CEO ENGAGEMENT OPTIONS FOR DISCUSSING STRATEGIC ISSUES AND SHARING BEST PRACTICES

FINAL REPORT

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ABSTRACT

This report presents the results of a study of options for engaging state DOT CEOs in the discussion of strategic issues and the sharing of best practices in strategic management. The study documented existing mechanisms for state DOT CEO interaction and information exchange, conducted a literature search to identify current research on CEO networking in the private sector, and scanned current practices in executive information services. In addition, current state DOT CEOs were surveyed on their preferences for engaging other CEOs and for gathering information on strategic management issues. A subgroup of CEOs was also interviewed for their reaction to preliminary recommendations developed during this study. The final recommendations and implementation plan include a menu of options in the areas of information resources, forums and discussions, and information exchange, and suggest an initial 24-month pilot project where selected options are implemented in a coordinated effort.
SUMMARY

This study conducted research on mechanisms that could facilitate sharing and interaction among state DOT CEOs on strategic management practices. Person-to-person engagements, the development and dissemination of information, and technologies to allow information exchange were investigated. The study also surveyed CEOs on their preferred mechanisms of learning about best practices and discussing emerging issues in the areas of strategic management and leadership.

These findings were used to develop a recommended menu of options for CEO discussion of strategic issues and sharing of best practices in strategic management. In the area of information resources, recommended options include a periodic electronic newsletter for CEOs, a Web site devoted to strategic management issues, and the synthesis of strategic management news related to issues of concern to DOT CEOs. In the area of CEO-to-CEO interaction, recommended options include continued CEO discussions at AASHTO-sponsored events, national and regional CEO forums focused on strategic management issues, and opportunities for informal discussions and interactions at events where CEOs are participating. A third set of options focuses on the use of technology to facilitate information exchange among CEOs. These options include teleconferencing, videoconferencing, listservs, online discussion forums, search mechanisms, and knowledge products developed by an advisory service in response to individual requests.

In order to begin offering the most promising options for CEO sharing and learning about strategic management experiences, a 24-month pilot project is suggested as an initial implementation phase. There should be ongoing evaluation by CEOs and others of the services provided and of the technologies and delivery mechanisms during this period. This initial project should also include a component to identify ongoing funding and staff support necessary to maintain these services. Seven options are recommended for inclusion in the pilot project:

1. CEO E-news
2. CEO Web site
3. CEO news summaries
4. CEO leadership forum
5. CEO regional forums
6. Videoconferences and teleconferences
7. Advisory service
CHAPTER 1
INTRODUCTION

In 2000, TRB sponsored a workshop for state DOT CEOs on strategic management issues facing their organizations. A product of the workshop, TRB Circular 501, identified research needs that have since guided the NCHRP 20-24 project panel. The popularity and ideas generated from the workshop led the panel to provide funding for an additional workshop in May 2003, the CEO Leadership Forum. This forum addressed the changes that DOTs were facing in both leadership and business practices, focusing on three areas: strategic leadership, program delivery, and system operations. There were 21 action items identified that would help address the needs of the CEO leaders in these focus areas.

One of these action items proposed establishing new forums for state DOT CEO engagement and for exchange of ideas and experiences. The outcome from this action would be “stronger synergy among CEOs and the saving of time and effort by having learned from others’ experiences.”(1) Given the high turnover in DOT CEO service, forum participants expressed a desire for a menu of options to facilitate and guide new CEOs on how to best get information from the experience of others. Participants also believed there would be an added benefit of introducing new perspectives to more experienced CEOs.

The NCHRP 20-24 project panel members placed a high priority on this proposed action item. They provided funding for a study—Project 20-24(38) titled “CEO Engagement Options for Discussing Strategic Issues and Sharing Best Practices.” This report is the result of that study. It explores options for creating an open and effective dialogue and for sharing information among state DOT CEOs on strategic management and leadership issues.

Strategic management in this report is defined as how a leader and his or her top staff deal with their organization’s strategic issues. These strategic issues may be externally or policy oriented, such as transportation finance or political governance, or internally oriented, such as an aging workforce. While there is research on policy and organization trends that CEOs and their staff can access, there is less information on how leaders and organizations are dealing with these
issues—their leadership strategies, strategic planning, organizational positioning, community involvement, political relationships, and so on. And there are even fewer opportunities for them to share their practices and learn from each other. This is what CEOs have indicated they want, and this report suggests several options.
CHAPTER 2
CEO INTERACTION AND SHARING

This chapter identifies mechanisms for initiating CEO interaction and sharing. Current efforts to engage state DOT CEOs by various organizations are discussed. A review of the current state of the practice for facilitating the exchange of ideas among leaders of large and influential organizations follows.

EXISTING INTERACTION OPPORTUNITIES FOR STATE DOT CEOs

State DOTs are large and complex organizations, responsible for constructing and operating state transportation systems, which also serve as part of a national transportation network. Political, institutional, economic, work force, and technological change continually challenge their leaders. Most DOT CEOs are politically appointed to their positions, leading to a high rate of turnover, particularly following an election cycle. The average term for state DOT CEOs is less than two years. Incoming CEOs may or may not have held a previous position within the department that they will lead. In this environment, a number of efforts have been initiated to help CEOs interact with and learn from each other.

American Association of State Highway and Transportation Officials (AASHTO)

As the association that represents state departments of transportation, AASHTO provides a variety of opportunities for CEOs to interact and exchange information and ideas. The leaders of the DOTs for the 50 states, the District of Columbia, and Puerto Rico serve as the organization’s board of directors. AASHTO holds two national meetings per year, in the spring and in the fall, where the board is convened to conduct business on behalf of the organization. In addition to the business meetings, AASHTO has instituted special sessions at these meetings, called CEO Roundtables, around specific issue areas. CEOs hear brief presentations on a particular issue and then are engaged in a dialogue about how it impacts their state or how they are working to address it.

