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TO: Tara Galuska, Co-chair, Align Grant Coordination Group
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RE: Development of A3 for “Project Description Standards”

Workshop Origin & Purpose

The Kaizen team been developing and testing a process for conducting Continuous Improvement (Gemba Kaizen) in Puget Sound. Our small and unfunded team solicited and reviewed claims of waste. We chose to focus on funding systems, and selected a seemingly important claim concerning the large number of redundant applications necessary to fund a project over its lifecycle. We experimented in using a focus group and an “A3 process” to develop a potential improvement effort.

Fourteen people attended our workshop including our 4-person team. We extended invitations to individuals who either manage grant programs, or write funding proposals. Five participants represented state or federal funding programs and the remaining nine were grant writers from counties, conservation districts, and non-profits. Our goals were to evaluate the following claim:

Each funding program requires similar but slightly different applications to describe projects, causing local teams to expend labor re-describing a project and stimulating waste in administration and reporting.

We completed work mostly in small groups that we mixed with funders and project developers. All participants received a pre-briefing (available as a video). We used the Lean ‘A3 process’ to organize our exploration of the claim. A revised A3 concludes this report.

Who is the Ultimate Customer for Project Descriptions?

We started by identifying the values of our customer. We proposed that our ecosystem management system serves the public, as considered by public representatives, and under environmental law. Through small group brainstorming and large group aggregation, we identified what the customer would likely be willing to pay for (Figure 1). We identified the following five themes, and generally agreed that demonstrating progress towards a target future state was the weak link in how our system provides customer values. Waste is effort spent in excess of customer needs.

- **Fair Process:** transparent selection process, access to projects, fair competition, transparency, accountability
- **Scientific:** demonstrate understanding, sound science, connects to scientific knowledge, best projects

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- **Popular:** demonstrates support, leverages partners, public support, results by district
- **Return on Investment:** best value, prioritize, limited funds, accountability, leverage, be selective
- **Progress (WEAK LINK):** confidence in achievement, promise, problem solved, legislative intent, what is produced, responsible use of public dollars

How Do Written Applications Serve Downstream Processes?

We suggested that written applications are created to serve three downstream processes: 1) **local teams** get full funding in an efficient and timely way, 2) **fund managers** have the evidence to exercise their strategic and fiduciary responsibility, 3) **storytellers** get good stories in a compelling context. These downstream processes also define our goals for written applications. Waste is effort spent in excess of customer needs.

We used small group brainstorming and aggregation to identify what these downstream “customers” value (Figure 2). We tended to identify practical elements, rather than considering why those elements are important. For example we identified that we need a clear scope of work, rather than how we need a mechanisms for determining how money can and can’t be spent, or mechanisms for evaluating if a project is a good investment. There may additional work to clarify underlying needs of downstream processes.

We verified that there are clear tensions between the needs of fund managers and local teams:

Local Teams	Fund Managers	Storytellers
Local teams need adequate and timely funds, the ability to adapt to changing circumstances, and clear common understanding of obligations and reporting requirements. Local teams benefit from “trust”, because it reduces labor in re-representing the project and “piece-mealing” grants to cover full project costs.	Fund managers need to know what is in or out of the project, and to understand the true cost of the project, along with the risks, so they can create a fair competition (competitive allocation at the application level was assumed). They need a basis for final reports and accountability measures. Fund managers benefit from transparency	Storytellers benefit from consistent understanding of how projects represent measurable progress towards goals. Storytellers need a clear story framework that explains the value of projects. This story framework needs to reflect the understanding of interest groups and the ultimate customer, delivered with clear metrics and facilitated by a robust data structure.
Both Local Teams and Fund Managers benefit from clarity, in boundaries, obligations and requirements. Both want to believe in the projects, and that the work is beneficial and efficient.		

This exercise clarified that the written project description is key among mechanisms that creates trust and assurances, so that fund managers can transfer the right amount of funding at the right time to insure rapid project implementation, while insuring public funds are spent on the most beneficial actions. The absence of these assurances increases the quantity of demonstrative work necessary to piece-meal together funding over the project lifecycle.

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How Does A Project Description Change Over Time?

We used small group brainstorming, classification, and group aggregation exercise to identify components of a project description sorted into categories (Figure 3). This is based on the assumption that part of the work of maintaining a project description over the project lifecycle is caused by trying to update changeable elements, or in modifying a description to suit a particular funder. Therefore a more efficient system would recycle stable project description elements, while having standards for change over time, and segregating elements that vary by program.

