Introduction

The November elections signaled a widespread frustration with the status quo. With high unemployment and deep economic uncertainty for a backdrop, voters sent a crystal clear message. Focus on the basics, especially jobs and economic prosperity. Keep your promises. Citizens want government to be smaller, more modest in its ambitions and more competent in its implementation.

To accomplish all this, the voters have placed a group of newcomers in charge of state government. A majority of the states are seeing new governors take office — the largest freshman class since 1936. Moreover, twenty legislative bodies will change hands. Most of the new governors and legislators, regardless of party, campaigned on pledges to reduce costs, make government more efficient and effective, boost economic vitality and uproot the status quo. These were stirring promises, and governors — and their legislative partners — can position their states to thrive in the years ahead, but only if they can deliver on these promises.

To achieve their goals, these new governors — and those who kept their seat in the corner office — will have to pursue five broad avenues of change. The first, starting from day one, is to cut costs, reshape expectations for state services, and rebuild public faith in their abilities. The second is to generate jobs now and lay the groundwork for deep improvements in state competitiveness. Third is to transform two policy areas that weigh heavily on state budgets: health care and human services. Fourth — the one that will make all the others possible — is to plunge deep into state government operations and make them more innovative, more technologically proficient and more attuned to emerging needs. Lastly, part V outlines how to effectively execute a bold state government reform program.

I – WHERE TO START ON DAY ONE: CUT COSTS, RESTORE TRUST

Reduce the cost, size and scope of government

Governors face a cumulative state fiscal gap that the Center on Budget and Policy Priorities forecasts could reach $125 billion by the end of FY 2011.[1] Making matters worse, the federal government is no longer in a position to help through bailouts; the economy remains uncertain; programs, staff and benefits have already been cut; rainy day funds are depleted; and polls find voters opposed to tax increases.

Governors and other policymakers have no choice but to rip up the old fiscal playbook. The tricks of the past — borrowing against anticipated revenues or underfunding pensions — have run into the brick wall of reality.

For most governors, no issue will be more important in the near future than cutting costs and streamlining state government to live within its means. Some have already begun. In Indiana,

> "You need to build a culture that challenges each and every need to do this or not. You have to try to convert thousands thing to do."
>
> ~ Mitch Daniels, Governor of Indiana

Governor Mitch Daniels has been reining in spending since he took over in 2005, forcing agencies and local governments to look far more carefully at what they do and how they do it. State newsletters settled for black-and-white printing; unused state cars were decommissioned; costs associated with administration and buildings were controlled. Pushing cost control measures gave the state a healthy $1.3 billion surplus before the recession hit. Daniels says more cost reductions are needed given the fiscal outlook ahead.[2]

In Michigan, Governor Jennifer Granholm has cut the number of state departments by a quarter, eliminated nearly 300 state boards and commissions, and consolidated the state's 10 public finance authorities into a single entity.

New Jersey's Chris Christie's first budget was $3 billion smaller than the previous year's. In September 2010, this "take-no-prisoners" governor called for major reforms to the state pension system, including raising the retirement age, changing the formula for pensions, requiring state workers to contribute 30 percent of their health care premiums and increasing their co-pays.

Big moves like these will need to become the norm, not the exception. This will require honesty about the true condition of state finances, a rigorous process of setting the state's priorities and a politically realistic approach to winding down unsustainable state activities.

Controlling costs won't be easy. With rare exceptions, states have struggled to assess their roles, tie programs to outcomes and appraise those outcomes based on the funding they require. Yet, reining in costs will require governors and their staffs to define appropriate services, measure their value and keep only those programs that deliver real public value.

While controlling spending will bolster the financial outlook, this process can also help incoming administrations advance one of their most pressing tasks: regaining public confidence.

Rebuild public trust

In October 2010, The Pew Center on the States and the Public Policy Institute of California issued a joint report on polls in five states delving into residents' views on fiscal conditions and trust in government. In three of the states — California, Illinois and New York — less than 20 percent of respondents trusted their state governments. In Florida and Arizona, the figure was higher, though hardly reassuring, coming in at about one-third.[3] "Across all five states," the report noted, "two-thirds or more of respondents report that they either never trust state government to do what is right, or trust it only some of the time. Residents overwhelmingly believe their state should pursue major reforms to their budget processes, and pursue them now."[4]

No issue captures this challenge more dramatically or with greater symbolic importance than reforming state retirement benefits. As the Pew

expenditure and thinks critically about whether we really
of people into thinking this way and believing it's the right

Center on the States points out, over half the states had fully funded pension systems in 2000; by 2008, the number had fallen to only four. Countless stories over the past year bemoan public pension arrangements that seem outlandishly generous to many voters. Tackling the issue will be vital to new governors — not just because a tide of red ink threatens to drown them, but because there is no better way to demonstrate the state's intention to set its fiscal house in order.