Each February, AASHTO holds a Washington briefing for state DOT leaders and their
staffs. These briefings focus attention on federal transportation-related legislative activities and initiatives, and provide an opportunity for DOT leaders to meet with the congressional leaders and staff of the United States Senate and House of Representatives transportation committees as well as their own state’s delegation. This also presents an opportunity for CEOs to learn from each other.

AASHTO sponsors orientation sessions for new CEOs to introduce them to AASHTO’s services and benefits, and to help frame the national context in which these CEOs and their states operate. In order to maximize the benefits of travel and time, these sessions are generally held in conjunction with other AASHTO events, including the national meetings and the Washington briefings.

AASHTO meetings afford state DOT CEOs the chance to meet, establish relationships, and begin to form a network of colleagues who share common experiences. However, the formats do not lend themselves enough to the frank sharing of concerns, exchange of information, and problem solving that CEOs have suggested they value. They also are often more focused on transportation policy issues, such as federal reauthorization, than on the strategic management challenges they face in their organizations.

2000 Workshop and 2003 Leadership Forum for CEOs

There have been two efforts in recent years to bring state DOT CEOs together to focus on management, leadership, and strategic issues. In 2000, the Transportation Research Board of the National Academies (TRB) sponsored a workshop for CEOs to discuss strategic issues and research needs, particularly directed at managing change within DOTs. The structure of the workshop was designed to concentrate the attention of the participants on defined topics and to engage them in peer-to-peer discussion and dialogue. Twenty CEOs attended the workshop with a total of 35 states represented by their CEOs or senior staff. Participants who attended the workshop commented on the positive experience that they had at the workshop, particularly on the opportunity for peer-to-peer exchange. The research needs identified at the workshop were used to define research initiatives funded by the National Cooperative Highway Research Program (NCHRP) 20-24 project panel.
In response to the popularity of the 2000 workshop and the ideas it generated, TRB, AASHTO, and the Federal Highway Administration sponsored the 2003 CEO Leadership Forum, funded by NCHRP. This forum focused on three topics: strategic leadership, program delivery, and system operations. CEOs and senior staff from 25 states participated in this exchange, which led to the development of 21 action items to address the needs of CEOs. One of these action items proposed establishing new forums for state DOT CEO engagement and new ways to exchange ideas and experiences.

STATE OF THE PRACTICE IN EXECUTIVE NETWORKING AND LEARNING

A literature search revealed that formal efforts to facilitate the exchange of ideas among leaders of large and influential organizations in the private sector and leaders of organizations that serve the public sector are not well-documented. However, there is a growing awareness among researchers as well as practitioners of the benefits to better understanding the value of sharing best practices and peer-to-peer exchange among leaders in both public- and private-sector organizations.

For example, it is hard to find a business school in the United States that doesn’t offer some type of executive-level training or learning opportunity. These seminars tend to focus on developing the professional skills of an executive, but they increasingly include the chance for executives to share their experiences and seek advice and counsel from one another and from their instructors. Some learning opportunities are industry-focused like the CEO Institute, sponsored by the Credit Union Executive Society (CUES) in conjunction with three renowned business schools (2). Others are for senior corporate executives in general, such as the Leadership for Senior Executives curriculum taught by the Center for Management Research based at Harvard University (3).

How Sharing Information Contributes to the Well-Being of an Organization

According to Rosabeth Moss Kanter (4), networks enhance idea generation and knowledge transfer to solve problems or implement best practices. The best networks meet face-to-face periodically and involve a mix of communication methods. They also cut across business units and geographies, giving people access to useful knowledge not locally available. In
addition, they have: 1) a set of projects with specific goals and measurable results; 2) a status to gain access to resources and management time; 3) a life-cycle, that is fluid and organic; 4) a feeling of being voluntary; and 5) a core of dedicated members and leaders, while others come in and out.

The extent to which networks help or hinder leaders has been studied by Michael L. McDonald and James D. Westphal (5). These authors theorize that relatively poor firm performance can prompt CEOs to seek advice from executives of other firms who are friends or are similar to them, but seek less advice from acquaintances or dissimilar others. They suggest how and why this pattern of advice-seeking could reduce the firm’s propensity to change corporate strategy in response to poor performance. The authors test large sample survey data on the identities of CEOs’ advice contacts and archival data on firm performance and corporate strategy. The results confirm their hypotheses and show that an executive’s social network ties can influence a firm’s responses to economic adversity, in particular by inhibiting strategic change in response to relatively poor firm performance. Additional findings indicate that a CEO’s advice-seeking in response to low performance may ultimately have negative consequences for subsequent performance, suggesting how the CEO’s social network ties could play an indirect role in organizational decline and downward spirals in the firm’s performance. Conversely, they suggest that advice seeking from CEOs in dissimilar situations may have a better chance of improving organizational performance.

Authors Marta A. Geletkanycz and Donald C. Hambrick (6), extend the factors that influence strategic choice by considering the role of an executive’s boundary-spanning ties. Using data from two contrasting industries, the stable and relatively certain branded-foods industry and the dynamic and uncertain computer industry, their research yielded three major findings. First, the external ties of the executive team members contribute to the shaping of organizational strategy, particularly the degree of conformity to the industry’s central tendencies. Second, strategic conformity is relatively beneficial to the organizations performance in uncertain industries. Third, it is generally beneficial for an executive’s external ties to align with, or fit, the organization’s strategy.
This research validates the mission of AASHTO and helps explain the success of the two state DOT CEO events. AASHTO succeeds on all of the factors suggested by Moss Kanter. Participants at the CEO events, who continue to face an increasingly uncertain environment, benefit from sharing experiences and fostering strategic conformity, as suggested by Geletkanycz and Hambrick. These participants—coming from state DOTs across the country that often differ from each other in culture, politics, governance, and current challenges—also benefit from hearing from CEOs in dissimilar situations, as suggested by McDonald and Westphal.

