

Government exec on quick hits and innovating procurement

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IBM veteran [Tony Parham](#) jumped from the private sector into state government two years ago, when he was chosen as the first Government Innovation Officer for the Commonwealth of Massachusetts.

In the original job description, Massachusetts Governor Deval Patrick asked Parham to:

- Be accountable for improving internal government efficiencies and using cross-boundary coordination to improve the experience of outside stakeholders (people, businesses and local government) with the Commonwealth.
- Identify, propose financing for, and govern execution of high impact business change projects.
- Project and monitor the cost and savings impacts of change initiatives
- Oversee the identification of technology-infused business savings initiatives and efficiencies...

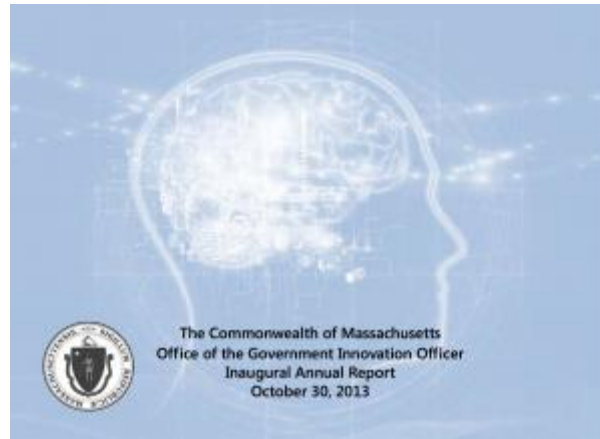
[Innovation Leader](#) editor [Scott Kirsner](#) sat down with Parham last week to talk about how he has moved the needle as the state's first GIO.

Scott Kirsner: If Governor Patrick is the CEO of your organization, what marching orders did you get from him in terms of, "OK, you're the first Governmental Innovation Officer. Here's what I want you to achieve"?

Tony Parham: A lot of that was expressed in the executive order itself. [Executive Order 542](#) said, "Here's the vision of what we want you to get done." I was extended the offer to the position on June 25th, 2012. I started on July 25th, 2012. In between those dates, I crafted my 100-day plan, so when I walked in the door, I had that in my back pocket.

I reviewed that with the Secretary of Administration and Finance Jay Gonzales a little bit, and he liked it. Then we said, OK, let's go to Governor Patrick and review that with him. He liked it and said, "Yeah, go do." That was how it unfolded.

Kirsner: Did you have any regular check-ins with the governor?



Parham: Yes, there were updates from time to time. I met more frequently with Jay Gonzalez, and then also there's an annual report which I issue. The first one went out [towards the end of 2013](#), and the next one's about to go out as we speak, shortly.

Creating a short list of possible projects

Kirsner: When you started in 2012, the first thing you did was a listening tour of all the agencies.

Parham: Yes. In Massachusetts, we have eight cabinet secretaries and 141 agencies in the executive branch. I talked to the secretaries and a sampling of the agency heads. Out of that, I got hundreds of ideas, in terms of opportunities to address and distill.

Kirsner: What were you asking people when you went around on this listening tour?

Parham: I'd say, "Here's who I am. Here's my mission, and my mission is to help to turn the Commonwealth into a digital government, into an innovation government."

I would go in and say, "Who are your customers? What's working? What's not? Where might there be opportunities for innovation in those gaps where things can be improved, or they're broken? What are your customers complaining about?" I got hundreds of ideas out of that.

I sat down and sorted through those, with colleagues, to figure out what was achievable in the short-term, versus the long-term. Out of that, we created our short list of eleven projects.

Kirsner: Did you pick the projects that seemed to you to address the biggest problems, or that applied to potentially more than one state agency?

Parham: All of the above, I guess. Is there going to be significant impact from them? Are they low-hanging fruit? Can they be accomplished sooner rather than later?

For example, one agency, Health and Human Services, is one of the largest secretariats. I talked to the Director of MassHealth [a government insurance program for citizens with low-to-moderate incomes], and he said, “Our business model for some of our services is that we perform them and then we get reimbursed by the federal government. We say, ‘Here’s our receipt for that cost,’ and they reimburse us.” He told me, “But oh, by the way, it turns out we’re leaving money on the table because our reporting capability is limited. It can only report some things, but it’s not able to report other things.”

