

# LEAN Ohio

SIMPLER • FASTER • BETTER • LESS COSTLY

## The LeanOhio mission:

To bring major improvement to state government – in a way that engages employees, benefits customers, and saves money.

visit [LeanOhio.gov](http://LeanOhio.gov) for the latest results, resource materials, team photos, and other information about Lean, Kaizen, and Six Sigma in state government.

## LeanOhio is about working smart and achieving results

Efficiency is taking on new meaning in Ohio state government. People are teaming up to streamline and simplify their work processes, cut red tape, save money, and deliver quality services in a cost-effective way.

They're getting it done with the tools of **Lean**, **Kaizen**, and **Six Sigma**. These are the same tools that top companies are using to increase efficiency, cut costs, and strengthen customer satisfaction.

With Lean, agencies focus on their critical priorities and core processes. And when it comes to improvement, the Lean approach involves and engages the workforce, so change is done *by* employees and not *to* them.

## Putting Kaizen to work

Kaizen is among the most powerful tools in the Lean tool kit. In a Kaizen event, team members spend five intensive days analyzing and then redesigning a core process. They make it simpler, faster, better, and less costly – and they get the changes under way immediately.

## The results are significant

To date in Ohio state government, more than 40 Kaizen events have produced big results that benefit employees, customers, and the agency bottom line.

Just in the first eight months of 2011, teams have reduced process time by 67% to 96%. Substantial money is being saved too – up to \$4 million over five years for one project alone.

It adds up to better service for citizens. For example, tax-appeal customers are getting resolutions in one-tenth the time because of improvements that were developed during a Kaizen event. See the right side of this page for details.

## Lean and Kaizen in action:

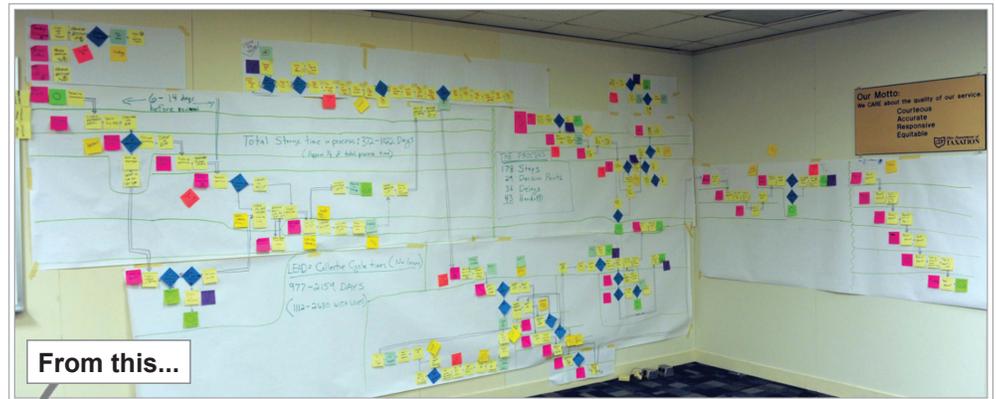
## Taxpayers getting resolutions in one-tenth the time

For years, the tax appeals process had been based on a first in, first out approach, with incoming taxpayer petitions and claims all moving through the system at the same pace. Then came Kaizen. During a week-long Kaizen event, staff from the Ohio Department of Taxation analyzed the old way of doing things – and developed a much simpler process that steers cases to the right work unit right away. Now, straightforward cases are fast-tracked while complex cases go to legal staff. **The results are impressive:**

**FASTER RESPONSE:** The waiting time for taxpayers has been sharply reduced – by 92% for most issues and claims. What used to take 100 days now takes about 8 days.

**BACKLOG REDUCTION:** The backlog is down 68% just six months after the Kaizen event. That's 12,000 tax appeal cases that have moved from the files to finalization.

