



## **Change<sup>2</sup> „Achieving more together“** **Comprehensive Change-Management for a Large Municipality**

*Ulrich Hörning – Head of Administrative Reform, City of Mannheim*



# CHANGE<sup>2</sup> - Achievements up to now:



- **Savings at the top:** reduced number of vice-mayors from 5 to 4. Aligned policy areas for synergies.
- **City Council:** cut number of committees from 22 to 11; corresponding to new department structure
- **Civic participation:** achieved up-front consensus document with City Council on principles for citizen involvement
- **Linking strategy and budgets:** 2012/2013 budget will include management targets for the first time
- **Dialogue:** Lord Mayor's quarterly employee dialogue (30, randomly selected)
- **Guidelines and feedback:** quarterly "climate-check" on organization and compliance with guidelines for leadership, communication and cooperation
- **Program management:** successfully completed 20 projects out of the 36 masterplan projects (period 2008-2013) <



# Mannheim<sup>2</sup> - City of Squares / „Quadrante“



## City of Mannheim

- Founding of the city in 1607 in planned grid layout → “Quadratestadt”
- Today: 325' population in 24 city districts
- Located at the confluence of the Rhine and the Neckar rivers
- Metropolitan city of the tri-state area of Baden-Württemberg, Hessa and Rhineland-Palatinate



# Change<sup>2</sup> - Achieving more together



i

## Motivation: Why Change<sup>2</sup>

ii

## Change<sup>2</sup>: Architecture of the programme

I

Strategy, targets and outcome-orientation

II

Sustainable finances via fiscal management and strategy-based budget

A

Change of structures and processes

B

Comprehensive leadership, culture and dialogue

C

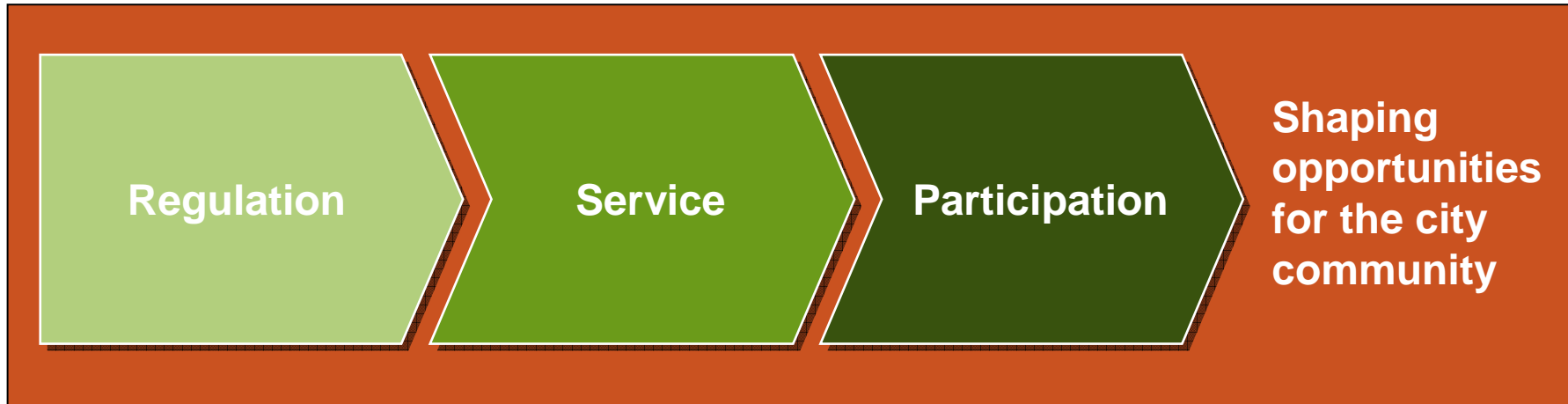
Medium- and long-term programme management

iii

## Summary and points for discussion



# Shaping opportunities for citizens is the key motivation for Change<sup>2</sup>



- Reform program anchored in 2007 election manifesto of current Lord Mayor
- „Citoyen“ in the focus instead of „citizen-customer“
- Political priorities instead of tyranny of „everything is important“
- Organisational culture and leadership instead of simple cost-cutting



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# CHANGE

2

**Gemeinsam mehr bewirken.**

<b>Gemeinsam</b>	Achieving
<b>mehr</b>	more
<b>bewirken.</b>	together.