For states trying to rebuild public trust, methods will matter as much as results. Leading governments are recognizing that they need to fundamentally change the way they relate to citizens. A series of early initiatives, such as the Texas Comptroller's financial transparency site, is making public data available to the masses in an effort to foster collaboration with citizens, businesses, nonprofits and others. For state governments, a culture of collaboration and transparency between governments and citizens offers the chance to navigate tangled fiscal issues and make government smarter, more innovative, more responsive — and more trusted.

Transparency will be essential to building trust. But governments will have to go beyond simply opening their data vaults and actually make that information useful. That's what Washington, DC did with its "Apps for Democracy" program. The city spent $50,000 to generate $2.3 million worth of citizen-generated applications using government data, including a biking guide; a historic tours mashup; and a location-aware iPhone tool alerting users to crime reports, new building permits and other location-specific news.

"Two-thirds or more of respondents report that they either never trust state government to do what is right, or trust it only some of the time. Residents overwhelmingly believe their state should pursue major reforms to their budget processes, and pursue them now."

~ The Pew Center on the States and the Public Policy Institute of California

> "You have to look at the state's overall cost structure and world for investment and business activity. Companies can turn people to places that are closer to their customers and where
>
> ~ Deborah Wince-Smith, CEO, Council on Competitiveness

II – IMPROVE STATE COMPETITIVENESS

Competitiveness is critical to every state's long-term future. States today compete not only against each other for jobs and talent but also against China, India, Brazil and other countries. For states determined to move beyond their hard times and recharge their vitality, they'll need to focus on competitiveness boosters like revitalizing infrastructure, pursuing radical education reform and reinventing economic development.

Economic development and infrastructure

It seems obvious, but it can't be stressed enough: The fiscal future of the states depends on getting their economies back on track. Thriving companies and jobs form the underpinnings of prosperity and, therefore, of state government coffers and ambitions.

But just as the recession has stripped away the illusion that governments could indefinitely live beyond their means, it has also made clear that old economic development habits must go. When state governments are being forced to cut deeply into education, social welfare budgets and employee benefits, offering massive incentive packages to corporations seems hard to justify.

The traditional approach to economic development rests on the notion that states must woo specific businesses with tax breaks and other expensive incentives. But this flies squarely in the face of the underlying trends reshaping the economy. A general business-friendly environment — including low taxes, reasonable regulations and an educated workforce — will attract business even in the absence of large, targeted incentives. Access to knowledge, the skills of workers, the ability to innovate and the facility to collaborate with regional, national and international partners are the emerging building blocks of business competitiveness and, hence, of smart economic development.

business environment ... States now compete against the whole on a dime and decide they're going to move operations and the overall business environment is more favorable."

One key strategy: increasing student interest in math and science to satisfy workforce demands. A promising example is the Manufacturing Institute's partnership with Discovery Communications to help nurture a new generation of engineers and technologists through more real-world learning and programs like "Inventors Workshop."

Invigorating the economy should start with a significant investment in the state's infrastructure: roads, bridges, rail lines, sewer lines, electric grid, ports and, crucially, broadband. A well designed infrastructure program would not only create badly needed jobs in the near term, but would lay the groundwork for future economic growth. Businesses relying on crumbling roads, aging tracks, erratic electricity and slow broadband speeds start with a disadvantage that no amount of subsidy can make up.

But states also need to go beyond the obvious. Strategic purchasing decisions can boost the information and technology services industry within their borders. Collaboration among public agencies, research institutions and businesses with an eye toward nurturing innovation can produce big payoffs, as South Carolina has discovered with its International Center for Automotive Research at Clemson University.

New economic development strategies may take various forms. Reshaping economic development efforts so that they move "at the speed of business, not the speed of government," as Indiana Governor Mitch Daniels put it when he replaced his state's commerce department with a nonprofit corporation, will let states react to opportunities before they've slipped away. Boosting the attractiveness of cities and designing initiatives to keep university graduates in the state will give states an edge in building their talent pools. Aligning state economic strengths with future industry needs — the BioBusiness Alliance of Minnesota's 20-year strategic plan for life sciences is a good model — can be another differentiator. And a regional approach to economic development — such as linking the Great Lakes states' universities and corporate research facilities to explore clean energy development — would seed innovation in important regional industries and sectors.

