



City of St. Paul, Minnesota

Department of Safety and Inspections SWOT Analysis September 11, 2013

I. Background

Springsted, Incorporated was retained to conduct a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis for the Department of Safety and Inspections (DSI) with the City of St. Paul, Minnesota. The department offices are located on 375 Jackson Street in downtown St. Paul.

The project was managed by Mr. David Unmacht in partnership with Mr. Jim Schug. The two month process began with initial meetings in early July and will conclude with the completion of the summary report by mid-September.

The Department undertook a strategic planning process in 2007. A copy of the Executive Summary is attached to this SWOT Analysis. Ten strategic goals were created for a three year period beginning in 2007 and running through 2009. Five of the goals were mission and value-based and five were strategic and operational. All five of the strategic goals from 2007 remain relevant and valid today; they are:

- Unify DSI Systems and Structure
- Clarify Operational Standards, Policies, and Procedures
- Establish DSI's Human Resource Systems
- Promote Technology Solutions
- Address Co-Location Issues

In addition, a vision, mission and values statement was identified. It is clear that the genesis of the process was a result of the integration of the merged safety and inspections Department. Candidly, the overall plan is good and elements can be used as a foundation for the upcoming strategic planning process. It appears that the lack of follow-up and even reference to the process during our interviews also shows that although there may have been some changes, the 2007-2009 process and work product was not completed or fully integrated into the workplace. This may account for some of the skepticism exhibited by the staff during our interviews.

The SWOT analysis is one part of a strategic assessment of the department's programs, operations and services. Concurrently, the department has retained the services of a consultant to conduct an analysis of the business processes and delivery systems. Together with the results of the SWOT analysis, the outcomes of the business process study will be used to support a strategic planning initiative presently being considered for 2014.

II. Strengths, Weaknesses, Opportunities and Threats (SWOT)

It is important to define what a SWOT analysis means. A SWOT analysis is a strategic assessment of internal and external factors that influence and impact how an organization operates. According to the *Newman Library*, a SWOT analysis can be focused on both the present condition and the future of an organization. In principle, the following guides are suggested for the application of the information:

- **Strengths** -- to build on
- **Weaknesses** -- to overcome
- **Opportunities** -- to explore
- **Threats** -- to minimize

In practice, the information gained from the analysis can be applied and used in many different ways. A SWOT analysis is often a component of a strategic planning process where the data collected from the exercise is used to support discussions with policy makers, staff and stakeholders. A SWOT analysis is not an end in itself; although there is nothing to prevent administrators from using the valuable data to advance ideas and initiatives.

A SWOT analysis represents a *point in time* of an organization's life. An organization's strengths, weaknesses, opportunities and threats change and vary based on specific actions of the people within the organization and impacts from events beyond the control of the organization itself. Finally, it is important to point out what a SWOT analysis is not, and that is, a comprehensive organizational assessment. A SWOT analysis does not drill down into specifics and details of why; rather, the input is collected, analyzed and then organized for discussion and greater application in future actions.

III. Study Process

The process was designed around obtaining direct input from a broad cross section of people including department personnel and individuals that have both a direct and indirect connection to the work of the department. The process used the following 11 steps.

- Organizational meetings with the Director and two Deputy Directors.
- One-on-one interviews with ten department managers.
- 16 focus group meetings with over 90 individual staff members participating.
- On-line confidential staff survey – 99 staff members responded. This represents a response rate of 75%; a respectable amount compared to other comparable surveys.
- Individual interviews with seven City Council member and two representatives of the Mayor's Office.
- Individual interviews with four City Department Heads or their designated manager.

- Interviews with eleven stakeholders representing developers, contractors, landlords, and licensees. In addition we interviewed a representative of the St. Paul Chamber of Commerce, and four members of the Business Review Council.
- Presentation of a draft report and briefing on the study to the Director on August 29.
- Prepare second draft of Report.
- Discussion of the second draft with the Director and Deputy Directors.
- Prepare third draft of Report.