# Change<sup>2</sup> - Architecture of the programme





# Change<sup>2</sup> - What's inside?



**I** 7 Strategic Targets, Strategic Steering Unit, Department Management-Targets, MIS, etc.

**II** Budget Consolidation Programme 2010-2013, "Traffic Light" Budget-Monitor, Strategy-Based Budgeting 2012/13, etc.

**A** (a) Improve democratic participation: reform of City Council, participatory processes, etc.  
(b) Sectoral Strategies: economic promotion, talent attraction, cultural development & ECOC 2020+  
(c) Administrative: Receivables, procurement, HR systems, etc.

**B** New dialogue formats, annual employee surveys, quarterly "climate checks", guidelines for leadership, communication and cooperation, new employee magazine "magma", etc.

**C** Change-Management Team FVA 2013  
  
Unified project methodology for execution of projects

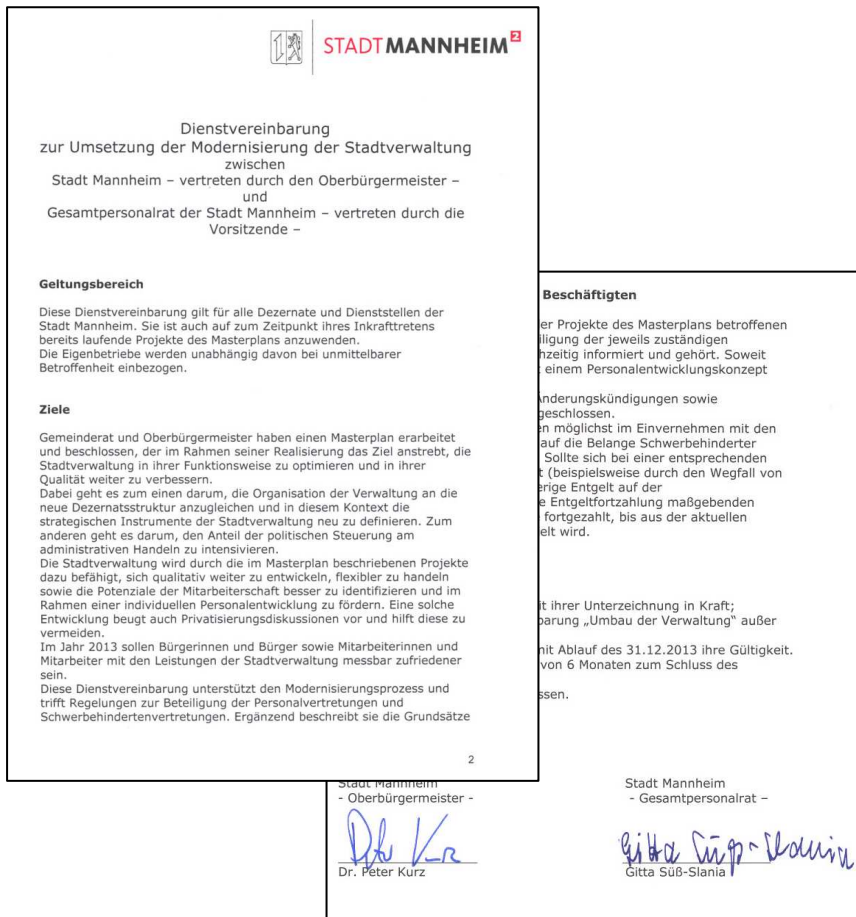
Co-responsibility for implementation with line leadership

Set up of new functions such as "Management Development Competence Center" and "Bureau for International and European Affairs", etc.





# Providing a secure frame: no-redundancy agreement with municipal staff council / union



## Agreement with General Staff Council

- Outlines general rules for conduct of modernization process
- Secures no-redundancy and no-demotion policy for city employees during the course of the process
- Regulates maintenance of pay in case of change of job
- Regulates participation of city wide vs. service-specific staff councils in projects



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***Derek Vaughan (MEP)***

*Member of the  
Progressive Alliance of  
Socialists and Democrats  
in the European  
Parliament for Great  
Britain*

***With its focus on impacts and results, the CHANGE<sup>2</sup> process is a valuable method for achieving sustainable city development. Mannheim, which has a special relationship with the Welsh city of Swansea, provides an excellent example of linking general city development to the application for the European Capital of Culture. Other European municipalities can learn a great deal from Mannheim's success.***

