

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

**State of Minnesota: Minnesota IT Services**

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**Kendall Johnson**

Director of Communications

[kendall.johnson@state.mn.us](mailto:kendall.johnson@state.mn.us)

(C) 651-334-1760



## Executive Summary

The State of Minnesota seized on the urgent need to overhaul its service delivery. Historically, both public and private sector projects often ran over budget, missed deadlines, and left users dissatisfied. Determined to break free from this cycle, Minnesota embarked on a bold initiative to improve services and better serve Minnesotans.

With a focus on building public trust, the state prioritized innovative strategies to meet users' needs effectively.

Backed by data highlighting the shortcomings of large IT projects, Minnesota took a unique approach. Establishing a Technology Advisory Committee (TAC) comprised of industry experts, and The Office of Transformation and Strategy Delivery, the state shifted focus from project management to product management (P2P) and Agile delivery.

At the heart of Minnesota's strategy was the creation of the Product & Agile Center of Enablement (PACE). This marked a significant departure from traditional methods, demanding a shift in mindset and work approach. Despite the challenges, Minnesota's commitment to innovation positioned it as a leader in public service delivery.

The adoption of Agile methodologies brought new energy into Minnesota's operations, offering fresh avenues for improving service delivery. Aligned with the [Governor's One Minnesota Plan](#) and its emphasis on customer experience, this transition enhanced the state's ability to meet objectives and boost customer satisfaction.

Through engagement with stakeholders, extensive training, and a collaborative approach, Minnesota navigated challenges and secured broad support for its transformative initiatives.

The impact of PACE and its early adopters is evident, validating Minnesota's approach. The state remains committed to refining product-centric methodologies, with a focus on delivering exceptional value to its citizens.

**Why it matters:** A new way to meet the needs of Minnesotans is gaining momentum. Through the Center of Enablement (PACE), Minnesota is leaping ahead in adopting customer experience best practices. One of the strongest proof points for the effectiveness of PACE lies in its [Net Promoter Score \(NPS\)](#) of 78, indicating high levels of customer satisfaction and endorsement for the program.

# Idea: Embracing the Opportunity

Studies show, states with higher rates of customer satisfaction enjoy greater trust in government. Other benefits of enhanced service delivery include:

- Reduced costs
- Minimized risk of negative public coverage
- Increased voter participation

Residents who are satisfied with their state services are four times more likely, on average, to perceive their state as providing an adequate standard of living, covering aspects such as affordability, education, and healthcare quality.

During the early days of the Walz administration, Minnesota faced challenges with inherited IT applications. While the state replaced the specific application MNLARS with the improved MNDRIVE in 2020, a thorough analysis revealed ongoing issues. On February 6, 2019, [Governor Walz issued Executive Order 19-02](#), establishing the Blue Ribbon Council on Information Technology (BRC-IT), aiming to ensure Minnesotans receive reliable, secure, and accurate IT services from the state.

The BRC-IT and Minnesota IT Services (MNIT) developed a roadmap for efficiently integrating state IT systems and government programs to deliver value. The first step towards this transformation was bringing IT and agencies together, paving the way for a product-centric approach. In 2020, MNIT established the Office of Transformation and Strategy Delivery, led by a Chief Transformation Officer, to streamline priorities across agencies and improve end-user accessibility.

In June 2021, BRC-IT was enshrined into law and renamed the Technology Advisory Council (TAC). TAC, along with the Office of Transformation and Strategy Delivery, expanded their focus beyond IT and project management, identifying best practices for the state to adopt to better serve Minnesotans. The outdated approach of decades past needed to evolve into a modern organizational method centered around product development. This shift entails persistent product teams managing all facets of customer needs, aligning business, technology, personnel, programs, and processes to deliver efficient services.

## Minnesotans Expect More

Minnesotans expect their interactions with the government to be as easy as their interactions with commercial entities like banks or stores. However, a confluence of changes in the way we interact, work, and use technology made it difficult to meet those expectations:

- The rapid pace of technology demanded that teams stay ahead of ever-changing hardware and software.
- Multi-year IT projects, built on a fixed set of requirements established early on, increases risk because it reduces the ability to adapt and respond to changes.
- The complexity of the work for state employees was at unprecedented levels. Individuals had to navigate extensive collaboration and coordination.

# Common Project Failures and How Agile Can Help



## Traditional Project Management

Industry research shows, traditional project management fails almost as often as it succeeds. Here are the percentages of projects that succeeded, had significant challenges, or failed from 2013-2017.



## Large Government Projects

Large government projects fail at an even higher rate.



