



**\$ave  
Oregon**

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**With Incentivized Cost Reductions**

(in 10 minutes or less)

# ICR Success Story

Productivity Savings  
Rewards (PSR)

Project Office  
coordinated program

Employee  
participation

**\$464,000,000  
in savings**

Sr. Management  
Sponsorship

Vendor  
participation

Government  
participation

## The B-2 Stealth Bomber Production Project



# The Environment in Oregon

• There isn't enough \$ to address all needed programs.

• Taxpayers don't want to fund more.

Reduce the cost of existing programs without cutting levels of service.

How?

Involve stakeholders in identifying ways to cut costs and work more efficiently.

But employee suggestion programs don't work!

Incentivized cost reduction programs do work.

In state government?  
In Oregon?

# The Approach

- PHASE I -- Conduct a feasibility study
  - evaluate existing laws
  - involve all stakeholders
    - employees
    - suppliers
    - citizens
  - establish program methods
  - establish success metrics
  - develop incentive schedules
  - present report recommending for/against full implementation
- PHASE II -- Program startup
- PHASE III -- On-going operations