# City of Mannheim: 7 strategic targets



**Mannheim, Germany's most compact metropolitan city, continues to grow and develop as a multi-faceted, tolerant, and colourful city. Mannheim specifically regards itself as a city of active and involved citizens, a citizen's city.**

## **Strengthening urbanity**

*"With an ecologically and socially balanced urbanity, Mannheim offers the advantages of a metropolis in a compact city area. Mannheim avoids the negative attributes of mega-cities"*

## **Attract, develop and retain talent to an above-average degree**

*"Mannheim is establishing itself as a city of talents and education and is gaining more people"*

## **Increase the number of companies and (qualified) jobs in Mannheim**

*"Mannheim is attracting an above-average number of companies and entrepreneurs"*

## **Preserve tolerance, live together**

*"Mannheim is a model of living together in a metropolis"*

## **Raise the education standard of the children, young people and adults living in Mannheim**

*"Mannheim is a model of educational equality in Germany"*

## **Successfully implement the core projects "Cultural Capital 2020" and the Creative Economy master plan**

*"Mannheim is among the top cities with a reputation for urban culture and a creative economy"*

## **Strengthen and intensify civil commitment and involvement**

*"Mannheim's inhabitants display an above-average level of civic involvement and receive support from the city"*

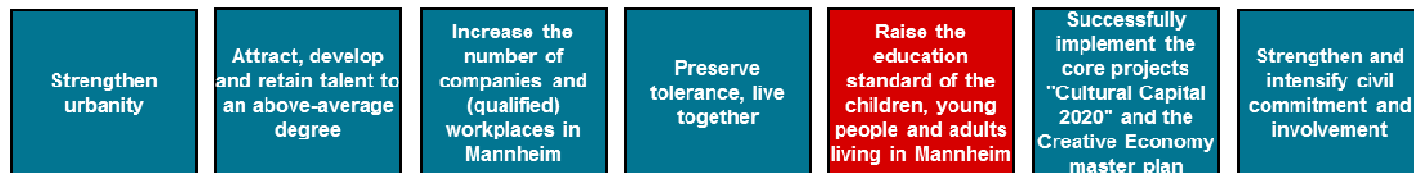


# New steering model for administrative units: breakdown of targets based on strategy (example)



## Strategic objectives

Mannheim, Germany's most compact metropolitan city, continues to grow and develop as a multi-faceted, tolerant, and colourful city. Mannheim specifically regards itself as a city of active and involved citizens, a citizen's city.



## Vice-Mayor for Education, Youth, ...

No.	Main focal themes	Responsibility for implementation at departmental office level
1	Every child has a qualified school leaving certificate	Department 51 (Youth) Department 40 (Education)

## Youth Service (51)

## Education Service (40)

No.	Management goals	Key figures	Target	Measure	Respon.
2	Every child has adequate German language skills to understand the lessons before starting school	Rate of passed language tests at the pre-school examination	100% (by 2016)	Institution of language learning classes at all nursery schools	...
3	Decrease in the number of pupils repeating a year in secondary stage I	Rate of pupils repeating a year at the different levels of schools into secondary stage I (years 5-10)	1-2% (by 2016)	Extension of Mannheim's school support system to cover other schools, all-day schools	...

Excerpt from target system



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***Dr. Nils Schmid***

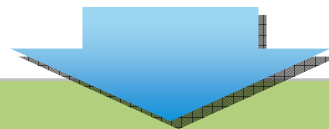
*Vice-Minister President  
and Minister of Finance  
and Economic Affairs of  
Baden-Württemberg*

***Strategic targets and impact-orientation are core elements of the Mannheim CHANGE<sup>2</sup> program. In the face of grave fiscal challenges, CHANGE<sup>2</sup> is a very good example for good public leadership and management in our state of Baden-Württemberg.***

# Responding to the financial crisis, Mannheim chose a two-pronged approach



- **Crisis Response:**  
Installation of traffic-light based budget monitoring tool
- **Medium-Term:**  
Strategy-Based budgeting based on operational targets



**Mannheim avoided being placed under state budgetary supervision and did not have to raise taxes on local citizens and businesses.**



# „Traffic Light Report“: Monthly budget monitoring tool



## Quarterly Publication of Results

**Public Report**

**Informationsvorlage** **STADTMANNHEIM**  
Der Oberbürgermeister

Dezernat I	Az. 20.11	Datum 14.09.2010	Nr. 461 / 2010
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**Betreff:**  
**Dreivierteljahresbericht 2010**  
Entwicklung der Einnahmen und Ausgaben des Verwaltungs- und Vermögenshaushalts

Überblick über den aktuellen Stand des Haushaltsstrukturprogramms 2010

Betrifft Antrag/Anfrage Nr. \_\_\_\_\_ Antragsteller/in: \_\_\_\_\_

Beratungsfolge	TOP	Sitzungstermin	Öff.	N.O.
1. Hauptausschuss	01.01	05.10.2010	x	
2. Gemeinderat	02.00	12.10.2010	x	
3.				