IV. Perspective

City governments across the country, but especially in Minnesota, are addressing a multitude of complex simultaneous challenges including identifying efficient and effective delivery systems, meeting citizen and policy maker expectations, and delivering, sustaining and maintaining high quality mandated and non-mandated programs and services. This scenario is under the backdrop of a changing financial outlook. For the past five years the DSI has faced a threefold financial challenge: 1) Budget reductions; 2) Accounting changes which reallocated revenue to the general fund; and 3) a reduction in the level of staffing. Although other city departments face similar conditions, these are magnified within DSI as the level of service and demand for their work is increasing. Evidence of this increasing demand and work exists across divisions, including: an increase in the number of plan reviews, general building permit activity is on the rise, new fire inspections now required for all single family and duplex rental housing, increase in the number of vacant buildings, and new rules for signs in the zoning ordinance. One very knowledgeable city leader noted that the DSI issues arise from many years of cutting budgets and we are now witnessing the “consequences of a systematic retrenchment culture.”

In addition to fiscal challenges over the past five years the department has experienced the impact of three major organizational changes: 1) the continuing merger of functions that created the department; 2) a new department director who has high expectations and responsibilities placed on him and his team; and 3) a 17% reduction in the number of staff in the department.

Conventional wisdom, political pressures and organizational demands indicate that DSI cannot continue to perform operations and business practices in the traditional methods. In fact, everyone we interviewed recognizes this hard reality; yet, the need for action is on the forefront of the department leader’s agenda. Leadership within DSI is exploring ideas and reviewing options for the necessary changes. They recognize that raising questions and probing into historical business practices is not easy nor does it result in quick changes.

The business of managing large and complex municipal multi-dimensional public agencies is very challenging. Two facts exacerbate the situation for DSI: 1) the business is regulatory in design and operation – inherent in this function is tension and conflict; and 2) the department has eight divisions - by any measure this requires skill and a strong constitution to manage. In one division alone there are six inspection areas: elevator, plumbing, building inspection, electrical, mechanical and mechanical -sheet metal. To be successful in this environment, the department must recognize these variables, manage them accordingly and introduce deliberate and focused change processes and creative ideas to move forward.

In the end, as the Director noted in an interview, nothing short of a “change in culture” will result in the outcomes and goals he has for the department. The Director has talked about how managed change can

make a big difference in the future of the department. Two ideas include: introducing more *enterprise thinking* – ensuring that all staff understand the larger department goals and mission; and building and developing a higher level of trust that supports accountability and encourages more assertive and responsible decision-making. Much is expected from the Director and the SWOT analysis is designed to help him explore options and ideas.

V. Staff Survey

A confidential on-line survey was used to give staff the opportunity to provide input and share ideas in a manner that protected their privacy. The purpose of the survey was to ask a series of questions related to the core objectives of the SWOT analysis. The following eight questions were asked in the confidential staff survey:

1. How long have you worked in your current position (years)?
2. What division or function do you work in?
3. What are the top two strengths of your division or function?
4. What are the top two strengths of the department?
5. What are the top two concerns you have about your division or function?
6. What are the top two concerns you have about the department?
7. What do you think is the number one opportunity the department should consider?
8. If there is only one outcome from this survey and interviews what would you like it to be?

A total of 99 responses were received; this equates to just over a 75% response rate – all things considered a very respectable level. Over 30 pages of comments were expressed. It is important to point out and highlight the value of a survey. With a great degree of confidence and reliability we can conclude that the survey responses were consistent with and complementary to the information we learned during the interviews and focus groups. This further reinforces the foundation of our conclusions and recommendations.

Beginning with question three we summarize the top three responses within each question.

Question Three: What are the top two strengths of your division or function?

