

Ohio Department of Development

Kaizen Event Report Out



HEAP Program Processing

April 23 – April 27, 2012

Team “Ocean’s 16”



The Team

Senior Leadership: Karen Fabiano, Nick Sunday, William Murdock

Sponsor(s): Karen Fabiano/William Murdock

Team Leader(s): Janet Cesner/Lee Firich

Subject Matter Experts: Chris Bowsher, Colette Harrell, Kari Hertel, Robert Moore, Greg Woods

TEAM:

Teresa Ragland, Nichol Ross, Rochelle Stewart,
Virginia Crabtree, Mike Doss, Jesse Hines,
Ronda Latham, Christine Mulk, Benita Ratcliffe,
Carmelita Smith, Kenya Spencer, Lori Tilson, Susan
Moser, Doug Chaney

Stakeholders

- ◎ Low Income Households
- ◎ Fuel Vendors
- ◎ Utility Companies
- ◎ Federal Government
- ◎ Taxpayers



Background

Our process begins when applications are distributed to all eligible households from the previous program year as well as bulk shipments to local agencies and made available in local communities. Our process ends when the client is notified of their eligibility, benefit amount and vendor to be paid.



SIPOC

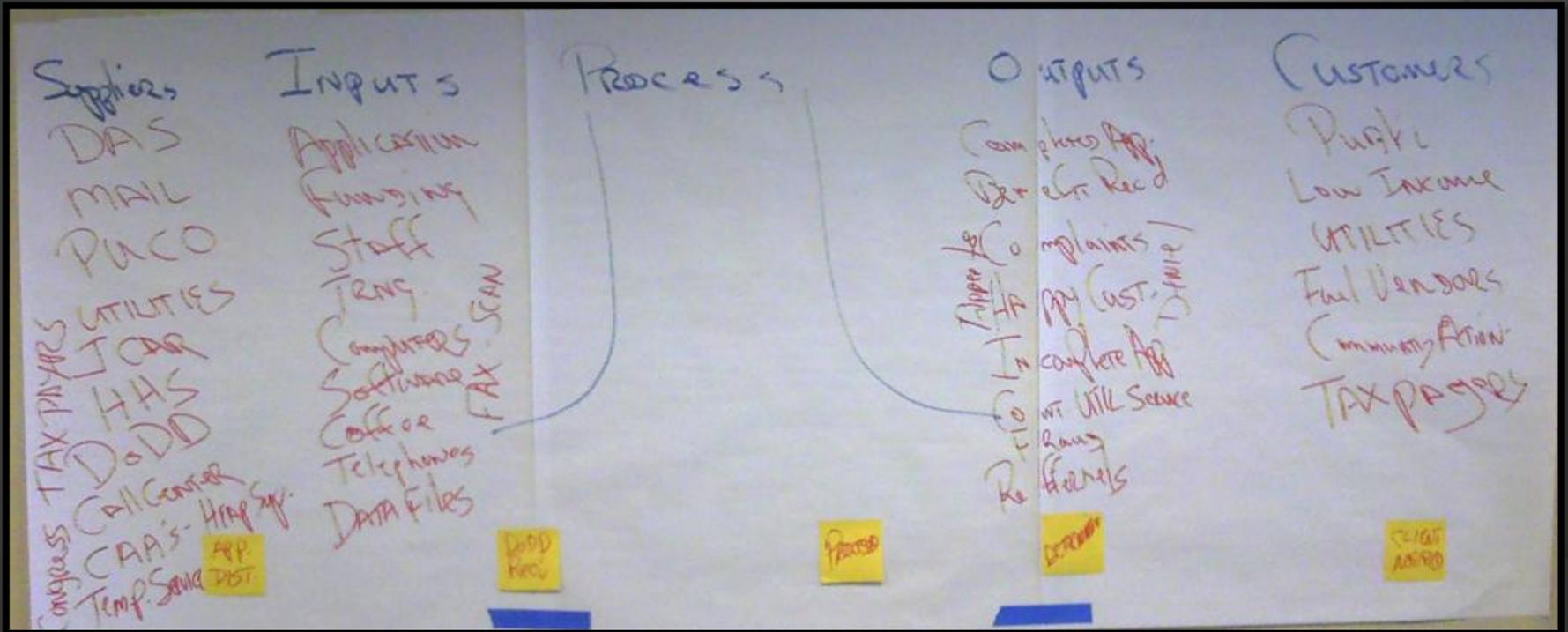
Suppliers

Inputs

Process

Outputs

Customers



Scope of Event



What is the process?