Einladung an Bezirksbeirat/ Sachverständige

Finanzielle Auswirkungen ?  ja  nein

## Traffic Light Reporting System

B Wesentliche Vorhaben aus Sicht der Verwaltung

Nr.	Projekt	Maßnahmen / Berichtspunkte	Vol. (T€) 2010 - 2013	Status	Veränderung
200	Schwerpunktebewachung KCCD, Wartungsgebühren	Lauf. Aufgrund Verwaltungsverhältnisse sowie eingeschränkter Sachverhältnisse im ersten Quartal keine Erfüllung der geplanten Fälligkeiten. Kompensation durch verstärkte Überwachung in den Restmonaten und Auflegen eines Projekts "Reduzierung der Fälligkeiten und Optimierung der Kommunikationsebenen" vom 31.12.09 "1000" und 31.12.10 "Überwachung ruhender Verkehr" Projekt ist am 01.07.2010 gestoppt. Maßnahmen: Durch GR-Beschluss vom 27.07.2010 Beschlussempfehlung 335/2010 wurde festgelegt, eine Gebühr nur bei verachtbarabhängigen Vorfallkontrollen sowie bei verachtbarabhängigen Vorfallkontrollen mit Beanstandung zu erheben. Eine Hochrechnung ist aufgrund fehlender Erhebungsdaten erst nach zwei Monaten sinnvoll. Vorziehen der Anpassung des Gebührenverzinsungssatzes im Vierjahreszeitraum auf Mitte 2010 zur Teilkompensation der Ausfälle. Der Gemeinderat hat das neue Gebührenverzeichnis am 27.07.2010 beschlossen (B-Kommission 335/2010).	3.801,7	gelb	
202	Grundstücksenke	ÖPNV Status "grün" / "schwarzer Status (gelb)" / Kurzwartungsgeschlossene Verhandlungen sind aufgenommen. Ob Vertragsabschluss noch im Jahr 2010 erfolgt, ist unsicher. Stöcker Schule "rot" / Theodor Heuss Schule "rot"; Ausweisung geplant nach entsp. Verlagerung der Schulfunktion. Auch wenn davon auszugehen ist, dass die Aufgabe der Schulstandorte (siehe Stadtkonzept A.010) im vorgegebenen Zeitrahmen möglich ist, ist der Zeitraum für die Verwertung der Grundstücke und den Eingang der Erlöse knapp, daher wird der Projektstatus hier rot eingeschätzt.	15.100,0	rot	↓
205	Ausbau Ganztagesbetrieb	Planungen zur Einrichtung von Ganztages-schulen. Die Ganztagsgebäude für 50% der Schüler. Nächste Maßnahmen Vogelstang-schule und Uhlandschule. Zum 01.09. wurde der Hof der FB 51 an der Uhlandschule von FB 40 übernommen. Die Schule wurde statisch überprüft und saniert, so dass einer Nutzung nicht mehr im Wege steht.	20.350,0	grün	↑
206	Einnahmen Kiga-Gebühren	Schrittweise Schließvermeidung bis 2013 auf der Grundlage der Beschlüsse aus den Erhebungen 2010 (Anpassung an Empfehlung Statistischer unter Berücksichtigung von Bestandsschutz, ausgeweilter Vergünstigung für Wohnungseigentümer und altes betragliches Regelhaushaltsjahr	27.300,0	grün	