A Private-Sector Example

There are many examples of executive engagement among public-sector associations, including the National Governors Association, the American Public Works Association, and the U.S. Conference of Mayors, but they do not go beyond the types of AASHTO and TRB activities described above. In the private sector, examples are more difficult to find because CEOs, especially in the same industry, are cautious about revealing information to competitors. However, the literature search did yield one successful program for business leaders called The Executive Group.

The Executive Committee (TEC) was founded in 1957 by a group of non-competing business leaders, who began meeting monthly to improve their effectiveness (7). Today, it is an international resource for more than 9,000 chief executives in 15 countries. The mission of the organization is “to increase the effectiveness and enhance the lives of chief executives and those they influence.”

The TEC model includes ongoing professional development, the sharing of best practices, the ability to seek confidential help in critical situations, and daily access to a global brain trust incorporating some of the best current thinking on business issues. TEC members meet for a full day each month with up to 15 other CEOs from non-competing industries. In confidential sessions, members exchange ideas and opinions and give each other the kind of direct, honest feedback they rarely receive within their own companies or from their boards of directors. They also enjoy guest speakers, selected from a database of 1,500 of the world's leading business thinkers. The professionally trained TEC chair facilitates each session and
group experience, then meets privately each month with every member to focus on individual issues and opportunities. Almost half of the chairs are former chief executives and one-third hold advanced business degrees.

The TEC experience is enhanced through MyTEC, a members-only Web site that provides easy access to best practices information, connections to the global TEC community, and problem-solving resources like the TEC Network. This type of model may have many elements that could be of value for state DOT CEOs.
CHAPTER 3
DEVELOPING AND TRANSMITTING CEO INFORMATION

In this chapter, existing methods of tracking and making available information on strategic management practices in state DOTs are identified and evaluated. Current means of developing and transmitting information to state DOTs are summarized, followed by a review of the current state of practice in executive information services.

EXISTING INFORMATION EFFORTS FOR STATE DOT CEOS

American Association of State Highway and Transportation Officials (AASHTO)

AASHTO publishes a weekly newsletter, The AASHTO Journal, which provides information and updates on national transportation issues and highlights activities or initiatives for individual states. The newsletter, published both in print and electronically, is distributed to a broad audience, including state DOT CEOs.

The AASHTO Standing Committee on Quality has established a “Quality Information Center” on the AASHTO Web site. According to its stated policy, the overall goal of the Quality Information Center (QIC) is to provide current and permanent access to successful practices in transportation quality management and organization to the transportation community via the Internet. Information sections are organized around the Malcolm Baldrige National Quality Award principles: leadership, strategic planning, customer focus, information/analysis, human resources, process management, and business results.

AASHTO also offers a customizable transportation portal, which was launched at AASHTO’s annual fall meeting in September 2003. The portal, designed for members, and for the general public through a guest login, is intended to provide a “collection of news and navigation tools organized in an intuitive way that greatly reduces time and energy spent trying to locate specific information.” It gathers information from over 40 AASHTO Web sites, and includes: information about AASHTO committees, products, programs, and events; topical external resources and links; and transportation research. It also contains content and links from...
other transportation sites, including state DOTs and the Transportation Research Board. AASHTO envisions expanding this portal so that “members and committees will ultimately be able to access and use a great variety of online management tools for collaboration, colleague location and contact, and time management.” (9)

**Transportation Research Board**

In 1987-1988, the National Cooperative Highway Research Program funded a project, NCHRP 20-24 *Research Program Design—Administration of Highway and Transportation Agencies* (10). The purpose of the project was to establish a research program to focus on issues and topics that would provide state DOT leadership with information leading to better decision-making and more effective management of their organizations. Based on information collected in surveys and interviews, research project ideas were developed around three main topic areas: resource development, decision support, and financial management.

Since that time, the NCHRP 20-24 program has yielded research reports related to strategic management and leadership on such topics as:

- NCHRP 20-24(2) “Executive Management Information Systems for State Departments of Transportation”
- NCHRP 20-24(9) “State Departments of Transportation—Strategies for Change”
- NCHRP 20-24(14) “Managing Change in State Departments of Transportation” (Note: This project funded initial scan activities resulting from the 2000 state DOT CEO workshop)
- NCHRP 20-24(20) “Using Performance Measures to Manage Change in State Departments of Transportation”
- NCHRP 20-24(29) “CEO Leadership Forum” (Note: This project funded the 2003 forum for state DOT CEOs)

Products from the NCHRP 20-24 program are distributed to all state DOT CEOs. The program has evolved into a valuable option for identifying information gaps and conducting research on strategic management issues that state DOT leaders face.
Federal Highway Administration (FHWA)

Through its Office of International Programs, the FHWA operates an International Technology Scanning Program. As described on their Web site: “Teams of specialists in the specific areas of expertise being investigated are formed and sent to countries where significant advances and innovations have been made in technology, management practices, organizational structure, program delivery and financing. Teams usually comprise federal and state highway officials, private-sector and industry association representatives, as well as the academic research community.”(11)

Once the teams return to the United States, findings are recommended for follow-up with further research and pilot or demonstration projects. Information about the scan findings and results of pilot programs are then disseminated to state and local highway transportation officials and the private sector.

International scans have been an effective way to gather information and knowledge about what is working in other countries and adapting them for implementation in the United States. They continue to address technical issues, but increasingly, they also are focusing on strategic issues facing state DOT leadership.

Other Mechanisms

Some state DOT CEOs designate individuals within their organizations to collect information from news sources to keep abreast of their peer organizations, such as actively seeking state DOT planning documents and research reports, keeping tabs on proceedings and minutes from various national committee meetings, and tracking events that bring CEOs together for information sharing.