The process to be reviewed is the State mail-in process for the subsidy component of HEAP. Peripherally, the process may also include the HEAP Call Center as well as the Winter Crisis Program (WCP) and Summer Crisis Program (SCP)

Overarching Theme:

To improve customer service by eliminating unnecessary steps and reducing processing time

Out of Scope

Areas that will not change as a result of the Kaizen event are:

- ⦿ No one loses their job because of the Kaizen event, but duties may be modified.
- ⦿ Need for additional staff is not dependent on improvement process
- ⦿ Need for additional monies is not dependent on improvement of process
- ⦿ No legislative changes or changes related to collective bargaining.
- ⦿ No IT solutions until it is determined that an IT solution is needed.

Project Goals

- ① 1. Reduce processing time
- ② 2. Reduce applications with missing information (validation errors) and other errors that delay benefits
- ③ 3. Reduce the costs for processing (i.e. OT Costs)

The Kaizen Approach

Team-based energy and creativity drives immediate process improvement

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Day of Learning	Day of Discovery & Developing Improvement Ideas	Day of Improvement & Creating the New process	Day of Design Implementation & Documentation	Day of Celebration & Results Schedule 30-60-90-day follow-ups

At the end of the week, each Kaizen team has designed dramatic operational improvements

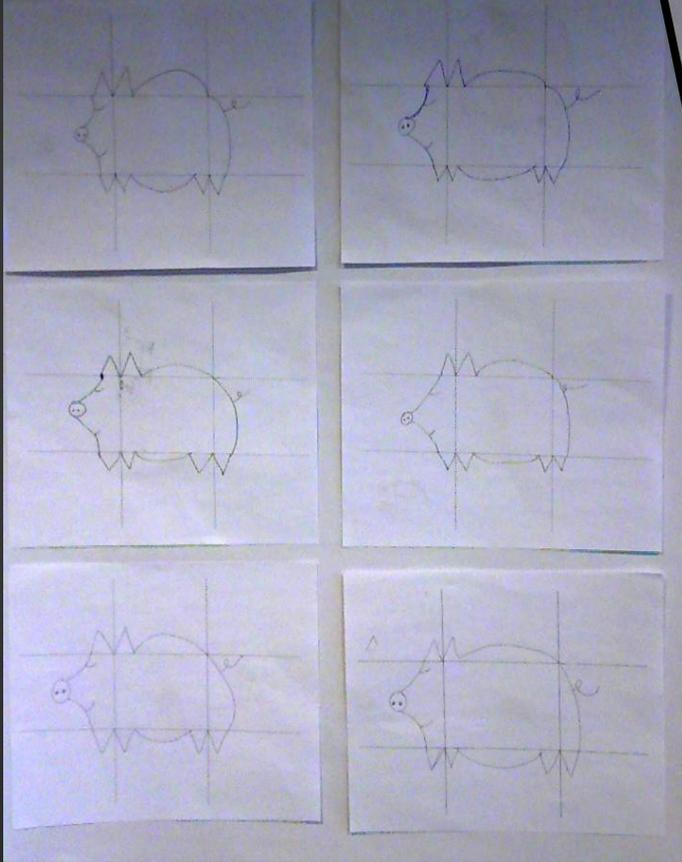
To Break for the Better

- ◎ Clear objectives
- ◎ Team process
- ◎ Tight focus on time (one week)
- ◎ Quick and simple, action first
- ◎ Necessary resources available right away
- ◎ Immediate results (new process functioning by end of week)