There was no objection to the general notion that a project description stabilizes over time, but several project managers urged funders to understand that project cost and scope may fluctuate up until construction. This fluctuation in “return on investment (ROI)” creates tension, and results in work. Changeable elements likely to affect ROI are budget (affected by scope, phasing and schedule) and measurable outcomes (and associated technical justifications). Project description standards would need to accommodate these changes efficiently.

Relatively Stable	Changeable Over Lifecycle	Varies By Program
Problem Statement Purpose of Effort Project Goals Project Type Short Description Location Maps Photographs Monitoring Plan (late phase)	Likelihood of Success/Risk Ready to Proceed Schedule Task Descriptions Technical Justification Phasing Project Scope Budget & Narrative Measurable Outcomes (within range?)	Administrative Forms Eligibility Goals/Need Project Relevance Project Detail Budget Justification Deliverables
Applicant Signature Authority Staffing Qualifications Letters of Support (once provided)	Project Name/Title (problematic) Community Support Community Involvement	

Project Goals were identified as both relatively stable but also varying by program. Projects may have multiple goals, but only some of the goals are relevant to a funding program. This is a source of tension.

Why Do We Have Our Existing System?

We completed a root cause analysis, by working in a round to produce a diagram describing the factors that maintain the existing system (Figure 4). Various speculative causes and effects were added until ideas were exhausted. Any change to the existing system will need to consider and account for the forces that formed our existing system. The solution may also require consideration of more distal drivers.

We identified the following proximate causes:

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- **No Organizing Authority** – there is no top-down authority for aligning programs, or even supporting and rewarding collaboration.
- **Change Is Culturally Difficult** – natural tendencies toward agency protection undermine adaptation.
- **Funding Divided Among Multiple Programs/Managers** – different funding sources reflect different stakeholders, problems and efforts to secure and sustain appropriations.
- **We Evolve Through Additive Processes** – program evolution typically takes the form of adding new components to the overall system planning and funding system, while improvement if focused within individual programs.
- **Project Costs Increasing** – development of larger projects, on private lands, entwined with infrastructure is resulting in larger projects, more akin to traditional infrastructure.
- **Sunk Costs in Existing Systems** – existing systems reflect substantial investments.

These proximate drivers occur within a complex network of cultural drivers that include a cultural emphasis on innovation and new additions, rather than improvement of existing systems, contentious debate over private property rights and responsibilities, and the scale and complexity of natural resources stewardship, within an ongoing process of ecosystem degradation.

How Do We Design an Alternate Process?

Small groups each identified components and functions of an alternate design, which we aggregated during presentation (Figure 5). Following the work described above each group identified similar components of an overall design.

This conceptual design deviated from the proximate issue of project descriptions, and instead focused on how to move the work currently spent on redundant individual funding applications, towards development of integrated local strategies that drive prioritization, and reduce the need for individual application review as the sole basis for prioritization.



1. **Local Large-Scale Ecosystem Designs** –

Most existing local “plans” are not detailed enough to serve as a basis for funding, or to serve as a reservoir of project descriptions. Local large-scale design is the only place where a population of projects can be developed, in preparation for funding. Development of a prioritized backlog of actions may support efficient funding, but may also waste effort if too much work is completed in advance. The right scale may be smaller than a whole watershed (a reach or catchment scale?). Robust design, that integrates best local science, can provide a foundation for applications. If these local designs can demonstrate their strategic veracity, this can build the trust necessary to reduce the effort expended on explaining and justifying incremental funding for actions within these efforts. (Imagine a more robust LIO or LE 4-year work plan organized within a strategic framework that considers

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multiple ecosystem objectives). Local sponsors carry projects in service to the plan through implementation.

2. **Collaborating Funding Programs** – Regional programs need objectives and standards for ecosystem management (strategy) and landscape condition (assessment) which are robust enough to guide local designs. This suggests the potential value in developing the basis and capacity to support reach scale designs and actions that satisfy regional strategies. This does not suggest regional programs conducting local design work, but rather a collaborative process of investing in large scale local strategies and designs that verifiably meet regional needs.
3. **Allocation Process** – If local designs are robust, and build to support regional strategies, this could allow greater flexibility in funding priority actions. This might allow for less laborious allocation of financial resources among local designs, based on readiness and need. This could take the form of a clearinghouse or a standard application, where funding programs efficiently support a portfolio of actions that align proven through robust local design and regional review, that implement regional strategies.

This approach would also benefit from development of standard project descriptions, that nest within local strategic designs. These standard project descriptions could then be incrementally developed as useful for serving downstream processes.