The explosion of electronic communications mechanisms, particularly the World Wide Web and e-mail, have made it easier to gather information on particular topics, yet challenges remain. While it is increasingly common to find a current publication, report, or news article electronically, it is difficult to find historical information electronically. The transportation industry, in particular, is challenged by this lack of electronic archiving. Also, there is no
ongoing filter mechanism in place to collect, store, and transmit information on strategic management issues for state DOTs and their leaders.

On an informal basis, however, there is evidence that CEOs and their top staff are often using electronic tools to exchange high-priority information about strategic management issues. AASHTO and others have an opportunity to more formally provide information services, like AASHTO has done with environmental information for state DOTs.

**STATE OF PRACTICE IN EXECUTIVE INFORMATION SERVICES**

There are several examples of information services provided for leaders of organizations in the private sector and of organizations that serve the public sector. These examples offer elements that may lend themselves to the development of customized information services for state DOT CEOs.

**Best-Practice Centers**

The National Governors Association has established a separate arm of their organization called the NGA Center for Best Practices, whose mission is to “help governors and their key policy staff develop and implement innovative solutions to challenges facing their states.”(12) Their services include tailored technical assistance, identification and sharing of best practices, and exploring emerging national trends. They deliver these services through: conferences, workshops, and policy forums; a weekly electronic magazine highlighting the latest information on trends, policies, and issues; and a strong, up-to-date Web site featuring the availability of all of their publications online. All of the information is organized around five main topic areas, each with a primary staff person and which allow for easy searching capability. It serves as a one-stop shop for information.

**Password-Protected Web Site Portals**

As described previously, The Executive Committee (TEC) is an international resource for more than 9,000 chief executives in 15 countries. In addition to their TEC program focusing on face-to-face interaction, they also offer a comprehensive, password-protected Web portal called MyTEC. Features include: an online library that offers over 4,000 articles and best-practice
modules on a wide array of business topics; the ability to request information and solicit advice confidentially from the member network; the opportunity to share strategic and tactical information with non-competing peers across regional and national borders; and online forums where any member can initiate a discussion on a topic and receive feedback from a worldwide network.

The following quote from their Web site highlights the philosophy behind this resource:

MyTEC was created after research showed that TEC members were concerned about competing more effectively in the global economy. CEOs and senior managers also felt they were top targets for a daily deluge of information from many sources, much of it wasting precious executive time. They wanted a new online approach that would leverage executive time rather than waste it. (7)

Within the transportation industry, the International Road Federation (IRF) is developing discussion forums on restricted-access Web pages. The organization has announced the establishment of issue-oriented councils and plans to use these password-protected forums as well as e-mail for communication among council members (13). They went live with their new Web capabilities in September 2004.

**Video and Web Conferencing**

The World Bank has established the Global Development Learning Network (GDLN), a partnership of distance-learning centers around the world (14). These centers have videoconferencing capabilities, Internet access for Web-based learning, and facilities for face-to-face interaction. These resources allow their clients to conduct consultations with stakeholders anywhere in the world. The GDLN Centers offer logistical and facilitation support in order to assure a successful meeting or event. The GDLN Web site also offers extensive resources and information on distance learning, including how to design effective programs and evaluate their effectiveness.
Advisory Services

Over the years, the World Bank has established an extensive program for Knowledge Sharing (15). One of the key elements is Advisory Services, designed to provide quick and easy access to information, knowledge, and solutions. An inquiry is made for information on a specific topic and answers are provided within 24 – 48 hours. Staff pull together responses from many information sources and gather experience from a range of experts. Information collected is used to answer specific queries and then developed into knowledge products. This knowledge base is then available to respond to future queries. These advisory services are not seen as basic help desks, but instead are brokers that facilitate customers finding what they need. They can put the person or organization making the inquiry in direct touch with the experts, or the documents, that will provide the information to answer their questions.
CHAPTER 4
CEO FEEDBACK ON INTERACTION AND INFORMATION NEEDS

This chapter highlights the desired methods of state DOT CEOs for interaction and use of information services. This information is based on comments from the evaluations of the 2000 workshop and the 2003 CEO leadership forum. In addition, a survey on this topic was conducted with current DOT CEOs in the fall of 2004 and the results are summarized below. (The full evaluation summary is included with this report as Appendix A.) Finally, interviews were conducted with a select group of current state DOT CEOs to obtain their reaction to preliminary recommendations of this study; their comments are also summarized.

REVIEW OF 2000 AND 2003 CEO FORUM EVALUATIONS

Positive feedback from the 2000 CEO workshop and 2003 CEO Leadership Forum supports having peer-to-peer exchanges among state DOT CEOs. The sessions revealed that DOTs face similar issues nationwide (although differing in priority), offering the potential for learning from each other in developing solutions. Opportunities to share problems and solutions with colleagues around the country were consistently identified as the most valuable part of the events. Networking opportunities and the potential for developing partnerships were identified as other valuable outcomes.

Respondents stated that they prefer exchanges in informal, well-facilitated sessions that allow open, adaptable discussion. These discussions are best in small groups settings, which also enhance the potential for networking and the formation of future partnerships. Respondents recommended special outreach efforts to encourage new CEOs to participate in CEO exchanges.

In more specific feedback on these two events for state DOT CEOs, the participants stressed the following desires:

- They do not feel the need to be “trained.”
- They usually can spare at most a day-and-a-half away from their offices and the demands within their states.
- They value candid discussions among trusted peers, without a large audience and with a
minimal number of observers.

- They do not have time to read long studies. Information on trends should be summarized in a readable language and format that focuses on highlights.
- They particularly value learning about and exchanging experiences on how CEOs deal with policy and political challenges.