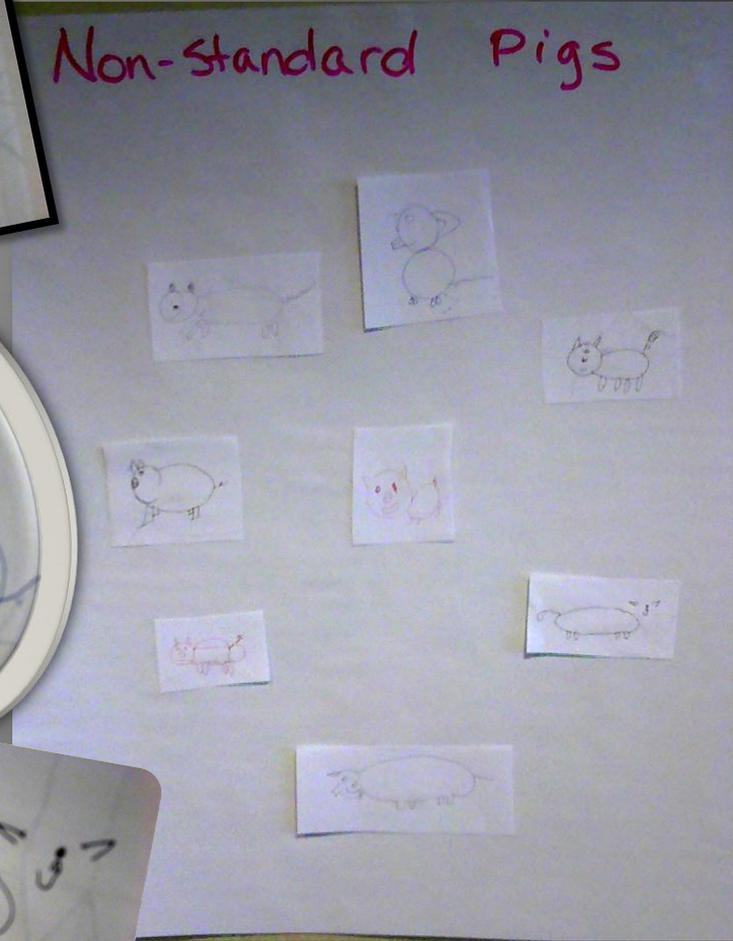


Quest for Standardization

Standard Pigs



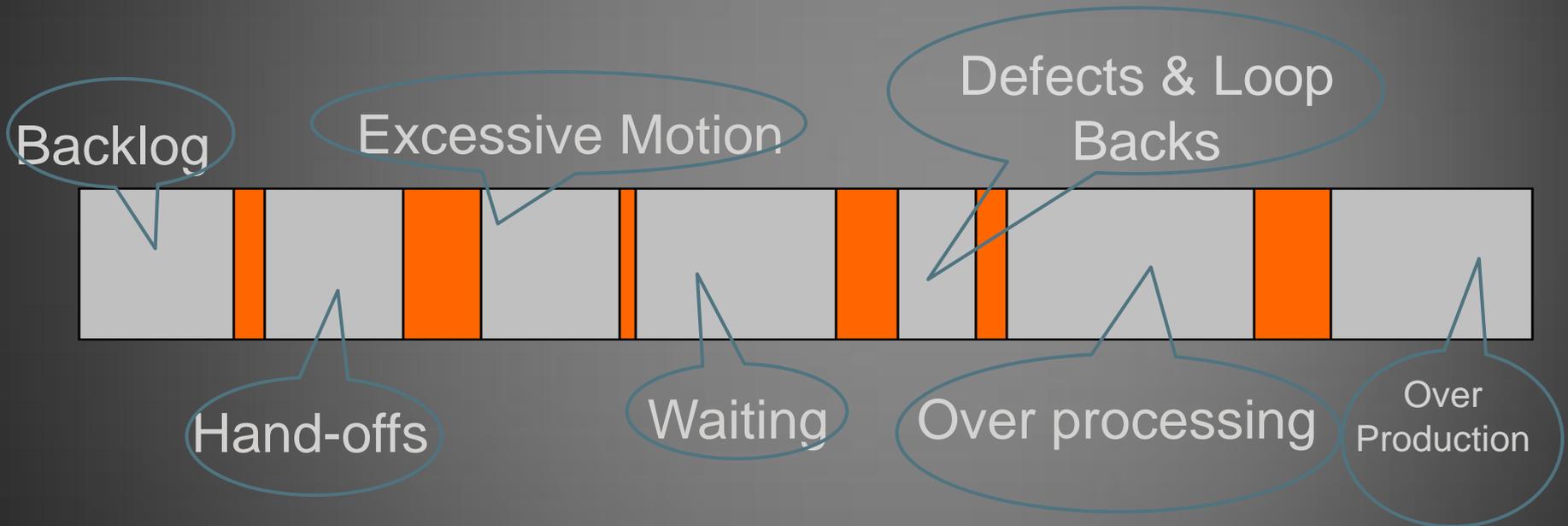
Non-Standard Pigs



Lead-Time Reduction