17

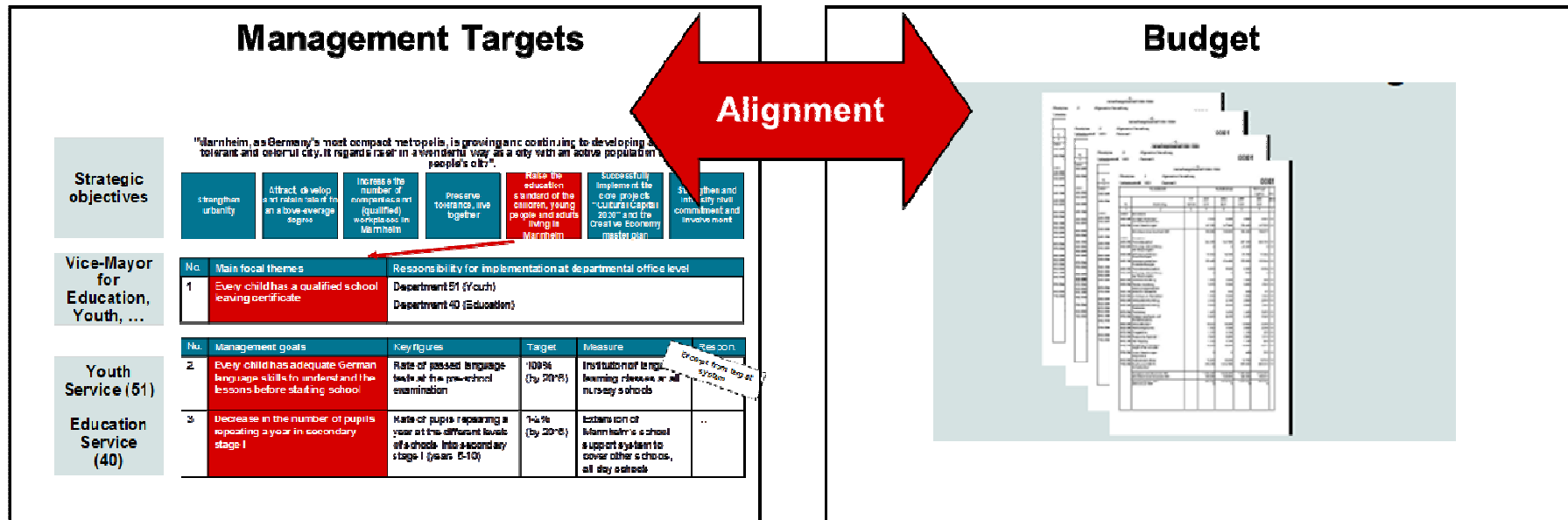
e.g. sale of real estate

Worsening of status

Improvement



# Budgeting cycle 2012/2013: Strategy-based budget



- Budgeting on basis of operational management targets
- Alignment with 7 strategic targets ensured through intensive workshops with department leadership



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***Dr. Isabella Proeller***

*Professor, Faculty of  
Public and Nonprofit  
Management, University  
of Potsdam*

***Municipal leaders in Mannheim have recognized that city administration cannot be changed simply via structures and instruments. Organizational culture and leadership play a central role. This perception was thoroughly integrated right from the start into the reform concept. Concrete and well-balanced measures were put into practice for culture change and organizational development.***

# „Project master-plan“: mandated by City-Council and focused on operational and structural topics



Example

Übersicht Zeitplanung Vorhaben (Stand 11/2011)