- Work well together – team work
- Knowledge of the business
- Customer service

Many specific comments were provided which reflected individual divisions, but the theme stayed consistent between work units. Communication also received a lot of responses with comments such as: *communication and respect for one another; customer service oriented* were indicative of many of the responses received to this question. Maybe the one quote that sums up all responses in a succinct manner is reflected here, “Good people and knowledge of the work they {are to} perform.”

Question Four: What are the top two strengths of the department?

- Experienced staff

- Knowledgeable in their profession
- Customer service

There is a difference of opinion regarding the level of teamwork and commitment to work together – some responses reflect a strong level and some believe more can be done. Two quotes are reflective of the strengths, “Most of the people here do really care about the people that live and work in St. Paul. We are better educated and have more experience than they did in the past.” “We have people in most divisions who want to coordinate overlapping actions and work together to resolve problems; not just for the City but for the people we are taking action against too. There are those who still want to see improvement for everyone and believe it could happen.” Many staff believe the department is heading in the right direction (as compared to the past), but have doubts about the ability to succeed or truly address the critical needs.

Question Five: What are the top two concerns you have about your division or function?

- Staffing levels
- Technology
- Training

The overwhelming responses focused on the department pressures resulting from the need for more staff coupled with the lack of “updated” technology. The word “Amanda” was used repeatedly, most often in a disappointing or insufficient representation. Responses that did not include these two points were often a direct by-product of them, including lack of management training and the importance of investing time in learning new codes and regulations; the need for more communication (several references were made to the Director’s quality meetings); and stress levels and diminishing customer service. Several quotes are reflective of the overall responses, “Quality of service goes down, detailed answers become blunt, patience is lost when the stress level goes up. These are the results of short staff.” Many comments were reflective of the inability to access real time information in the field. Staff believe that in order to provide better customer service they need to, “Be able to access all department information (network) in the field.”

One final quote is indicative of the expectations that are in place, it reads, “Since the director has been hired we’ve gotten flashlights, a window in our office door and a table in the restroom to put our stuff on, that’s about it. No updated technology and no manpower to do the work the people paid for.” This quote should not be taken personally and in all reality is not entirely accurate; yet it reflects the essence of the expectations of many people both inside and outside the department.

Question Six: What are the top two concerns you have about the department?

- Lack of promotional opportunities
- Accountability
- Lack of integrated mission

Although the staffing and technology themes continued in this question, there were other areas that were predominately featured which captured the feelings of the staff. For example, there were a variety of responses that reflect the need for greater department communication and action toward the full

integration of all divisions and functions. Three quotes in particular pointed this out, “Too many silo’s separating the different divisions and not enough sharing of information between them.” “There is no metric for performance of the department. There should be a strategic plan that everyone is aware of and understands.” “A lack of cohesion among various units leads to a lack of communication leading to issues.” Various responses also reflected on leadership in the City and the department; although in a few cases they were specific to an individual, in aggregate, they reflect a need for having an open and honest conversation about what is expected of managers and supervisors.

Question Seven: What do you think is the number one opportunity the department should consider?

- Technology
- Staffing
- Communication

The themes of staffing and technology remain prominent in the responses. Several employees connected the need for technology with the importance of streamlining processes, for example, “Documenting processes, streamlining processes and merging all data into a single land based system.” One response commented on the recent state takeover of the Environmental Health Inspections unit, “Learn from the mistakes made to ensure it doesn’t happen in the future. The manager’s need to talk to employees who are good at their jobs to gather opinions of what works well, and what does not.”

Question Eight: If there is only one outcome from this survey and interviews what would you like it to be?

- Listening
- Results
- Hiring of staff

A fairly common response to this question (across all surveys) resulted in a desire of employees to see some action as a result of the analysis. There is a healthy skepticism in their expectations, but none-the-less a degree of honesty was offered. Quotes such as these were reflective of this feeling, “I don’t think anything will change, the stress level in here has really hurt my health.” “A plan to improve technology for Field Inspectors.” “Listen to us and be honest about what can and cannot be done in the short and long term.”