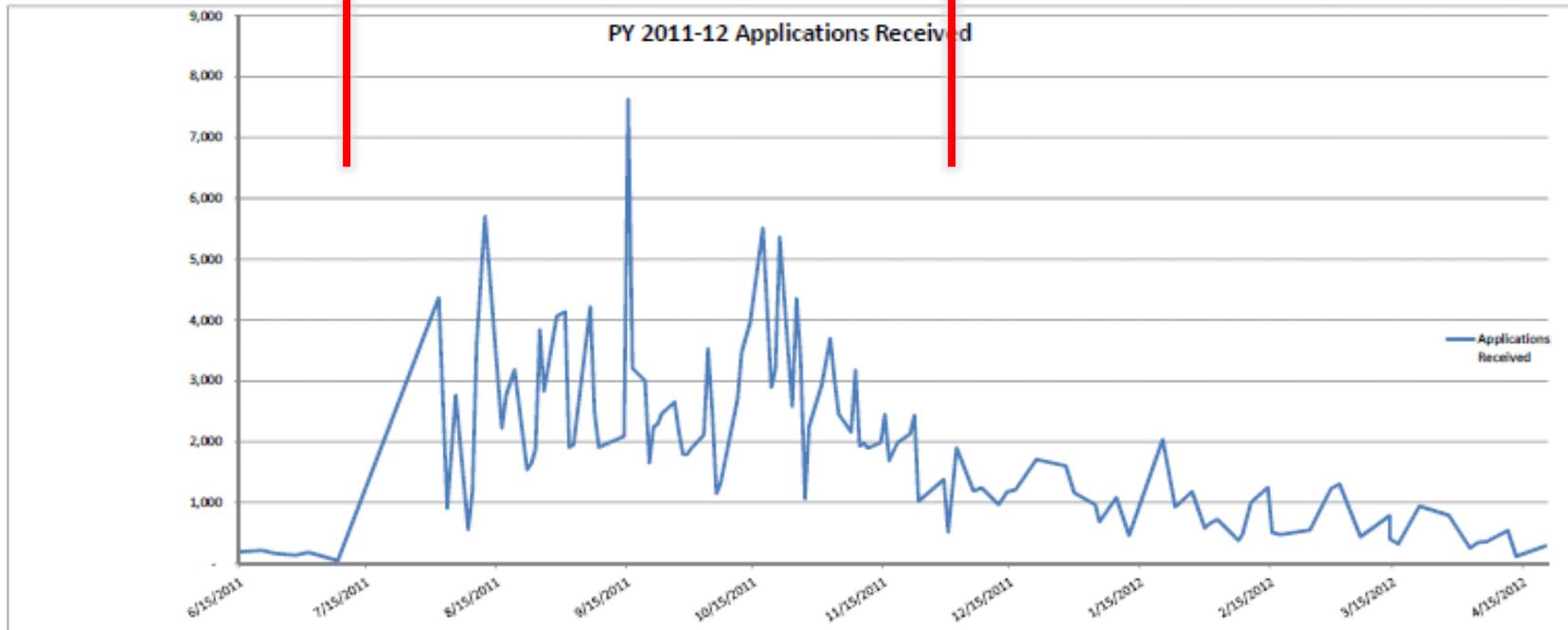
■ Wasted Time and Activity

■ Core Process Value Added

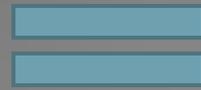
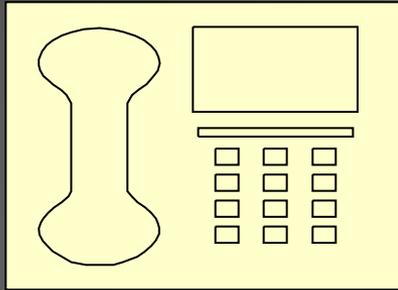