All of this will require hard political work. It means breaking down funding and other silos, investing money wisely at a time of scarce resources, and inducing state agencies and higher education institutions to move more quickly, more openly and more collaboratively. Yet, the result will be a state government that understands both its potential and its limits as a catalyst for economic development.

Education

A strong economic development program is meaningless if a state doesn't have the workforce it needs to thrive in the 21st century. American high school students aren't competitive in math and science

> "Twelve percent of the high schools produce 50 percent of highest need — the worst performing schools and the schools impact. We've found that if you can reach 25 percent of the kids who are likely to drop out."
>
> ~ Michael Brown, CEO, City Year

scores. U.S. students constitute just 14 percent of the world's population of college students these days, down from 30 percent three decades ago.[5]

There is a direct link between the quality of our education system and our economic competitiveness. The supply of highly skilled workers coming out of our colleges and universities simply does not meet the private sector's needs. This is a national problem but not necessarily a federal problem. It is the states and local school districts that are going to have to create the solutions.

The window is currently open. The universe of for-profit and nonprofit organizations pushing innovative solutions — from Green Dot schools to the Bill and Melinda Gates Foundation — has grown exponentially in recent decades. Education reform is one of the rare issues on which many legislators from both sides of the aisle can find common ground. And perhaps most importantly, a reform-minded president and secretary of education are overseeing a drive for education innovation.

The reform movement is everywhere, and it is both powerful and winning broad acceptance. You can see it in New Orleans' post-Katrina system of charter schools, and in New York City, where former schools chancellor Joel Klein raised $75 million in private funds to create the largest training program for principals in the country. You can see it in innovative nonprofits like College Summit and City Year, which are helping to lower school dropout rates and develop college-going cultures in underrepresented areas.

The first task for governors, then, will be to find ways of amplifying the school reform movement within their own systems. Some states are already putting in place aggressive reforms aimed at improving the bottom 5 percent of schools in the country. They're channeling U.S. Department of

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U.S. students constitute just 14 percent of the world's population of college students, down from 30 percent three decades ago.

the dropouts in the country. If you can serve in the places of
that feed into them — you're going to have a disproportionate
schools in most urban centers, you can reach 50 percent of the

Education dollars to refocus resources on them; letting school districts close them or turn them into charters; and bringing in Green Dot, City Year and other organizations whose mission is to help turn them around. Most states are considering plans to reform tenure, boost pay for the best teachers, implement pay-for-performance and pursue other means of ratcheting up teachers' effectiveness.

School districts are also ripe for technological innovation, as California is trying to prove with its effort to shift to online textbooks in hopes of slashing the $350 million it spends annually on the paper kind. Georgia and Virginia, meanwhile, are providing every student access to online advanced placement courses.

Math and science education needs special attention. Some states are trying to address the supply side of this dilemma by using alternative teacher certification to boost the numbers of qualified math and science teachers; in Texas, for instance, over 55 percent of the teachers in the field are arriving in schools through alternative certification programs. The real challenge, though, will be finding ways to boost demand — that is, students' interest in math and science.

One of the greatest needs in school systems is to spend more money where it counts the most: the classroom. In part, this will depend on lowering costs elsewhere. So cooperative purchasing arrangements between school districts and other players hold out the hope of reducing costs associated with utilities, equipment and services. Pennsylvania's Common Cents Shared Services Initiative has 49 of 501 school districts throughout the state combining their resources, spending power and business operations to save money.

Implementing the federal health care law will try with its complexity. Medicaid administrators expanded role under the law, which will bring

III – TRANSFORM HEALTH AND HUMAN SERVICES

Each new governor will have his or her own agenda, but given the budgetary implications and the huge changes they face thanks to the federal health care legislation, two areas need particular attention: health care and human services.

Health care

States occupy the center of one of the most significant transformations in decades in our health care system. And despite the continuing machinations in Washington and the courts over the Patient Protection and Affordable Care Act of 2010, no state can afford to stand by waiting to see what happens to it. They must move forward now.

At a bare minimum, they will have to join with others at the table — providers, payers, regulators and consumers — to lower costs. But that's just the ante; their real challenge will be to replace old models, structures and barriers to change with innovative approaches to a host of issues, including medical management, Medicaid costs, public-private collaboration, health system redesign, insurance regulation and creation of health exchanges. No responsible governor will allow his or her state to get sidetracked by partisan wrangling on this front.