Vorhaben	2008 komplett	2009 komplett	2010				2011				2012				2013				Umsetzungsmodus gem. GR-Vorlage 876/2007					
			I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	Projektgruppe	Linienprojekt	strat. Projekt			
<b>Laufende Projekte</b>																								
Nr. 1 f)	Aufbau Management Information System																				x			x
Nr. 5	Kulturhauptstadt 2020																					2020		x
Nr. 9	Stärkung Bürgerrot + bürgersch.Engagement																							x
Nr. 10	Personalentwicklung und -beschaffung																							x
Nr. 13	Qualitätsmanagement																							x
Nr. 17	NKFR																							x
Nr. 24	Neuausrichtung Informationstechnologie																							x
Nr. 26	Förderungsmanagement																							x
Nr. 28	Synergien Friedhof/FB 68																							x
Nr. 29	Bürgerdienste: Produkte, Struktur, Optimierung des Serviceangebotes																							x
Nr. 31	Strat. Anforderungsprofil für Führungskräfte																							x
Nr. 32	Führung und Kommunikation																							x
Nr. 35	Betriebliches Gesundheitsmanagement																							x
<b>Projekte in der Implementierung</b>																								
Nr. 1 a) d) e)	Konzept Strategische Steuerung																							x
Nr. 1 c)	Projekt strat. Beteiligungsmanagement																							x
Nr. 4	Neue wirtschaftspolitische Strategie																							x
Nr. 8	Stadtelienorientierung der Verwaltung																							x
Nr. 16	Weiterentwicklung Vergabewesen																							x
Nr. 18	Aufbau Beteiligungscontrolling																							x
Nr. 19	Immobilienmanagement																							x
Nr. 33	Talentsstrategie/Stadmarketingstrategie																							x
<b>Abgeschlossene Projekte</b>																								
Nr. 1 b)	Gesamtsstrategie Stadtverwaltung																							x
Nr. 6	Reform Gemeinderatsarbeit																							x
Nr. 7	Reform Bezirksbeiratsarbeit Teil I																							x
Nr. 11	Integrationskonzept																							x
Nr. 14	EL-Dienstleistungsrichtlinie																							x
Nr. 19 b)	Baukompetenzzentrum																							x
Nr. 20	Offentlichkeitsarbeit																							x
Nr. 21	Neugestaltung Org. Kinder, Jugend, Schule																							x
Nr. 22	Schnittstellenoptimierung im Sozialbereich																							x
Nr. 23	Wohnen/Stadterneuerung																							x
Nr. 25	Rechnungstellen																							x
Nr. 30	Personal-Organisation																							x
Nr. 36	Internationalisierung																							x
<b>Noch zu startende Projekte *</b>																								
Nr. 2	Leitbild Stadtverwaltung																							x
Nr. 3	Leitbild Stadt Mannheim																							x
Nr. 12	Diversity-Management																							x
Nr. 15	Zusammenarbeit in der Metropolregion																							x
Nr. 27	Neuorganisation der Finanzverwaltung																							x
Nr. 34	Allg. Dienstw. Geschäftsanweisung (AGA)																							x

■ Konzept- und Projektphase  
■ Implementierung  
■ Qualitätsicherung

\* Wenn Umsetzungsmodus offen, dann noch Entscheidung entsprechend GR 675/2007 (S. 15)

## Project master-plan

- Mandated by City Council
- Operational and strategic projects (e.g. economic strategy for the city, improvement of receivables-management, reform of City Council, etc.)
- Line leadership responsible for execution / central monitoring of progress
- General experience: projects take longer than planned



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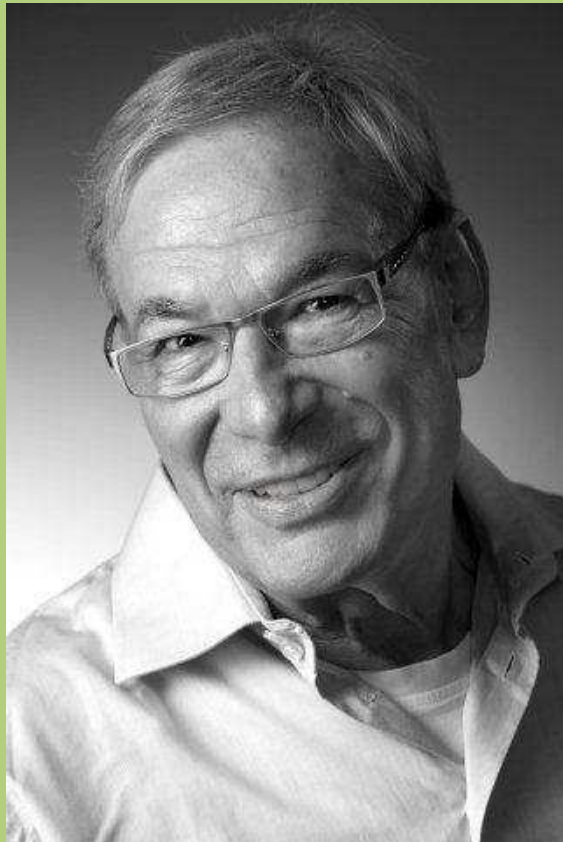
**B Comprehensive leadership, culture and dialogue**

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***Prof. Gerhard Banner***

*Director emeritus, Local  
Government Management  
Association (KGSt)*

***CHANGE<sup>2</sup> targets a blend of leading-edge city administration with the promotion of civic belonging and pride. The venture is strikingly ambitious, and organizing political support and sustained top management commitment was part of the challenge. The Mannheim experience will likely become a benchmark for up-to-date city governance".***