Baseline Data

Applications Spike



Applications Requested by Phone



7489



Baseline Data - Applications

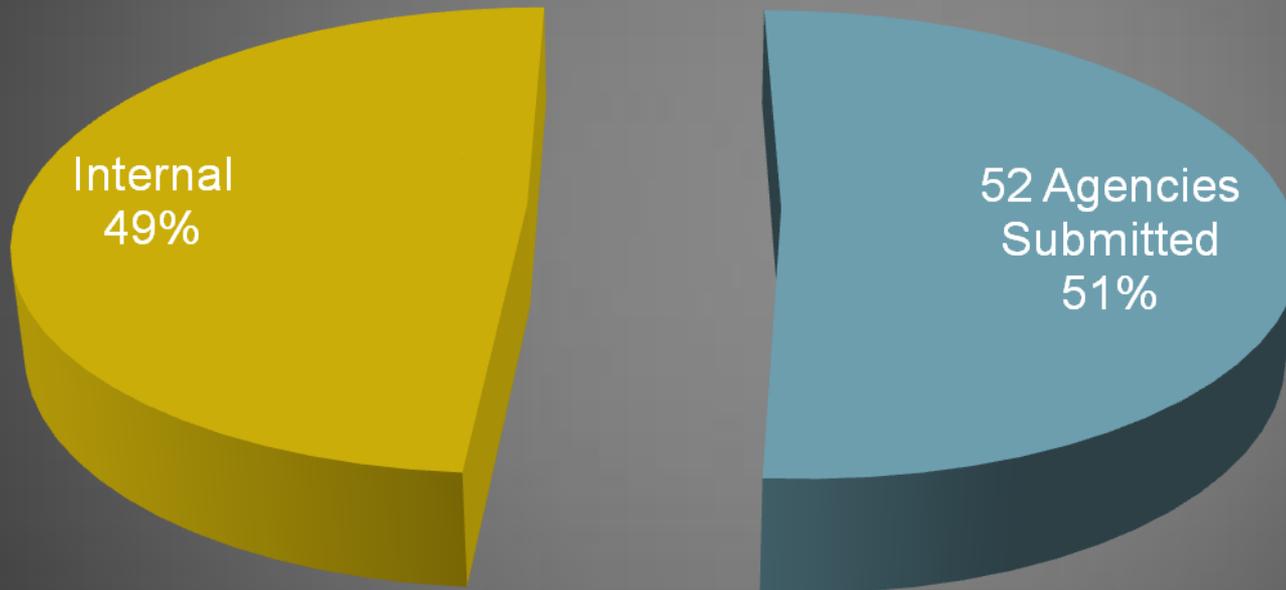
Returned
17% -
220,000



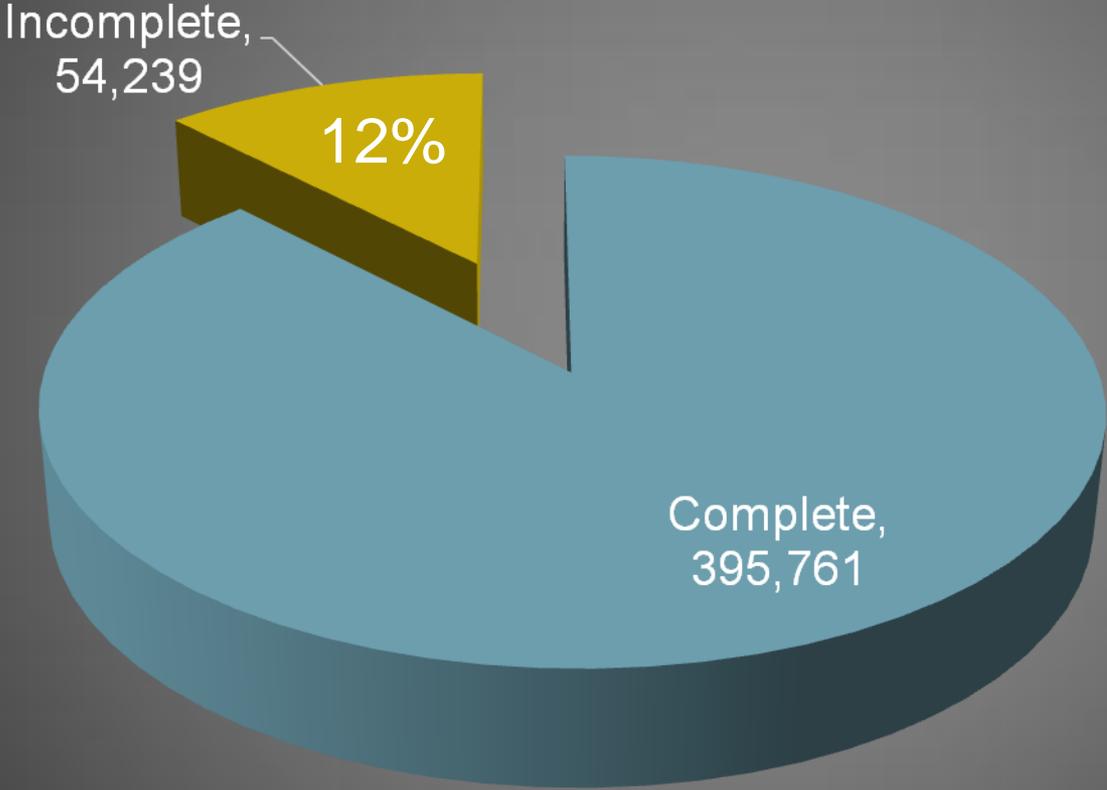
Application Distribution

Baseline Data - Applications

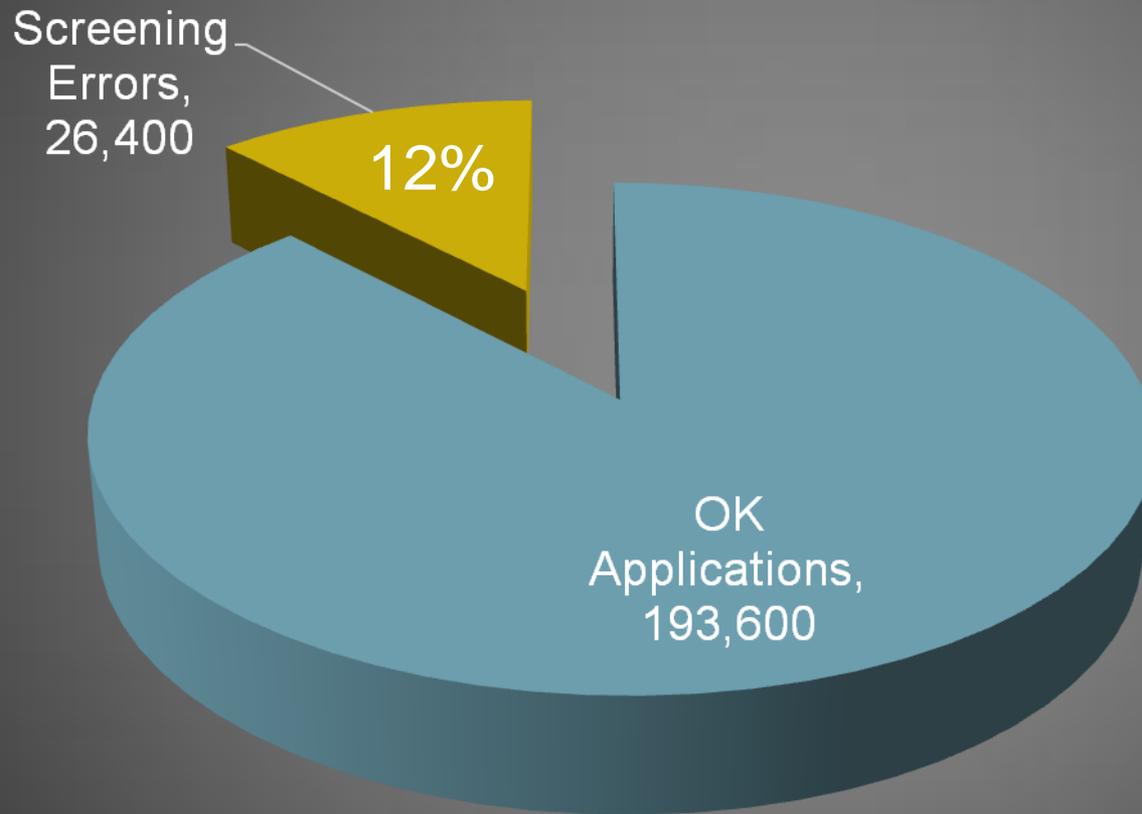
Applications 450k



Baseline Data – Applications TOTAL



Baseline Data – Applications IN HOUSE



Mail Service Map

378 miles daily –
6 hours, 33 min.



Akron
126 miles each
way

Columbus
All applications Arrive
USPS

52,920 miles
during peak
months

Walk-Through





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**** Job Heap Imaging:  Export of 04/18/2012  C011-123

✓Batch 2012040650016:  15 Images,  2 applications
✓Batch 2012041310001: 404 Images, 35 applications
✓Batch 2012041310002: 400 Images, 18 applications
✓Batch 2012041330003:  177 Images,  5 applications
✓Batch 2012041340004:  455 Images, 53 applications
✓Batch 2012041350005:  184 Images, 15 applications
✓Batch 2012041360007:  26 Images,  1 applications
✓Batch 2012041380008:  26 Images,  1 applications
✓Batch 2012041610006: 487 Images, 52 applications