Indicative of many confidential survey’s some answers were polar opposite of each other. Two stand out as distinctive and are provided for illustrative purposes:

- “Nothing ever changes, except the names of the people that work here. New people just end up doing the same old things. “
- “The worst day here is better than the best day in my old job.”

One final quote offers a constructive, advisory and comprehensive reflection of many sentiments. It reads as follows:

“For the Director to have a better understanding of the functionality of the department, for instance what areas need more staff, what areas need more training, what DSI can do differently or not at all, what works well between divisions and what does not, why some divisions get more of his attention than others, how to spread the limited resources throughout the department in a fair way.”

VI. Stakeholder Input

The process involved the interview of a variety of stakeholders, including individuals representing the developers; contractors; landlords; and licensees. In addition input was received from all seven City Council members; the St. Paul Area Chamber of Commerce; and the Business Review Council. Representatives from four city departments were also interviewed: Parks, Public Works, Planning and Economic Development and Police.

The following notes represent a selected sample of the input received.

Developers/Contractors

- On the right track by bringing all the trades together for design review
- High quality inspections
- In complex redevelopment projects involving old buildings, works with developers' teams to come up with designs and plans that provide safe solutions at affordable costs
- Need to improve response time for inspections and permits
- Phone access needs to be improved
- Customer service needs improvement
- Need to find better ways on “how to get to yes.”

Landlords/Licensees

- Good working relationships, helpful in educating on codes and ordinances
- Willing to consult on options before money is spent
- Phone contact access needs to be redesigned
- Need to focus on important health and life-safety issues
- Concern that tenants sometimes use complaints to get at the landlord; landlord not always the bad guy
- Need to be reasonable on remodeling of old buildings
- Hard to get to the right person
- Website is not helpful
- Keep working on streamlining processes and creating a one-stop, business friendly shop

Chamber of Commerce/Business Review Council (BRC)

- Good experience working with Ricardo and DSI staff

- BRC is a good idea, should be a higher priority – too many cancelled meetings, meeting times not convenient for members’ schedules
- BRC needs to find a better way of communicating with small businesses
- Chamber members complain about poor access to DSI staff
- Staffing level does not appear to be adequate to manage the workload
- Make one-stop-shop apply to working with more than one city department

City Departments

- Good working relationships with all
- Respect for Ricardo’s leadership and response to crises
- Good communication and appreciation for cooperation and expertise in joint projects
- Staff sometimes too rigid, need to bring a better business sense and more creativity into the culture
- Observe a staff shortage and a lack of technology
- Need to evaluate plans and permits consistently across all inspectors

City Council

- Many positive comments about staff desire to provide good services and their willingness to find solutions
- Many challenges and weaknesses regarding reactive approach to issues rather than prevention and earlier intervention
- Concern about backlogs and apparent staffing shortage
- Need to improve accountability and customer access
- Appreciation for problem fixing but would prefer problem prevention
- Numerous comments on need to prioritize resources and standardize and streamline response to lesser violations, e.g. tall grass and weeds, snow removal, graffiti
- Focus on livability and important code issues first
- Need to advise the Council on need for and impact of new ordinances and cost of implementing
- Need to advise Council on resources needed to “do the job”
- DSI creating lots of data on problems but no action
- Staff needs to be more diverse to reflect the properties and businesses they are inspecting
- Need to improve customer service – more friendly, streamlined processes, more on-line scheduling, more timely inspections and issuance of licenses and commercial permits, more project facilitators/navigators, provide inspection checklists in advance, thank developers and contractors for improving the livability and tax base of the city, more helpful intake at front counters, etc.

VII. Findings

The following lists represent the top strengths; weaknesses; opportunities; and threats (SWOT) of the Department. Our focus is on representing the most important factors within each.