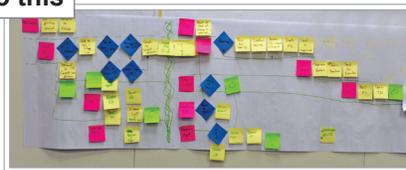
**BETTER USE OF RESOURCES:** Improvements have reduced labor costs per case from \$105 to \$7 in some instances. This applies to about 5,400 cases, for a labor-cost equivalent of \$529,200. Also, there are projected savings of \$63,000 due to automation improvements that reduce mail processing time, certified mail, and related expenses.



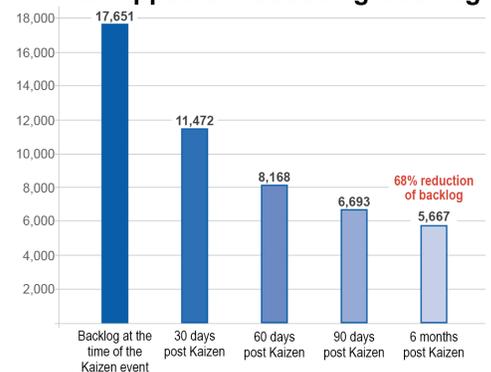
From this...

**RESULTS ON DISPLAY:** Above is a map of the tax-appeals process *before* the team's improvements. **Below** is the streamlined process developed during the Kaizen event. On the **right** is a graph that shows how the new approach has been crucial in helping staff crush the backlog.

...to this



## Tax Appeals Processing Backlog



MORE RESULTS

OhioDAS

Department of Administrative Services  
Robert Blair, Director

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## A sample of Kaizen results:

### Law enforcement agencies to get faster findings in drug investigations

At the State Highway Patrol Crime Lab, staff conduct forensic analyses to identify and determine if submitted evidence contains controlled substances or cannabis. They've always done good work, but now they're achieving big gains in efficiency thanks to Kaizen-driven improvements.

**RESULTS:** The streamlined approach will eliminate the backlog, save \$67,300 per year, and slash processing time by 83% – from an average turnaround time of 83 days to approximately 14 days once the improvements are fully implemented.

See the chart on the right.



### MAKING IT MEASURABLE

It's commonly said that "if you can't measure it, you can't improve it." That's why numbers and metrics are vital to major improvement efforts. Lean in general, and Kaizen in particular, put a heavy emphasis on data.

### Employee education reimbursements arriving in one-tenth the time

When a DAS office was given added responsibilities, the workload doubled and a backlog grew. So the group used Kaizen to achieve major improvement. The new process is faster and simpler for customers – and free of frustration for employees.

**RESULTS:** Using their new process, staff quickly eliminated a big backlog. Overtime has become a thing of the past, with a projected savings of \$23,000 annually in overtime that's no longer needed. Reimbursements now take one-tenth the time to process. Many are done the same day, compared to 20-30 days previously.



### TAKING A TEAM APPROACH

The tools of Lean and Kaizen are perfect for focusing group effort and capitalizing on everyone's know-how. Here, a subgroup begins developing a "clean-sheet redesign" of the process. This is where major improvement starts taking shape.

### Aircraft owners set to fly through faster registration process

Annual aircraft registration has long been a manual paper-and-postage process. Now it's being replaced by an online system that will save time and money. Scheduled for rollout in early 2012, it was developed by a Kaizen team at ODOT.

**RESULTS:** Registration processing will take 80% to 96% less time with the changes, speeding along at 11 days in some cases. The new process has 60% fewer steps and 25% fewer handoffs. A backlog that grew to 12,000 in-process registrations will be eliminated in three months. See photo on the right.



### ENGAGING THE CUSTOMER

Some Kaizen teams include customers. The aircraft registration team included Alan Harding (fourth from left). He is a pilot and a customer of the process. He is also President of the Ohio Aviation Association.