STUDY SURVEY RESULTS

In October 2004, a survey developed for this study was distributed by AASHTO to current state DOT CEOs. Thirty surveys were returned. The following is a summary of the responses.

Strategic Management Topics

CEOs indicate a high interest in learning about the challenges and strategic directions taken by other state DOTs in the area of transportation financing. Legislative initiatives and program-delivery innovations are other areas of high interest. The respondents also expressed interest in the topics of communications, media coverage, and organizational structure. There were a diversity of other interests in the areas of strategic management and leadership that CEOs would like to see addressed. Individual topics of interest range from succession planning to the effect of alternative-fuel vehicles on transportation funding methods.

CEO Interaction

All CEOs indicate that they value opportunities to interact with their counterparts nationwide. According to the survey, this is done most effectively through AASHTO and associated meetings, roundtables, and small or one-on-one meetings. Of the existing engagement and networking opportunities, regional CEO meetings focused on regional topics of interest are seen as the most valuable. On a national level, the CEO Leadership Forum and AASHTO CEO sessions with limited attendance, as opposed to open attendance sessions, are rated as highly valuable. In line with the previous evaluation results, informal discussions with other CEOs are a preferential form of exchange. Conversely, three-to-five day executive development seminars are not a well-liked option, and such seminars have not been well attended by the respondents.
**Information Resources**

CEOs indicate that they track developments in other state DOTs through information resources such as periodicals, e-newsletters, and Web sites. However, CEOs report that they use analysis reports from their staff more frequently than any publication or newsletter alone. AASHTO newsletters, electronic resources (Web sites and e-mail) and media clippings are all used with moderate frequency. Less emphasis is placed on the importance of TRB publications and FHWA resources. Several CEO’s expressed a need for periodic updates that would brief them on recent innovations and successful program initiatives from other state CEOs.

Sixty-nine percent of CEOs surveyed prefer to get information in both print and electronic formats. Of the remaining respondents, receiving electronic copies only is preferable. The respondents slightly favor receiving information on other state DOT strategies and issues on a monthly basis over receiving them on a quarterly basis.

**CEO INTERVIEWS**

A summary of preliminary recommendations for this study was sent to ten current state DOT CEOs for their reaction. Thirty-minute interviews, in person and by telephone, were conducted with each CEO. Overall, all CEOs expressed positive views about the general initiatives recommended. Their wide-ranging views about the specifics often reflected the preferred learning style of the interviewees. Comments on three areas of recommendations are summarized below.

**Information Resources**

All CEOs were interested in having more information available on strategic management developments and experiences in other state DOTs. Some are already using e-news services on a regular basis. While a few CEOs were enthused about trying new e-news, Web sites, and portals, most were wary of being flooded with information. A monthly e-news tailored for CEOs whose content was stored in an easily searched Web repository, seemed to have the most potential, whether used by CEOs themselves or by their top staff.
Forums and Discussions

All CEOs valued having the opportunity to interact face-to-face with other CEOs. Four themes that all interviewees agreed on are: 1) while there are opportunities to discuss transportation policy issues such as federal reauthorization, there needs to be more opportunity to share strategic management and organizational experiences; 2) they value having one or two of their key staff present, but feel a larger audience inhibits discussions; 3) regional forums on strategic management issues have great promise; and, 4) there needs to be time built into forums for one-on-one, informal conversation, where they can probe about failures as well as successes and discuss the “real story.”

In terms of timing, a promising suggestion echoed by others was to have a national CEO leadership forum alternate every other year with regional forums on strategic management issues. This alternating schedule would provide CEOs with the chance to discuss strategic management issues every year. The regional forums could be scheduled in conjunction with AASHTO regional meetings and could also provide input on topics for the national forums. One suggestion was to have a representative from one region attend another region’s forum and report back, to allow “cross-pollination” of ideas.

Information Exchanges

All the CEOs interviewed, given the constraints on time and travel, were open to new technologies allowing exchange of experiences without having to meet face-to-face. But most were skeptical about electronic exchanges and password-protected Web sites. They either would not have time to use them, or they would be concerned about confidentiality. They were positive about the promise of videoconferencing, and they agreed that Web resources and electronic exchange mechanisms on strategic management issues would be valuable options for their senior staff. They had a mixture of reactions about an advisory service similar to the World Bank’s, but all were open to pilot projects to test new tools.
CHAPTER 5
RECOMMENDED MENU OF OPTIONS AND IMPLEMENTATION PLAN

In this final chapter, the findings from previous chapters are incorporated into a recommended menu of options for enhancing the learning and sharing by state DOT CEOs on strategic management issues. A plan for implementation of selected options as a pilot project with CEOs concludes this report.

RECOMMENDATIONS FOR CEO INFORMATION RESOURCES

A starting point for engagement is for CEOs to be able to access the latest information on topics related to their interests. Three services are recommended below as options.

CEO E-News

Develop a periodic e-news (at least monthly) for CEOs with highlights of key strategic developments in transportation, written in a concise, bottom-line style. This information would also be posted to a Web site and would complement existing news publications, such as the AASHTO weekly newsletter. This CEO E-News would differ from the AASHTO newsletter, the TRB E-News, and other transportation electronic newsletters in that it would focus on higher-level strategic management and organizational issues rather than on research or policy developments.

Here are some sample topic areas based on the CEOs’ suggestions of strategic issues facing their organizations; not all of them would be included in each issue of the e-news:

- Transportation finance
- Strategic planning and goals
- Program delivery
- Performance measures
- System operations and ITS
- Management and organizational change
- Environmental strategies
• Political impacts  
• Community involvement and communications  
• Asset management  
• Work force

Web Site on Strategic Management

Create a Web site expressly for state DOT CEOs on strategic management. This site for CEOs and their staff would be a repository of e-news summaries, state DOT reports, and related articles on strategic management. It would be easily searched for information on a variety of topics. The home page would draw attention to highlights and breaking news, with links to more detail.