Strengths

The Department has the following strengths:

- Desire of staff to provide valuable service
- Experience and tenure of the staff
- Knowledgeable and technically proficient
- The merged structure of the regulatory functions
- Ability to obtain current financial information
- Respect for the Director and his work

Weaknesses

The Department has the following weaknesses:

- Timeliness within the permit and inspection process
- Inefficient and outdated technology
- Inconsistent performance both within and between divisions and functions
- Lack of continuity with changes in Directors; not enough consistency in direction
- Independent culture – lack of overall department vision and mission
- Insufficient communication and sharing of information

Opportunities

The Department has the following opportunities:

- The ability to improve and enhance customer service and the department's reputation
- Greater coordination and integration of department functions (horizontal integration)
- The potential to improve and enhance trust, morale and pride within the department
- Realistic, but high expectations of everyone involved
- To set an example and provide leadership to other departments
- Meeting or exceeding expectations for improvement and change expected from city leaders
- To improve timeliness in the commercial building inspection and permitting processes

Threats

The Department has the following threats:

- Length of time it takes to address staffing needs
- Lack of resources to sufficiently implement the immediate technology needs
- Losing senior staff members – lack of succession planning
- Lack of credibility, patience and ultimate support from some of the elected officials
- A very large and unknown number of uncompleted permits and inspections
- Possibility of State takeover of other delegated responsibilities
- Potential liability from failure to meet inspection and permitting timelines

VIII. Major Themes

Rather than addressing the specific individual strengths, weaknesses, opportunities and threats, we elected to organize our information by a select grouping of major themes. We think this represents the optimal manner in which to present our analysis. Our decision to proceed in this manner is a result of the following five key points:

- The desire of the Director to use the information learned
- The consistency of responses across the department
- The application of the information to a future strategic planning process
- The ability to more effectively communicate the study outcomes
- The ease in which the authors can accurately organize the information

Based on the comprehensive nature of our data we are able to accurately organize the input from our interview sources into three major topics and themes. *This is preliminary and subject to further review, analysis and discussion.* The following three areas (in no particular order) represent the most important major themes that require consideration within DSI:

- Workplace integration
- Workforce issues
- Tools and resources

The aggregation of the SWOT information into three categories allows for a more concise discussion and a more realistic opportunity for change. We present these as distinct categories, but in many respects they are integrated and interdependent.

Workplace integration

Progress has been made in the integration of the various units of the department, but more needs to be done. Examples of results to date include: the title merger (in zoning, licensing and codes); the implementation of pre-development site plan and pre-development construction meetings; the creation and use of project facilitators, and the encouragement to address problem-solving from a multi-divisional collaborative approach. Testimony from interviewees also talked about how even office space proximity has helped to drive the integration of the units and divisions. While the diverse functions of the department create a challenge to integrating its various units into a cohesive, efficient and effective team, this category represents a great opportunity to improve the effectiveness of the department and increase its credibility with the elected officials, the customers, licensees, partners, and stakeholders that were interviewed as a part of this analysis. Most everyone interviewed would like to see a one-stop shop that can be effectively navigated by all who depend upon the services provided by the department.

The following represent opportunities for the Department:

1. Create a cohesive vision and mission that emphasizes quality customer service and the coordination of the department across all units, functions and divisions.
2. Communicate this vision and mission to all staff members, customers, stakeholders, partners and the elected officials.

3. Create a comparison matrix of all of the individual services provided by the department. An example was provided for reference purposes.
4. Develop performance metrics that track and measure the department's progress in achieving its mission.
5. Create opportunities to allow staff to get to know the department director first hand (visibility) and use this engagement to change the culture of the department consistent with the department's mission and commitment to service.
6. Develop a consistent, streamlined high quality service model that can be effectively navigated by all and meets the timelines set forth in the ordinances or needed by the customers.