While health care reform offers states the chance to make meaningful reforms they've been waiting years to see, implementing the federal law will try the patience of even the state's best and brightest with its complexity. Medicaid administrators are already fretting over how to cope with their expanded role under the law, which will bring in many new enrollees beginning in 2014. States are already under pressure to design and implement health exchanges and integrate them seamlessly with the Medicaid eligibility system, not to mention overseeing new regulations on the insurance industry, upgrading workforce training in the field and overseeing integration of public health programs with local delivery systems.

That's not all. They will also have to find funding for the expanded Medicaid population at a time of ongoing budget shortfalls. They must implement the mandatory technology changes defined by the HIPAA 5010 standards for the electronic transmission of health care transactions and the international ICD-10 the patience of even the state's best and brightest are already fretting over how to cope with their in many new enrollees beginning in 2014.

codes for reporting diagnoses and procedures. Lastly, they must immediately develop an infrastructure and process for managing provider incentive payments for electronic health records adoption.

For incoming administrations, the first step will be to assess the legislation's impact on state government and set priorities for projects. In the course of this, states will also need to investigate federal funding opportunities that can support investment in technology and other infrastructure changes required to make the reforms work. And given their budget constraints, they will also need to explore existing technology — such as self-service portals developed by state health departments, and the Medicaid Management Information System.

Governors and their state Medicaid director will also have to come to grips with two other challenges. The first is that state-administered Medicaid has become the nation's primary funding source for long-term care for those in need — a burden that will grow to immense proportions as the population ages. States are already innovating in this field. The State of Washington uses an automated assessment tool to gauge the most appropriate setting for care and to monitor services; Vermont is allowing consumers to hire caregivers in order to promote community-based care; other states are looking at ways of improving the management of chronic diseases. Not every state has been actively experimenting with ways to cut costs, however — and all will need to before long.

Similarly, in many states, Medicaid is the single largest expense category in the budget. Unless states can learn how to deliver the right care to the right enrollee the first time they try, they will be swamped by rising costs. In particular, they will need to develop patient management systems that allow them to prevent, diagnose and treat illness effectively. Blue Cross and Blue Shield of Tennessee, for instance, uses "predictive modeling" to identify gaps in care and develop plans for treating patients whose health can be improved with the right early interventions. Meanwhile, several states have developed "single point of entry" systems to give Medicaid enrollees access to all administrative functions, with the goal of boosting their engagement in caring for themselves.

Human services

The next few years will be especially challenging for state human services departments. Facing increased demand for services while federal stimulus aid dries up and budgets are at great risk, human services organizations must find a way to redesign and modernize delivery — quickly.

This will mean changing the way they work. Streamlining bureaucracy, eliminating duplication and deploying resources to the front lines as efficiently as possible will be crucial to addressing new demands. To achieve this, states will need to focus on four major areas.

> “When I came here there were 29,000 adult households are now fewer than 3,000 … I attribute it to the value we the work.”
>
> ~ B.J. Walker, Commissioner, Georgia Department of Human Services

First, states need to change their methods on the front line. A combination of mobile technology, social media and data analytics, for instance, can give front-line social workers access to information at the moment they need it — helping them make good decisions on the spot and solicit insights from colleagues with experience in similar circumstances. The State of Florida, for example, outfitted more than 2,300 caseworkers with smart phones and laptops, allowing them to collaborate with each other and upload critical data in real time. Alameda County, California’s use of mobile devices, advanced analytics and real-time reporting allows social workers to find the immediate status of any child, as well as their colleagues and any support services and programs connected with that child.

Second, state human services agencies need to transform the ways they interact with the citizens they serve. Families and individuals should be able to connect to all the resources they need, both inside and outside government, through a single point of entry. This means redesigning systems to create simple portals, like Pennsylvania’s COMPASS and Massachusetts’ Virtual Gateway, which allow clients to be screened for eligibility, apply for benefits and track their accounts. In addition, involving clients in service delivery — clarifying needed services and using social networking to become smarter, more self-sufficient consumers — can radically change existing service models.

Third, states should look for ways to implement services across agencies and departments — so that the state serves a family rather than a set of “needs.” For example, states can designate categorical pools of funding that serve families and establish “human service banks,” which can make loans that require specific outcomes rather than interest.