## About the Office of Efficiency & Results

True to its name, this team of internal experts is all about helping agencies increase **efficiency** and achieve significant **results**. Team members work directly with State agencies, bringing specialized expertise relating to Lean, Kaizen, and Six Sigma. Services include:

- Kaizen planning, facilitation, and follow-up
- Agency strategic planning and priority-setting
- Lean training and capacity-building
- Guidance and facilitation in using other Lean tools

The Office includes a nationally recognized leader in public-sector improvement (Steve Wall, who leads the team), a strategic planning expert with deep experience in HR and labor relations (Bill Demidovich), a data wizard whose analytical strengths come with great people skills (Gloria Calcara), the author of a book on employee engagement (Tom Terez), and a loaned executive from ODOT who has Lean/Six Sigma Black Belt certification and years of experience in the private sector and higher education (Rich Martinski).

There is an extended team as well, made up of the hundreds of State employees who have been involved in Kaizen events, attended training sessions, earned certifications, and now put their improvement know-how to work on a regular basis.



**Improvement in action:** Gloria Calcara, Bill Demidovich (center), and Rich Martinski take a close look at a Kaizen team's process map. Staff from the Ohio Office of Efficiency & Results have facilitated more than 40 Kaizen events.

For detailed information, go to [lean.ohio.gov](http://lean.ohio.gov)



The term **KAIZEN** is Japanese, meaning to break apart or change (kai) for the better (zen). Kaizen teams do just that, analyzing every part of a work process, then rebuilding it to be simpler, faster, better, and less costly.

*“This is powerful stuff”*

## Kaizen brings efficiency and savings to core processes

A Kaizen event is a one-week improvement blitz aimed at overhauling a core work process. Used extensively at leading private-sector companies and public-sector agencies, Kaizen is an approach of choice for increasing efficiency, boosting customer satisfaction, and cutting costs.

In Ohio state government, Kaizen teams are on the move and getting great results: streamlined processes, reduced red tape, greater efficiency, increased customer satisfaction, and big savings.

“This is powerful stuff,” said Ohio Tax Commissioner Joe Testa, speaking at a Kaizen team’s concluding presentation. “I can’t believe how much you accomplished in a week.” The team reduced its overall process time by 92% – and crushed its backlog 68% within six months of the Kaizen event.

## Here’s how Kaizen is different...and better

Improvement has always been a priority in state government, but Kaizen takes it to a new level. Here’s how:

### INTENSITY

A Kaizen team does all its work during one nonstop stretch from Monday through Friday. This compressed time frame ensures day-to-day continuity and efficiency.

### IMMEDIACY

Too often in the past, teams generated recommendations that never got implemented. With Kaizen, implementation is more immediate. While some improvements may need to be phased in, many changes are put in place during the Kaizen week. Agency directors, assistant directors, team sponsors, and other key leaders visit with the team as the week unfolds to get updates, provide input, make decisions, and clear the way for immediate implementation.

### IMPORTANCE

Kaizen has its biggest measurable impact when used to improve major processes. The best candidate for a Kaizen event is a costly, complex, delay-ridden process that is crucial to customers and integral to the agency’s strategic priorities.

## Here’s what happens during a Kaizen event

A Kaizen event begins with just-in-time learning on Monday...and ends with a celebration and presentation of plans and results on Friday. In between, team members dive deeply into their work process. They question their assumptions, apply their experience, exercise their creativity, analyze the data, and ultimately build a process that’s simpler, faster, better, and less costly.

DAY 1 LEARNING	DAY 2 DISCOVERY	DAY 3 IMPROVEMENT	DAY 4 IMPLEMENTATION	DAY 5 RESULTS
Learn Kaizen methodology	Finish mapping current process	Design new process	Review and refine changes	Present results and changes
Begin mapping current process	Develop ideas for improvement	Calculate measurable impact	Develop implementation plans	Schedule follow-ups

A Kaizen team typically involves 12-18 people. This includes staff who work the process, managers or supervisors of the process, one or more customers or other stakeholders, and even an outsider with no knowledge of the process who can bring a fresh perspective.