Workforce issues

Every group and most of the individuals interviewed mentioned workforce issues as a major concern for the department. This is a multi-dimensional opportunity for the department. Specifically, there is a general belief that the staffing levels are not adequate to do the work that is required and expected within the established timeframes. This issue is a major source of dissatisfaction for contractors, developers, licensees, landlords and staff members. While the consultants are not able to confirm or dispute the validity of the reported staff shortage, it should be explored as part of the business process mapping, benchmarking and other methods available to assure that the department is right-sized for the work that needs to be done. In addition, the department operates within traditional practices and city policies that need to be examined to determine how they hinder and support the workforce needs. When a department goes through a thoughtful assessment like a SWOT analysis this is the opportune time to have a deliberate conversation about past practices and current policies.

The following steps should be taken to address this issue:

1. Determine staffing level needs and secure the necessary resources to hire additional staff as determined through the analysis.
2. Hire the right staff that have the values and attributes that will help transform the culture to the desired model and provide the training needed to build their skills in the areas needed by the department. Discuss with city officials how the "prom rule" affects the department's ability to hire the right people in the right positions.
3. Begin succession planning to address the most effective way to replace the institutional knowledge that will be lost as experienced and expert staff members retire or leave the department for other opportunities.
4. Communicate leadership expectations of supervisors and managers and provide leadership training and development opportunities to increase the leadership skills of those expected to lead the transformation of the department to the desired model.
5. Develop performance evaluations, accountability standards, and measures to assure that the work of the department is being conducted in the manner and at the level expected.
6. Partner with other departments who are key in helping address the workforce and workload issues identified in the DSI business process analyses, e.g., Information Technology and Human Resources.

Tools and resources

This area is recognized as problematic with great opportunities for improvement, yet it remains allusive and uncertain due to the cost and time it takes to complete. There is a need for improved technology and streamlined business processes that create a one-stop shop and coordination across units within DSI and between DSI and other city departments. This need was also identified in the interview process. These areas will require technical expertise and resources that will probably involve other departments or outside assistance. Many comments noted that the department is too reliant on individual staff and “historical cumbersome processes”; in fact there is a need for common policies or guidelines which will result in more consistent and reliable behaviors and performance.

The following represent some beginning steps to be taken:

1. Consult with staff and others to identify technology tools that would allow staff to do their work from the field without needing to find a public Wi-Fi connection to access their files or log in and out of the timecard system. Field staff believe that these tools would result in significant improvements in their efficiency in doing their work.
2. Technology should be explored to assist in improving telephone and online access to inspectors, reviewers, licensors, etc. in a way that is more effective than the 7:30 to 9:00 a.m. window that is the current practice.
3. Develop standardized methodologies and approaches that eventually will result in a consistent application of a business process.
4. Business processes should be reviewed and analyzed to develop more efficient processes that meet and exceed the expectation of customers and improve the productivity of staff members in providing the critical services that are required by city ordinances, state statutes and rules. There are many processes that are under review; based on the interviews, the department is encouraged to review your approach and strategy toward incoming information and complaint calls.

Although beyond the immediate obligation of the SWOT analysis the Director is encouraged to develop a strategy that identifies what short and long term changes can be made. Managing expectations is a critical tactic in moving forward.

Finally, the SWOT analysis in conjunction with the assessment of business processes ideally will result in the following five outcomes:

- Build a more unified and integrated department using standardized and efficient processes
- Change the workplace culture
- Implement a web-based operational system
- Improve customer service
- Establish performance measures

One interviewee noted that the outcomes of the department’s work are critical. Two observations were made to support this point – 1) the city has very few easy and simple projects – they all seem to be difficult; and 2) it is not hard to recognize the needs within the department, however, leaders must reflect the seriousness of the need for change. We clearly believe the Director recognizes and understands this point. He is given a lot of credit for his start and the majority of people believe he is heading in the right direction and they have confidence in him. Our hope is that the information contained within the SWOT

analysis helps him move the agenda and plans he has to achieve the five desired outcomes highlighted above forward.

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