Lastly, there is the issue of how human services are financed. Their funding today is highly fragmented. This results in extra administrative expenses that rob money from workers and clients. Moreover, financial models have tended to give short shrift to long-term effectiveness, service quality and outcomes. They have focused on programs rather than the individuals and families served by the system.

Finding ways to redesign the flow of money through the system, then, is a basic step in revamping human services to make them both more targeted and more effective. In 2007, when the Commonwealth of Virginia reversed the perverse incentives in how it funded children and family services, it saved $100 million over two years and improved outcomes for kids.

on TANF (Temporary Assistance for Needy Families). There explicitly drove into how we ask the workforce to approach

IV – OVERHAUL STATE OPERATIONS

States are poised for a period of significant innovation — fundamentally reforming governments' structures and systems with daring policy experiments. The fiscal situation leaves them no choice. States today have a unique opportunity to regain public trust by tackling some of the tough policy issues that have stymied a generation of political leaders, while also addressing the new challenges of the 21st century.

To do this, however, state governments will need to change. Nearly a decade into the 21st century, states are still struggling with public structures and programs designed to meet the needs of the 20th century with funding programs that, in many cases, exist simply because they existed the year before.

Innovation

If ever state government needed to be daring and innovative, it's now. The status quo is untenable. Without a mindset that prizes innovation, it will be next to impossible to make progress on the concrete policy initiatives that states so desperately need to realize.

In most governments, innovation has been piecemeal. It arises from a leader's determination to establish a legacy in one policy arena, a response to a crisis, or from a desperate call for "good ideas." Once a crisis subsides, a term ends or a good idea inevitably stumbles, public organizations are left without the capacity for sustained innovation.

In a rapidly changing world — one in which only the fleet-footed can garner success — this is not enough. Sustained innovation needs to be part and parcel of how state governments work. "Sloughing off the past," as management guru Peter Drucker phrases it, is as crucial to government as it is to

> "I continually challenged my Cabinet to find innovative ways to do business. Governors can set the expectation for innovation, and they can encourage creativity and risk-taking, empowering employees to make decisions."
>
> ~ Jennifer Granholm, Governor of Michigan

business. In fact, just as the business world talks about "disruptive innovation" that can fundamentally change a market, radically new ways of delivering services — virtual charter schools, for instance — carry the potential for improving public service.

How exactly can states become serial innovators?

One of the most important steps is to open up the innovation process and seek ideas from all quarters: from within state organizations, from business and academia, and from citizens and "consumers" of their services. This implies using Web 2.0 technologies to elicit cutting-edge thinking from employees, partners in the business community, networks of academics and the public at large. Consider the way Apple cultivated an immense community of developers to build hundreds of thousands of apps for the iPhone and you get the idea. Just as important as the links to external ideas is the process of sustaining and deepening them over the long term so that collaboration becomes part of how state agencies do business.

In Massachusetts, Governor Deval Patrick launched a new Life Sciences Initiative in 2007 that joins state government, industry, research hospitals, and colleges and universities. Its goal is not just to spur new research, but to put money in the hands of researchers in the state with promising ideas who are not able to get funding from the National Institutes of Health.

Technology

Four technology trends, in particular, have the potential to undergird the ability to innovate and redesign states. Given past experiences with cost overruns, failed IT projects and flawed implementations that don't deliver promised benefits, governors and legislators ought, in fact, to remain cautious. But this caution should spur them to thoughtful, attentive use of new technology — not cause them to disdain it altogether.

The first trend is "cloud computing," which gives state governments a way of cutting IT costs and taking advantage of vastly greater computing resources than any agency could afford on its own. This is why New York City just struck a deal to give 100,000 city workers access to Microsoft's Web-based cloud computing services, which may save some $50 million over five years. Moreover, the "cloud" is evolving rapidly, offering states the possibility of reshaping their processes as they shed the costs associated with in-house applications. New cloud capabilities offer states the chance to do business in new ways, as well. Michigan, for example, is pursuing plans to build a data center that will offer cloud

> We need to shorten project development cycles and make development more agile and responsive to new technologies, leveraging new services as they become available.
>
> ~ Dave Fletcher, Chief Technology Officer, State of Utah

computing services to state agencies, cities, counties, school districts and the private sector.

The second trend is social media, which can improve communication among state employees and citizens and improve the delivery of government services. The potential for recipients of social services to network with social service workers and with one another, for instance, gives state agencies new ways to boost their self-sufficiency and react to emerging economic or social trends.