# New formats for dialogue and communication promote cultural change within city administration



## Dialogue and Communication Initiatives

- Lord Mayor's employee dialogue (30 randomly assigned employees / quarter)
- Employee magazine „magma“ (printed copy for every employee)
- Employee survey (annually)
- Climate Check (quarterly)
- VeränderBAR (mobile espresso bar)
- Leadership circle
- Dedicated dialogue group of Lord Mayor with works council representatives
- Regular newsletters to employees
- ... and finally: Change<sup>2</sup> theatre-play at Nationaltheater Mannheim



# Town hall meetings for employees on Change<sup>2</sup> and management targets: dialogue for all



## Town-hall meetings on Change<sup>2</sup> and departmental targets

- Every employee of the City of Mannheim had the opportunity to participate in one of 45+ town hall meetings
- “Targets on your desk”: Every employee received a foldable paper tower with 7 strategic targets and department targets
- Dialoge groups (15 participants max) in all events
- Mandatory documentation of questions / remarks
- Responsibility of line leadership to present management targets and answer questions from employees



# Coded culture: guidelines for leadership, communication and cooperation



## Guidelines for Leadership, Communication and Cooperation

- Joint understanding of management team, extending towards staff
- Mission and picture of self
- Future aim: Become one of the most modern city governments in Germany
- Understanding of leadership
- Communication and Cooperation
- Guidelines already relevant for hiring / promotion of management personnel
- „Pocket version“ for all employees



# „Climate Check“ with all employees every quarter: implementation of guidelines monitored



Knowledge:  
„Do you know the  
guidelines?“

Implementation:  
„Are the guidelines  
implemented?“

Forecast:  
„Is it getting  
better?“



Post-Card /  
E-Card (front)

**KLIMACHECK**

Wie bekannt sind Ihnen die Leitlinien für Führung, Kommunikation und Zusammenarbeit der Stadtverwaltung Mannheim?  
 sehr gut  gut  teils-teils  kaum  gar nicht

Werden Ihrer Ansicht nach die Leitlinien in Ihrem Arbeitsbereich umgesetzt?  
 ja  eher ja  teils-teils  eher nein  nein

Wie wird sich Ihrer Ansicht nach die Umsetzung der Leitlinien in Ihrem Arbeitsbereich in den nächsten 3 Monaten entwickeln?  
 besser  eher besser  gleichbleibend  eher schlechter  schlechter

Bitte geben Sie Ihr Geschlecht an:  männlich  weiblich

Mein Fachbereich / Eigenbetrieb / Amt heißt:  
 \_\_\_\_\_

und hat die Amtskennziffer: \_\_\_\_\_

Hauspost:  
 Porto zahlf.  
 Empfänger

*Universität Mannheim*

*Poststelle*

*Stichwort: KiMA-Check*

*L1, 1 - 68131 Mannheim*

Post-Card /  
E-Card (back)



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***Cornelia Rogall-Grothe***

*Undersecretary of State at  
Federal Ministry of the  
Interior, Berlin*

***The CHANGE<sup>2</sup>-Project  
in Mannheim [...] is  
exemplary for an outcome-  
oriented way of thinking.***

- **The Administration Architecture 2013 working group (FVA 2013) was set up on February 1, 2008 under the auspices of the Lord Mayor to**
  - ... support, coordinate and accompany the complex overall project, "Administration Modernisation 2008 - 2013".
  - It is the coordination centre between the single schemes and projects belonging to the master plan and the project control group.
  - Under the leadership of Mr. Ulrich Hörning, the FVA 2013 comprises 9 project specialists (all recruited from city staff)
- **Additional implementation resources were established with:**
  - Staff unit "Strategic Steering"
  - Management Development Competence Center
  - Office of International and European affairs
  - ...





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# Key points and learning items



- **Leadership matters!**
- **Have a master-plan, but don't overload it.**
- **Make clear what does not change.**
- **Language. Language. Language.**
- **Install dedicated team to manage change but require line management early on to take on central role in communication towards staff.**
- **Have a clear conceptual plan in the background – but focus communication to staff on day-to-day behaviour and practices.**
- **Never adopt instruments from business uncritically.**
- **Make change measure-able (→ don't forget the baseline survey!)**
- **... more?**



Thank you



City of Mannheim

Lord Mayor's Office – Administrative Reform Unit (FVA 2013)

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