I said, “So, what might it take to fix that and enhance that data warehouse?” Long story short, it turns out that if we invested \$1 million one-time — which we did — that one-time \$1 million investment gave us an \$11 million one-time increase in [our reimbursements], plus \$7 million per year going forward.

Kirsner: That’s a pretty nice ROI.

Parham: That’s an unbelievable ROI.

Quick hits and longer-term impact

Kirsner: Many of the innovation executives in private industry like to talk about quick hits. That sounds like a quick hit, as opposed to saying, “Trust me... in three years, I’m going to come up with something really big.”

Parham: You want to have a portfolio of quick hits, small hits, medium-term, and longer-term hits. For example: Another thing the MassHealth director requested was to fix the recruiting process. Because it takes so long to hire highly-skilled employees. There are different processes throughout all of the agencies, and it’s a complex process because of all of the background checks, etcetera. By the time we finish all of those processes, the candidate may have moved on to another employment opportunity.

Kirsner: So he was saying, fix the recruiting processes for any of these state agencies.

Parham: Yes, he was suggesting that the processes be fixed across the entire enterprise. I said, “Oh, that’s a good idea.” That was midway through my listening tour. As I got to the other agencies and heard other suggestions, I said, “Oh, by the way, one of your colleagues said to me, ‘Fix the recruiting process.’” And they all leaned forward and said, “Yes, could you please fix the recruiting process?”

After hearing that “yes” a number of times I was like, “Hmm, maybe this recruiting process is sounding like it should be fixed.” That was one of my eleven proposals. It was called at that time eRecruit, a proposal for creating a digitized hiring workflow.

We put forward eleven proposals to be funded. Eight of those got funded. eRecruit was not one of them, because it was deemed at the time to cost too much.

Kirsner: Who did those proposals go to? To the Secretary of Administration and Finance, your boss?

Parham: Correct. [Eight of those](#) got funded. eRecruit did not, because it was too large at the time in terms of cost, and it would have been an HR project, and HR already had several projects on their plate. This one fell right below the radar.

But I came back around the next year and said, “Let me try again and maybe I can this time,” and it didn’t make it again. I came back a third time and it didn’t make it again. I put it on the back burner a bit, but I kept talking with the head of HR, and we were championing it.

Two days ago he came to me and said, “Tony, we just launched the pilot for eRecruit. It’s actually out there.” He had kept going [with the concept], although now, the project has a different name.

Kirsner: So eventually the head of HR for the state got the budget to do it?

Parham: Correct, and they’re doing it a slightly different way. Which points out that one of the keys to success as a Chief Innovation Officer is persistence. Now it’s going forward, and he has a pilot with two or three agencies out of our 141 agencies in the executive branch. But it’s inevitable that it will become an enterprise-wide solution, eventually.

Introducing crowdsourcing



Another of the original eleven projects was something called [iCatalyst](#), which is an innovation crowdsourcing tool. (See video below.)

Kirsner: Crowdsourcing for, just any kind of ideas...

Parham: Correct. Basically it solves specific problems. In fact, Paul Dietl, the Chief Human Resources Officer, was the first user of it for his agency. He deployed iCatalyst to 165 HR professionals and asked them the question, “What is the top HR and/or workforce challenge your organization is facing?”

He got eighteen solid ideas, and the tool has a leaderboard concept where it ranks the best ones at the top. There were four of those that got ranked the top of the leaderboard. We went into his executive team and said, “Paul, here’s the results. You received eighteen total suggestions, and here’s the top four.” One of them was completely new and unknown to them. It was a really significant value.



Kirsner: What do you think is the biggest challenge in general for someone who's the new innovation officer inside a city or inside a state? How is it different from in the private sector?

Parham: Part of the challenge is just the scope of the enterprise. It's just a massive enterprise. In Massachusetts, we have 141 agencies and 67,000 employees. Getting your arms around that and understanding how it works takes time.

But there are many organizations in the private sector that are also massive. There are all these complexities of being in government, and I won't say "political," but governmental and legislative restrictions that can slow things down, because they are considerations you have to take into account. Every dimension of consideration that has to be included is one more decelerant, if you will.

Kirsner: For example, just of the way you would put something out to bid...

Parham: Exactly. The procurement process.

Kirsner: You're not just going to call your friend at the best mobile software development shop in town and say, "Hey, we've got a job for you."

Parham: In fact that's one of the areas that we are addressing — streamlining IT procurement.