One option would be for the site to be “closed,” password-protected, for the CEOs and a few of their designees. Utilizing the existing AASHTO portal would allow development of a site at a lower cost than creating one from scratch. Another option is to target the site to CEOs but have it be open, with the view that the more people who access it, the better. To assure that the Web site is a valued resource, there will need to be resources and clear accountability for updating its information and for its maintenance. Its usage should be tracked and a user survey should be conducted after the first six months of operation to assess user reaction and determine refinements.

Synthesis of Strategic Management News

Continually canvass and synthesize information from several sources that can be summarized in the e-news and posted to the Web site, or be transmitted by other mechanisms. Sources include:

1. Results of CEO discussions and forums  
2. NCHRP 20-24 research results, summarized with a focus on implications for CEOs  
3. CEO presentations and panels at TRB, AASHTO, and other events  
4. Environmental scan information developed by TRB, FHWA, and AASHTO
5. State DOT publications and information, summarized in a “Best Practices” section on the Web, on topics with a high level of interest, such as transportation finance, program delivery, ITS implementation, and community involvement.

It is critical that the writing style used result in short, snappy, bottom-line pieces that allow a person to quickly see an overview and then link to additional detail if desired.

RECOMMENDATIONS FOR CEO FORUMS AND DISCUSSIONS

Gathering state DOT CEOs together for discussion and information exchange has been well received, but it is challenged by the time commitment required for busy leaders. Five formats below are recommended as options.

AASHTO CEO Discussions

Continue existing AASHTO mechanisms for CEO discussions: CEO roundtables, new CEO orientation, and special CEO sessions in conjunction with other AASHTO events. Limit the non-CEO audience that can attend these events. CEOs indicated in the October 2004 survey and in their individual feedback that they prefer small groups, with the option of having one or two members of their staff present for these sessions.

National CEO Leadership Forums

Hold a national CEO leadership forum every other year on one to three focused strategic management topics, building on the one-and-a-half day forums held in 2000 and 2003. The CEOs interviewed indicated in their feedback that this frequency is needed given the turnover of CEOs.

CEOs could be surveyed on potential topics in the early stages of planning in order to help frame the forum’s content and structure. Regional forums could also identify topics. While speakers with expertise in a given area might be invited to help set the stage for the event, the focus would be on the conversation and exchange of ideas among CEOs. Important outcomes for the event would include: a summary or proceedings to be shared with CEOs not in attendance.
and with a broader audience, an action plan for additional follow-up activities, and a strengthening of peer relationships and the CEO network.

**Regional CEO Forums**

Create a regional series of CEO forums to exchange information on strategic management issues and practices, held in conjunction with AASHTO regional meetings. Develop a format that can be customized for each region. Some regions have already initiated CEO sessions during their regional meetings, so there is a starting point in defining what an appropriate framework might be, what types of topics are covered, and the level of participation by CEOs.

The regional discussions should be informal and relaxed, be limited to only CEOs with the option of also having their deputies present, and have key themes documented in a brief summary. An agenda item would be to brainstorm topics to be considered for the next national CEO forum. There also may be the need to discuss regional transportation policy issues in addition to sharing strategic management experiences. Regions could consider inviting CEOs from other regions to participate.

**Distribution of Forum Summaries**

Prepare summaries of selected CEO discussions and forums for immediate electronic distribution by e-news and posted on the CEO Web site. Individual CEOs expressed interest in concise summaries that provide highlights from the discussions rather than detailed meeting minutes. These summaries should be a planned outcome for CEO forums, with a designated writer/editor present who is familiar with the topics being discussed.

**Informal Discussions**

Ensure that all CEO events schedule significant social and break time to allow for informal discussions and relationship building. In their responses to the October 2004 survey, CEOs overwhelmingly cited informal conversations, either in small groups or one-on-one, as being an effective, and often preferred, way to interact with their CEO peers. Implementation of
RECOMMENDATIONS FOR CEO INFORMATION EXCHANGE

In addition to face-to-face discussions, there is an opportunity for electronic, teleconference, and videoconference information exchange by CEOs. The technology is changing rapidly, and not all CEOs have reached a comfort level with this type of exchange, but services can be created to expand current practices and opportunities. Three options are recommended below.

Networking Tools

Provide networking tools such as teleconferencing, videoconferencing, listservs, and online discussion forums for informal discussion and sharing by CEOs. The potential for customizing these tools for regional interaction should be explored. There should also be a process in place to continually evaluate emerging new technology that would reduce the barriers of this type of interaction. CEOs interviewed acknowledge that current use of teleconferencing and videoconferencing has value for small groups if the agenda is focused and the time is managed, but that it falls short of the value of face-to-face interaction.

Search Mechanisms

Develop databases and powerful search mechanisms as part of the CEO Web site to allow, for example, searches on best practices in special topic areas. Locating the CEO Web site on the AASHTO Transportation Portal could be an option to facilitate the development of these databases and search capabilities.

Advisory Services

Develop advisory services (or knowledge services) similar to the World Bank Advisory Service. Response to inquiries would be answered quickly (within 24-48 hours) using information resource and experts, and answers would be packaged into knowledge products for posting on the Web site to be used by others. This could be developed in partnership with AASHTO and with the National Transportation Library (NTL), and could use the regional
transportation knowledge networks initiated by NTL as a resource (e.g. the 11-state Midwest Transportation Knowledge Network). A team of six to eight experienced transportation librarians and AASHTO staff members could be dedicated to providing priority knowledge services and developing information products for CEOs. One of the products could be a directory of national experts in various transportation topics.

