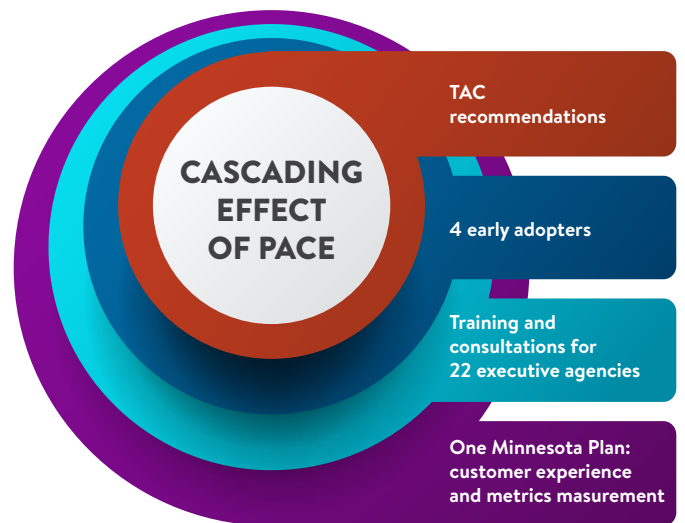
PACE has successfully led adoption efforts since its launch less than a year ago. The team built broad awareness and an understanding of the product and agile approaches. **They have engaged 22 state agencies, and 4 early adopters, and trained over 600 individuals in a transformative new approach to government.**

As a reflection of the support for this approach, in January 2023, TAC released a report, which included specific recommendations for product adoption.

TAC Product Recommendations:

- State agencies should migrate from a project-centered model for managing technology work to a product-centered, or product management, model that leverages persistent teams of business and technology resources and persistent funding to support the underlying technology assets.
- State agencies should adopt new product management guidance that MNIT is adding to the Modernization Playbook for how to approach services, systems, roles, funding, team interaction, and governance.
- MNIT should work with the Technology Advisory Council to identify a subset of agencies to serve as early adopters for the 2023-2025 budget years to test and refine customer-focused product management guidance and processes.

Similarly, Governor Walz also required executive branch agencies to include customer experience goals in their strategic plans. PACE partnered with Minnesota Management and Budget (MMB) to help agencies embed the customer-focused elements of the product approach into every agency strategic plan.



Early Adopter Program

Early adopters of PACE include the Department of Human Services (DHS), the Department of Agriculture (MDA), the Department of Labor and Industry (DLI), and MNIT. They are helping tweak the product and agile approach for the state and create operational playbooks. As part of the early adopter program, PACE held workshops to expose leadership and management to language, tools, and success factors of product and agile. The workshops ensured that management and leadership were supportive and understood what activities and changes lay ahead.

Around 120 individuals, including state leaders, attended these sessions. After those sessions, 100% of attendees reported that:

- Customer-centricity and user-driven design were either important or very important for Minnesota.
- The workshops were good or excellent.

The momentum for product and agile was so great after launch that PACE needed to expand their engagement model beyond early adopters. PACE started conducting ad hoc consultations with interested individuals and scheduled open office hours every other week. They also created ongoing training from general concepts to

specialized topics. The training is open to everyone at all state agencies. One of the critical success factors for the training is a two-way, conversational approach. People appreciate having a discussion and exploring how product and agile could work at their agency.

PACE also built light-, medium-, and high-touch programs to meet the excitement and interest of agencies not in the early adopter program.

- The **light-touch model** offers a variety of self-serve, self-paced options that include viewing recorded training, participating in office hours and communities of practice, and playbook reviews and updates.
- The **medium-touch model** includes features of the light touch model, plus an invitation to the Coaching Cadre to learn more about product and agile so they can teach and support others in their agency who are just starting with the product and agile approach.
- The **high-touch model** incorporates customer satisfaction goals and metrics into annual strategic plans. The balanced scorecard asks agency leaders to measure four different dimensions: user/customer experience, employee experience, lean-flow metrics (quality, cycle time, efficiency, etc.), and outcomes.

In the next six months, PACE is looking to formally build a statewide product and agile community of practice and participate in a statewide modernization summit. The state continues to take an agile approach to this transformation by building additional opportunities for learning, networking, and sharing in response to the demand and interest.



“It is so exciting to see the momentum around product/Agile building and spreading throughout the State.”



“Truly beyond amazing to experience. My team is feeling the positive effects of your work. They work so hard, so to be validated and included means more than words can say.”