However, states will have a hard time fully capitalizing on social media without the third trend: consolidating piecemeal and redundant IT systems that have been allowed to evolve within state government. These inefficient networks, with their inconsistencies and inability to allow ready communication, are an obstacle not just to efficiency, but to states' abilities to meet their challenges.

This brings up the final trend: data analytics. As government leaders recognize that unlocking public data can bring new insight into problems, new approaches to solving them and new levels of performance, they are trying to make data more broadly and meaningfully available. This alone, however, is not enough. The true benefits will come when state agencies understand how to use the tools available — mashups, crowdsourcing, data mining and the like — not only to enhance their own capabilities, but to capitalize on the resourcefulness of citizens and entrepreneurs. One bright spot: The State of California makes raw state data widely available to citizens and organizations that want to incorporate it in their own applications. The state's Web site also provides a link to a variety of tools that allow users to query state agency databases and download raw data.

Used correctly, technology can help transform the way governments do business. It doesn't just enable government to work faster and cheaper, it allows policymakers to re-envision everything from what the bureaucracy looks like to what services it should provide.

Redesign state government

Many states find themselves shackled by the old ways of governing. A redesign is urgently needed because as state governments struggle to respond to the imperatives for change, many find themselves hampered by their dated practices: hierarchical, siloed organizations; obsolete pension systems; service models driven by bureaucracy instead of citizen needs; budgets that ignore results; and tax systems designed around yesterday's economy.

The exorbitantly high costs embedded in our education system, for example, are a product of old business models and archaic laws. In many states, at least 40 cents of every dollar spent on schools never makes it into the classroom, and teachers make up a little more than half of all school district staff. One culprit? Thousands of tiny school districts, each operating its own transportation, human resources, Many states find themselves shackled by the old ways of governing. A redesign is urgently needed because as state governments struggle to respond to the imperatives for change, many find themselves hampered by their dated practices.

food services, information technology, building maintenance, administration and other support functions.

The same kind of huge administrative inefficiencies can be observed in the duplication and overlap between many county and city governments and special districts in states across the country. In some cases, the answer is intergovernmental service sharing. But a more fundamental question must be asked of many of these units: Are they simply relics of a different era?

Legacy thinking also permeates the ways many states still hire, fire, pay and promote their employees. Survey after survey demonstrates that many highly skilled job candidates who say they would like to work in public service end up not working in government. Why? One reason is state pensions. With their 10-year vesting, assumption of lifetime employment and lack of portability, they offer little appeal to today's "free agent" Generation X and Y workers. Outmoded hiring practices, which often require multiple levels of clearances and approvals, likewise hold no attraction. To become a choice employer among the emerging workforce, the public sector must appeal to these young workers' expectation of a social, flexible, purposeful and technologically modern work environment.

New technologies are already calling into question some long-established ways of delivering services and organizing workforces. If a state can make advanced placement courses available online, it may not need AP teachers in every high school. The shift to cloud computing hosted by a single company does away with the need for contract specialists to oversee the dozens of separate licensing agreements (New York had 40) and their associated service contracts.

Given the huge gap between past practices and current and future needs, incremental change won't be enough. Century-old systems need to be replaced with new models that better address the needs of the 21st century. This transformation will require new ways of doing business for every aspect of government, from organizational structures and operating practices to personnel systems and service delivery models. These changes won't be easy, but they are necessary. Moreover, they are now possible — states have new tools and, for the time being, an environment that's conducive to change.

V – GETTING IT DONE: FROM BIG IDEAS TO BIG RESULTS

There are lots of ways one of your initiatives can fail, but to succeed the following must occur: You need a good idea, a well-designed piece of legislation, political support and strong implementation. Ultimately, every big initiative will be judged on the results it produces.

The successful initiatives we examined managed to get the process right. Proponents took the time to listen to opposing viewpoints and often incorporated this into the program's design. Lawmakers saw themselves as crafting a design that needed to work in the real world, so sponsors allowed for thoughtful debate rather than ramming their bill through.

Once the bill was passed, a political champion recruited a strong manager to lead the implementation, one chosen for their managerial ability rather than their politics.

The successful implementers we studied took the possibility of failure seriously. They established a dedicated unit to manage the launch and often tested the program design in smaller pilots before rolling it out more broadly.

The stakes are high. If 2010's large crop of new governors and state legislators are to be successful, they first will have to take the process of getting big things done in state government very seriously.

“It is not the strongest of the species that survives,
Nor the most intelligent that survives.
It is the one that is the *most adaptable to change.*”

~ Charles Darwin