IMPLEMENTATION PLAN

In order to begin offering the most promising options for CEO sharing and learning about strategic management experiences, a 24-month pilot project is suggested as an initial implementation phase. There should be ongoing evaluation of the services provided and of the technologies and delivery mechanisms during this period. CEOs will be surveyed and encouraged to provide feedback on these services as part of the evaluation. In addition, a small group of CEOs could act as an advisory body to help guide and evaluate these initiatives.

This initial project should also include a component to identify funding and staff support necessary to offer these services. Potential sources of funding identified in CEO interviews included NCHRP, FHWA, state pooled funds, and subscription fees. The pilot project should also help identify what activities are performed by AASHTO staff, by contractors to AASHTO, or by partners with AASHTO. A CEO advisory group could help identify resources and roles for the most promising activities.

It is recommended that seven options be selected for the initial pilot project. It is assumed that existing AASHTO programs for CEOs will continue, in particular the new format for CEO-to-CEO roundtables used at the 2004 AASHTO Annual Meeting. CEOs interviewed suggested that AASHTO staff build more informal networking time into events that involve CEOs and continue to limit and evaluate the level of participation of non-CEOs in these events. The seven additional activities for the pilot are as follows:
CEO Information Resources

1. **CEO E-news.** An electronic monthly newsletter should be developed for CEOs that focuses on high-level strategic management and organizational issues and features state DOT innovations.

2. **CEO Web site.** A Web site and search mechanisms should be created and maintained as a repository of state DOT strategic management information.

3. **CEO news summaries.** News from CEO strategic management activities and state DOT initiatives should be synthesized for distribution by e-news and the Web site.

CEO Forums and Discussions

4. **CEO leadership forum.** A national CEO leadership forum should be scheduled for spring of 2006, with the goal of having it every other year in the future.

5. **CEO regional forums.** Two or three regions should be selected to pilot regional CEO discussions on strategic management issues and supporting guidelines should be developed. Evaluation of these meetings would guide the expansion to all regions, with the potential goal of having them every other year in the future (on the off year of the national leadership forum).

CEO Information Exchange

6. **Videoconferences and teleconferences.** At least two topic driven videoconferences or teleconferences on strategic management should be planned and held during the pilot project. Results will be evaluated to determine plans for the future.

7. **Advisory service.** A pilot advisory service on strategic management issues should be designed for Midwest states using the existing Midwest Transportation Knowledge Network (MTKN), in conjunction with AASHTO and the National Transportation Library. This should be evaluated to determine the potential for national expansion, particularly as NTL facilitates the development of other regional knowledge networks.
In addition to these seven options, additional or complementary mechanisms may be identified that should be explored to determine their relevance to CEO interaction and information exchange. For example, the NCHRP domestic scan development project, once it is completed, may offer an opportunity for scans to be designed for CEOS around strategic management and leadership topics. The pilot project should be structured to allow for the ability to react to new ideas and opportunities.
REFERENCES


5. McDonald, M.L., & Westphal, J.D., “Getting by the Advice of Their Friends: CEO’s Advice Networks and Firm’s Strategic Responses to Poor Performance,” *Administrative Science Quarterly,* 48 (2003); pp. 1-32


APPENDIX A

2004 STATE DOT CEO SURVEY

OPTIONS FOR CEO EXCHANGE OF IDEAS AND BEST PRACTICES

SURVEY RESULTS
2004 State DOT CEO Survey

1) Using a scale of 1 to 4 with 1 being "Low Interest" and 4 being "High Interest," please indicate your interest in learning about the following strategic direction/challenges faced by other state DOTs:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals of other state DOT CEOs</td>
<td>2.97</td>
</tr>
<tr>
<td>Developments in financing transportation</td>
<td>3.46</td>
</tr>
<tr>
<td>Legislative initiatives</td>
<td>2.79</td>
</tr>
<tr>
<td>Program delivery innovations</td>
<td>3.34</td>
</tr>
<tr>
<td>System operations priorities</td>
<td>2.97</td>
</tr>
<tr>
<td>Communications/Media coverage</td>
<td>2.45</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>2.41</td>
</tr>
<tr>
<td>ITS implementation and management</td>
<td>3.14</td>
</tr>
<tr>
<td>Workforce issues</td>
<td>2.59</td>
</tr>
<tr>
<td>Outsourcing priorities</td>
<td>2.66</td>
</tr>
<tr>
<td>Performance measures</td>
<td>3.17</td>
</tr>
</tbody>
</table>

2) What additional topics in the areas of strategic management and leadership would you be interested in learning about?

- Succession planning – although it may be covered in “workforce issues”
- Building customer support, managing expectations; working with First Responder agencies
- Asset management and trade-offs; safety efforts; regional coalitions; working with local level of government
- Affect of alternative fuel vehicles/hybrid vehicles on conventional transportation funding methods; integration of transportation modes
- Alternative finance
- Re-establishing transportation as a national priority; making the case for funding; letting the legislatures pick projects
- If Performance Measurement is the same as benchmarking than little else
- Training and managing DOT workforces to deliver transportation investments that promote smart growth
- How best to serve employees
- Sustaining employee morale in state government; agency accountability; consultant/contractor management, contract industry issues
3) Using a scale of 1 to 4 with 1 being "Low Value" and 4 being "High Value," please indicate how valuable it is for you to have opportunities to interact with your CEO peers:

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>17</td>
<td>3.59</td>
</tr>
</tbody>
</table>

4) What have you found to be the most effective way to interact with your CEO peers?