I talked about the listening tour that I did. But there was also in parallel to that a marketing activity. I had an hour-long presentation I adjusted to be as long or short as appropriate, depending on the audience. With that, I would go around to the various agency leaders and say, "Here's what innovation is, here's why you should care about it, and here's how we can create an innovation DNA, per Clayton Christensen — the ability to connect seemingly unconnected dots." Telling people that, "Hey, you need to look out to other industries, to other areas which seem like they have nothing to do with what you're doing, but you can learn from those."

'There's not a burning platform'

Kirsner: What's the big motivator? What motivates people in a government to say, "We need to be more innovative." Because you don't have the same external pressures. You're not like at Hilton saying, "Oh my gosh, Airbnb is eating our lunch."

Parham: That's one of the major differences. There's not a "burning platform." That's such a huge, huge difference. In all the firms I was working at, if you didn't run faster than everybody else, you were dead — out of business. Whereas in government, there's a different pace. There are some pressures to run as fast as you should. But what defines that pace?

Kirsner: We want to serve the citizenry?

Parham: Yes, one of the key things which pushes the pace in government is that there's a passion to serve the citizenry. There's an innate passion, but there's not the exactly same type of external pressure which exists in the private sector. There is certainly an external pressure from citizens, businesses, and organizations who are expressing desires for certain types of services. But it's a little different.

As a silly example, if I have a government organization whose job it is to make hamburgers... I know that you made five hamburgers per hour, and it's great that you are focused on improvement and you now made six hamburgers per hour this year. That's great. But in the private sector, if your competitor is now making 10 hamburgers per hour, you're dead. That same "burning platform" pressure to innovate or die is not quite there in the public sector.

Now, it's interesting to note that, a lot of this is by design: America has created a democratic government with checks and balances, and three branches of government, to avoid a "King George" situation, where one individual or organization has unfettered power. One of the costs of these checks and balances is that a government organization is not as nimble as an unconstrained organization.

In regards to innovation in general, part of what I'm doing is about borrowing from other sectors.

For example, the innovation crowdsourcing tool I borrowed, because I saw examples of that in various firms in the private sector. I said, "Hey, we need that here," and boom, we procured it and we've got it implemented, and we've got a number of agencies using it and it's of great value.

Innovation fellows, and launching a competition

Another innovation initiative I saw was in the federal government: Todd Park, who was CTO for Obama, had this thing called the Presidential Innovation Fellowship Program, where they brought in high-powered individuals from the private sector to work on specific high-impact projects. I said, "Hey, we need that too." So we set up the [Commonwealth of Massachusetts Innovation Fellowship Program](#).

We've currently got seven fellows working on specific projects, the first one of whom is working on the topic of streamlining IT procurement. One of the things that came out of that was this whole government innovation competition, which we did in conjunction with [MassChallenge](#).



We put up a \$50,000 prize, because we wanted to diversify the pool of vendors that were working with the state — not just the big-name consulting firms. We want to tap into the DNA of all these other startups and small firms, innovative firms.

We partnered with MassChallenge and had this [government innovation competition](#). We had 21 firms apply for that \$50,000 prize, and we ended up splitting it between [two firms](#), \$25,000 each. That was very successful. That's version 1.0 of that competition. We're going to look at version 1.1, version 2.0. (Parham discusses the competition at the 45:17 mark in [this video](#).)

Budget and resources

Kirsner: How have you dealt with the resources issue? Was there a pretty clear process where you went to the Secretary of Administration and Finance once a year and said, “Hey, there are the things that I’d like budget for?”

Parham: There are pros and cons of being the first GIO. The pros are you can sort of make up what you do. The con is people are like, “Who are you and what are you, and how do we work with you?”

When I started, personnel-wise it was mostly just me. Although I did have a small seed fund that I could access.

Over time, I’ve now been able to expand my group so that I have the innovation fellows, I have a deputy, I have a project manager for different things. We’ve been able to have significant traction. Of course, in addition to my “solid line” team which I manage, I also have influence, a dotted line into other teams across the enterprise, where I influence what they’re doing.

For example, that healthcare project I discussed, I didn’t actually project manage that. Once we identified that as a need and as a project, and I had some funding to help seed that, they ran it themselves. I was going to help fund the \$1 million, but it was so high-impact, they decided to fund it themselves.



Additional information regarding the Office of the Government Innovation Officer can be found [here](#).