This overall structure would reduce individual agency ownership of individual project completion, and so requires a mechanism for agencies to demonstrate their shared allocations as an important part of an investment portfolio. This structure could potentially redefine match, such that we manage match at the local design scale, rather than the individual action scale. A robust local plan could serve as a pilot for shared investment by regional strategic programs.

What Unaddressed Issues Came Up

Two “parking lot” items were deferred to future discussion:

1. How do we best coordinate and create synergy among 41 coordinators?
2. What is the genesis of the matching system, and what value is being achieved?

Workshop Participants

Paul Cereghino (NOAA, facilitating), Kim Harper (King County), Kit Crump (Snohomish County), Carrie Byron (PSP), Tim Gates (ECY), Rebecca Brown (ECY), Linda Lyshall (Snohomish CD), Kathleen Pozaryci (Snohomish County), Kat Moore (RCO), Kathleen Burger (Pierce County), Kristin Williamson (South Puget Sound Salmon Enhancement Group), Amy Hatch-Wineka (WRIA 14), Laura Ferguson (PSP),

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Figure 1 – The assumed values of our ultimate customer: the public's representatives



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Figure 2 – The assumed needs of downstream processes served by written applications.

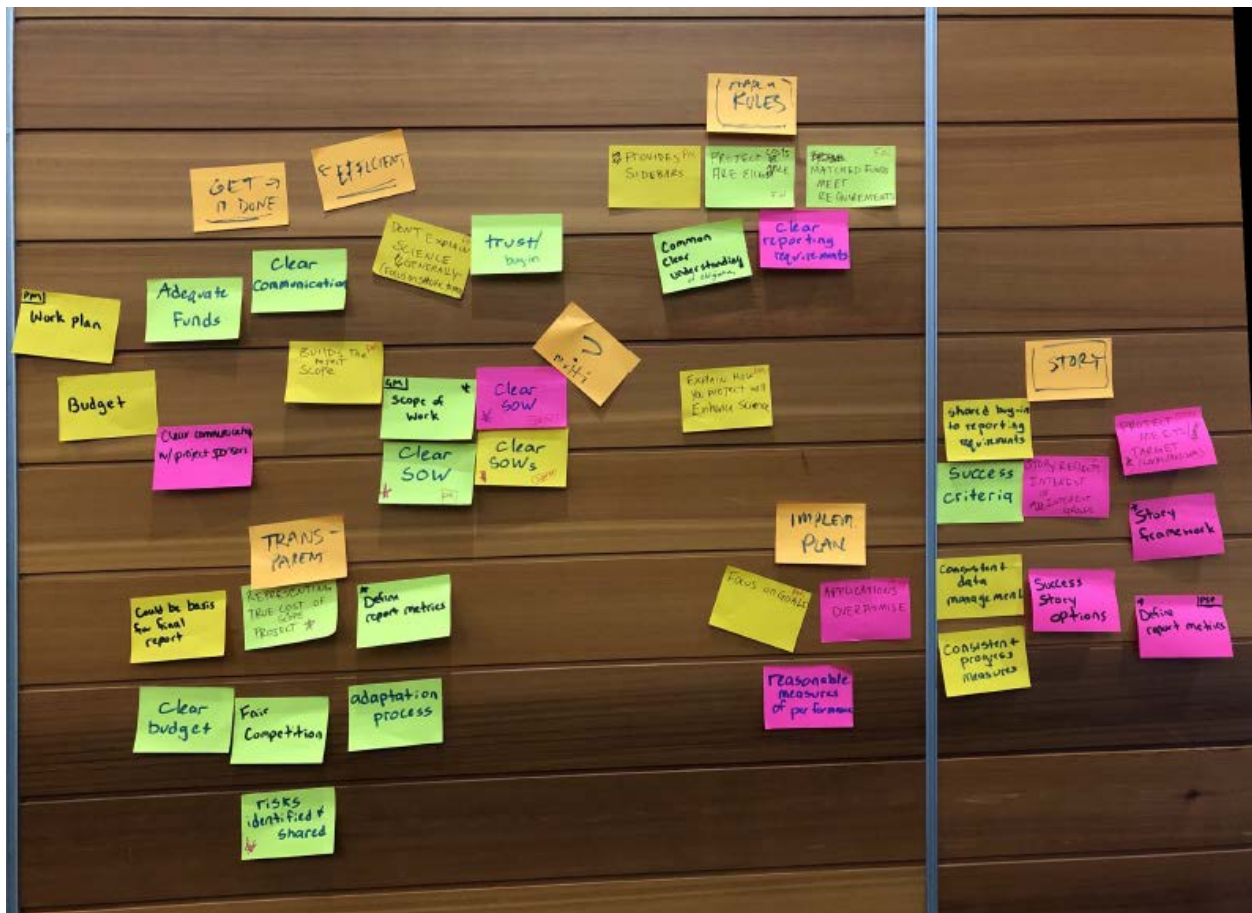
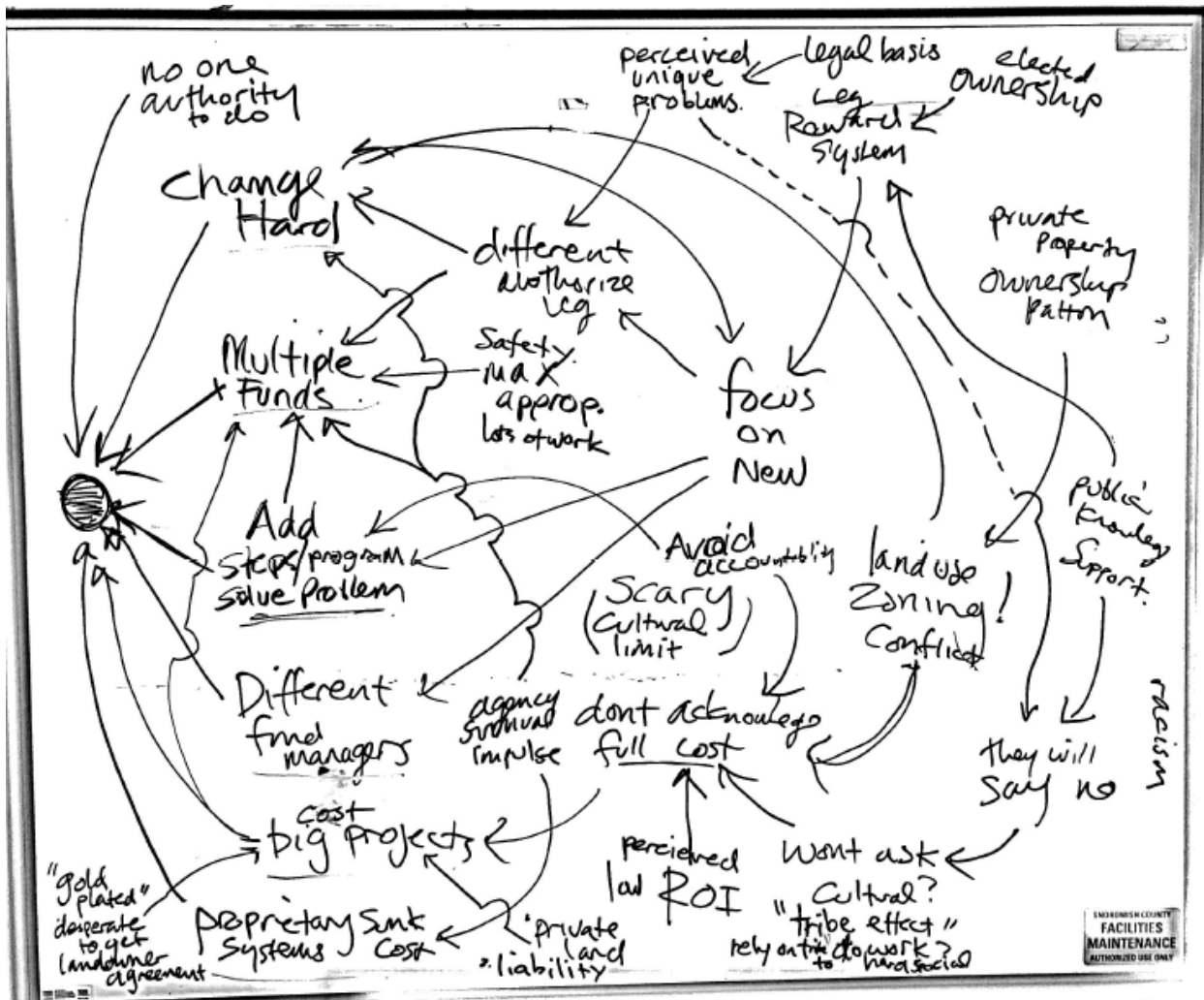


Figure 3 – Components of a written project description, categorized by relative stability over time.



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Figure 4 – Root cause analysis of existing system of redundant application and project description.



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Figure 5 – Synthesis of three versions of a three-part alternative funding system, that shifts competitive review from the individual application, to the local investment plan.