- Meetings
- Through AASHTO and associated meetings
- AASHTO, SASHTO and personal contact on a need to know basis.
- AASHTO/Regional meetings and CEO Forums
- AASHTO meetings
- At AASHTO and SASHTO meetings
- In person at AASHTO meeting
- U of M Workshops
- Peer visits on specific topics of comparative analysis.
- The small standing committee discussions.
- Open discussions – no agenda
- Informal gatherings & symposia
- Informal meetings – less structured events
- Roundtable discussions of CEO experiences & short written summaries of effective initiatives.
- Informal conversations “outside” of official meetings, roundtables
- Roundtables that are small, fifteen or fewer CEOs.
- Smaller group (10-15) roundtable discussions.
- Small groups, one-on-one
- Small one-on-one (or 4 or 5) meetings
- Small groups and one-on-one
- Small groups
- Smaller groups to allow for equal discussion time. Larger groups are good for ideas but poor for discussion.
- One-on-one meetings
- One-on-one conversations and CEO Forums
- I think we should be able to include a limited number of staff in National CEO To CEO sharing sessions usually limited exclusively to CEOs
- Personal, face-to-face contact
5) Using a scale of 1 to 4 with 1 being "Less Valuable" and 4 being "More Valuable," please indicate how valuable the following engagement and networking opportunities have been or would be for sharing experiences and learning about other state DOT initiatives. Second, please indicate if you have participated in them.

<table>
<thead>
<tr>
<th>Engagement and Networking Opportunities</th>
<th>Average</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. National CEO roundtable discussion with open attendance</td>
<td>2.66</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>b. National CEO sharing limited exclusively to CEOs</td>
<td>3.48</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>c. National CEO leadership forums</td>
<td>2.86</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>d. Regional CEO meetings focused on national topics of interest</td>
<td>3.32</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>e. Regional CEO meetings focused on regional topics of interest</td>
<td>3.68</td>
<td>22</td>
<td>2</td>
</tr>
<tr>
<td>f. CEO sessions in conjunction with AASHTO meetings</td>
<td>3.52</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>g. 3-5 day executive development seminars</td>
<td>2.48</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>h. Informal discussions with other CEOs</td>
<td>3.44</td>
<td>23</td>
<td>0</td>
</tr>
<tr>
<td>i. Other meetings/conferences, including TRB</td>
<td>2.89</td>
<td>20</td>
<td>4</td>
</tr>
</tbody>
</table>

6) Using a scale of 1 to 4 with 1 being “infrequently Used” and 4 being “Frequently Used,” please indicate how frequently you use the following information resources to track developments in other state DOTs:

<table>
<thead>
<tr>
<th>Information Resource</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. AASHTO Newsletter</td>
<td>3.17</td>
</tr>
<tr>
<td>b. Analyses by Your Own Staff</td>
<td>3.48</td>
</tr>
<tr>
<td>c. Electronic Resources (web, e-mail)</td>
<td>2.97</td>
</tr>
<tr>
<td>d. Media Clippings</td>
<td>2.90</td>
</tr>
<tr>
<td>e. TRB Publications</td>
<td>2.59</td>
</tr>
<tr>
<td>f. FHWA Administrator/Articles</td>
<td>2.52</td>
</tr>
</tbody>
</table>

What periodicals do you read regularly for information on strategic issues facing state DOTs? (e.g. Public Roads, Focus, Research and Technology Transporter, etc)

<table>
<thead>
<tr>
<th>Periodical</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Roads</td>
<td>13</td>
</tr>
<tr>
<td>Research and Technology Transporter</td>
<td>6</td>
</tr>
<tr>
<td>Focus</td>
<td>5</td>
</tr>
<tr>
<td>AASHTO Publications</td>
<td>4</td>
</tr>
<tr>
<td>Engineering News Record</td>
<td>3</td>
</tr>
<tr>
<td>TRB Report</td>
<td>3</td>
</tr>
<tr>
<td>Governing</td>
<td>2</td>
</tr>
</tbody>
</table>
Other:
- Weekly Transportation Report
- Regulations Report
- Better Roads
- ASCE publications
- Legislative/Congressional updates
- Congressional Quarterly
- GAO Reports
- AAMVA and APTA Periodicals
- National Journal
- Transport Topics
- Rarely read any of the periodicals unless it is a really slow day

7) What additional information resources on state DOT issues would you like to have available?

- National Legislative Authority
- Best Practices Forums, Searchable databases
- Innovations – Development and Management
- Web pages or e-mail alerts about innovations sorted by topic.
- Periodic summaries of particularly successful programs/initiatives with contact references for more info.
- Multi-modal, multi-faceted CEO briefing update
- Any info on program delivery and addressing upward movement of DOT’s and DOT issues.
- Transportation Association Website review. A weekly summary of what’s new would help.
- Strategic Plans and Accomplishments

8) Do you prefer to get information as hard copy publications or as electronic publications?

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Hard copy only</td>
<td>2</td>
</tr>
<tr>
<td>b. Electronic copy</td>
<td>8</td>
</tr>
<tr>
<td>c. Both hard copy and electronic copy</td>
<td>20</td>
</tr>
</tbody>
</table>

9) How frequently do you want to receive information on other state DOT strategies/issues?

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Weekly</td>
<td>6</td>
</tr>
<tr>
<td>b. Monthly</td>
<td>14</td>
</tr>
<tr>
<td>c. Quarterly</td>
<td>9</td>
</tr>
<tr>
<td>d. Other</td>
<td>1</td>
</tr>
</tbody>
</table>
Total number of surveys: 30

Survey Respondents:

- Alaska DOT
- Arkansas State Highway Commission
- CalTrans
- Colorado DOT
- Connecticut DOT
- District Department of Transportation (D.C.)
- Florida DOT
- Georgia DOT
- Idaho DOT
- Illinois DOT
- Iowa DOT
- Kansas DOT
- Louisiana DOT
- Maryland DOT
- Michigan DOT
- Minnesota DOT
- Mississippi DOT
- Nebraska Department of Roads
- New Jersey DOT
- North Carolina DOT
- North Dakota DOT
- Ohio DOT
- Pennsylvania DOT
- South Carolina DOT
- South Dakota DOT
- Texas DOT
- Utah DOT
- Wisconsin DOT
- Wyoming DOT
- One unidentified state