## Agile Projects

By contrast, Agile projects succeed more often. Here are the percentages of Agile projects that succeeded, had challenges, or failed 2013-2017. This data was a main contributor in building product and agile methodologies at the state.



## Product Adoption at the State of Minnesota

The Technology Advisory Council, MNIT, and the Governor's Office all coalesced around a new way of working – the product and agile methodology – at the beginning of Governor Walz's second term in January 2023. The work quickly became a reality.

### Impact of the Product and Agile Approach



**How We Do Work:** 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 support 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 We Fund Work:** Technology funding aligns with products over the long term to support continuous improvement, with adjustments over time to meet the needs and mission of both the organization and its customers.

## Implementation: Think Big, Start Small, and Learn Fast

Minnesota established the Product and Agile Center of Enablement (PACE) 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:** How to do journey mapping; value stream mapping; and streamline and improve delivery processes for digital and other services.
- **Agile Development:** 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:** Organizational change management for state agencies; how to lead change; and cultivating a change leadership mindset.
- **Human Resources:** 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. They held informational sessions with agency-based technology leaders to build awareness and buy-in before the early adopter program launched. Over 1,150 state employees have engaged with the website, with the average user spending five minutes on the content.

## Building a Coalition

As a reflection of the support for this approach, in January 2023, TAC, a coalition of members from the private and public sectors, shared their specific recommendations to help agencies adapt the product approach and agile practices.

### 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.

## Customer Experience

Similarly, Governor Walz also required executive branch agencies to include customer experience 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. Their goals were simple:

- To spread awareness and create understanding by demonstrating PACE to agency leadership
- Fuel curiosity and desire that changes how agencies collect, store, and prioritize data for use
- Promote a customer-centric culture within government agencies through hiring, piloting, and building competency

# Impact: Results of PACE

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 shift in how we think about solving problems encourages broader and deeper collaboration within and across agencies.

PACE has successfully led adoption efforts since its launch. The team has 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.**

## The Early Adopter Program

Throughout 2023, PACE led an early adopter program to help the state better understand how to apply product and agile. As part of the early adopter program, PACE held workshops to expose

leadership and management to terms, application, and success factors and to ensure team members that leadership and management were in support, what they should expect, and what activities and changes lay ahead.

The success of the early adopter program led to these services to expand product and agile approaches throughout the executive branch:

- **Mini-masters contract** – Agencies can hire agile and product coaches to streamline and enable faster hiring of agile and product coaches, signifying a big shift in our procurement process.
- **PACE cohorts** – 16-week program where up to 50 employees get hands-on experience applying product and agile principals specific to their own products and scenarios.
- **Coach consultations** – Light- and medium-touch options to meet the excitement and interest of agencies not in the early adopter program.

## Three Examples of the Transformative Impact of PACE

From streamlining certification processes to fostering economic empowerment and educational opportunities, these examples demonstrate how earlier adopters of agile and product methodologies prioritize efficiency, customer-centricity, and societal impact in their operations.

### Workforce Certificate with Minnesota Department of Human Rights (MDHR)

The **Minnesota Department of Human Rights (MDHR)** issues a crucial Workforce Certificate required for any entity doing business with the state. The certificate aims to combat workplace discrimination. Initially, the process involved standardized spreadsheets, leading to inefficiencies and high rejection rates. However, by embracing

Product and Agile approaches, the agency streamlined the process. This not only reduced the burden on businesses but also enhanced efficiency within the agency, ultimately benefiting taxpayers by minimizing paperwork and processing time.

### Cottage Foods License with Minnesota Department of Agriculture (MDA)

The **Minnesota Department of Agriculture (MDA)** oversees the issuance of Cottage Foods Licenses, vital for small businesses selling goods at farmers' markets. By refining the information requirements and processing procedures, the agency significantly reduced the turnaround time from 28 to 14 days. This accelerated process directly impacts the livelihoods of entrepreneurs, enabling them to swiftly access licenses and engage in commerce. Moreover, it underscores the agency's commitment to facilitating economic activity while ensuring regulatory compliance.

### Education Training Voucher for Foster Care Children

The **Education Training Voucher** program caters to children in foster care aspiring to pursue higher education. Beyond merely allocating funds, this provides support to help students enroll and succeed in college. By reframing the discussion around desired outcomes the agency emphasizes the broader societal impact. This approach highlights the ripple effect of educational opportunities, ultimately contributing to stronger communities and a more equitable society.

In each of these examples, the adoption of Product and Agile methodologies transcends mere process optimization. It embodies a paradigm shift towards the customer experience wherein agencies prioritize the needs and experiences of stakeholders. The full transition to a product model will take Minnesota 7-10 years, but the launch of PACE has shown that there is support to make that transition a reality.