On the right is a snapshot of a Kaizen event on its fourth day. Here’s what’s happening:



**A.** A subgroup fine-tunes plans to develop informational materials and training to support the improvements. The team leader has a flipchart on the floor as she documents input.

**B.** Kaizen facilitator Bill Demidovich, from the LeanOhio Program Office, fine-tunes the new process map based on input from team members.

**C.** One of the Kaizen participants consults with a subgroup for clarification.

**D.** The group on the right is working on details of an especially complex part of the new process. They will report their findings to the whole group in order to build consensus.

**E.** Stretching from the wall on the right and continuing on the left is a complex map of the current process. On the facing wall (B) is a map of the new approach – with 101 fewer steps!



## Putting Lean and Kaizen to work

The **Office of Efficiency & Results** can provide your agency with guidance and facilitation at every step of the Kaizen process.

Here's what **Kaizen team members** are saying about their experience...

### BEFORE KAIZEN EVENT

1. Present an overview of Lean and Kaizen events to management. *optional*
2. Conduct a "pre-scope" on potential issues, core processes, and opportunities. *optional*
3. Meet with management for scoping session (at least 4 weeks before Kaizen event).
4. Collect and analyze baseline data (after scoping session).
5. Conduct customer satisfaction survey (after scoping session).
6. Conduct "voice of the customer" focus group(s). *optional*

### DURING KAIZEN EVENT

1. Present statistical analysis of current process data.
2. Present results of customer satisfaction survey.
3. Provide just-in-time training on Lean and Six Sigma principles and tools.
4. Identify and document all steps in the current process, mapping it in detail.
5. Analyze the current process to uncover value-added steps and waste.
6. Identify, evaluate, and reach consensus on best ideas for improvement.
7. Create and reach consensus on a new ideal process based on a pull system and proper flow.
8. Use Lean tools as needed to increase speed and reduce waste in the process.
9. Create implementation plans with action registers for communication, training, IT, etc.
10. Develop a scorecard to track implementation progress and results.
11. Prepare a presentation on results and plans that's delivered to leadership and staff.

### AFTER KAIZEN EVENT

1. Write an article that highlights results, posting it to lean.ohio.gov in Web and PDF form.
2. Conduct follow-up meetings to review progress – at 30-day, 60-day, 90-day, 120-day, 6-month, and 1-year intervals.
3. Report updated results at lean.ohio.gov.
4. Conduct customer survey 6-9 months after Kaizen to identify progress and needs.
5. Promote recognition opportunities for successful teams.

"I was skeptical.... I thought, there's no way we're going to be able to do this in a week. But by the second day, I was starting to realize, we're getting it done! **It's amazing.** We did it in four days."

Brenda Gerardi, Office of the Ohio Attorney General, Bureau of Criminal

"We're at the lab working and working, but we've never been able to take a step back, look at our process, and make the process better. But Kaizen allowed us to do that. **Stepping back has made all the difference.** We've had time to think and figure out, how can we do this?"

Tammy Qualls Ohio State Highway Patrol, Crime Lab

"**This is an unbelievably effective tool** to help get work done more efficiently and effectively. I'm also a taxpayer, so I'm thrilled we have reduced program costs without spending any additional state dollars."

Diane Luff, DAS

"The great thing about this event and Kaizen is that this is going forward beginning Monday morning. **We have something that will actually work** because we can put the changes into process right away."

Dana Warner, Ohio Department of Public Safety, Bureau of Motor Vehicles

### When a crucial process needs improvement, put Kaizen to work.



Kaizen gives people the tools they need to streamline and simplify the most complex of processes. This photo shows one such process that met its match during a Kaizen event. The team eliminated 103 steps, reducing the process time by as much as 70%.

Go to [lean.ohio.gov](http://lean.ohio.gov) for more information about this success story and many others.