✓Batch 2012041610007:  65 Images,  6 applications
✓Batch 2012041630008:  78 Images,  8 applications
✓Batch 2012041640009:  4 Images,  1 applications
✓Batch 2012041650010: 528 Images, 50 applications
✓Batch 2012041680011:  4 Images,  1 applications

----- Signed Blue Apps (white/other envelopes):  14
----- Signed Blue Apps (blue envelopes):         0
----- Signed Blue Apps (pink envelopes):         24
----- Predated Apps:                             2
----- Old/Duplicate Copies of Apps:              119
----- Unsigned Blue Apps:                         0
----- Signed 3rd Harvest Apps:                   4
----- Unsigned 3rd Harvest Apps:                 0
Combine total unsigned onto 1 line:

----- Total 1-9 : 291

----- No Social Security Number:                 0
----- Signed Forms Imaged :                     291
----- Unsigned Forms Imaged :                    1

----- Other Documentation : 2,543

----- Total Applications: 291
----- Total Images : 3,836

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HEAP

HOME ENERGY ASSISTANCE PROGRAM

A federally funded program designed to help eligible Ohioans meet the rising cost of home heating this winter.

■ Eligibility
A household whose total income is at or below 200 percent of the 2011 federal poverty guidelines may be eligible. Guidelines are listed below:

■ Size of Household	
1 person	\$21,780.00
2 persons	\$29,420.00
3 persons	\$37,060.00
4 persons	\$44,700.00
5 persons	\$52,340.00
6 persons	\$59,980.00
7 persons	\$67,620.00
8 persons	\$75,260.00

For households with more than eight members, add \$2640 for each individual.

■ You May Be Eligible
For more information, contact Energyhelp ohio gov, e-mail us at energyhelp@development.ohio.gov, or call toll free 1-800-287-0888, or 614-644-8888 in Franklin County. Hearing impaired applicants with a telecommunications device for the deaf (TDD) can call toll free 1-800-696-1937 or 614-752-6888 in Franklin County.

Ohio Department of Development
John R. Beach, Director

Current-State Process Map



87 steps

9 decision points

17 handoffs

30 points of waste

Orange “Post-its” are points of waste!

The original processes had:

- Too many steps
- Too many handoffs
- Too much paper
- Too much transportation



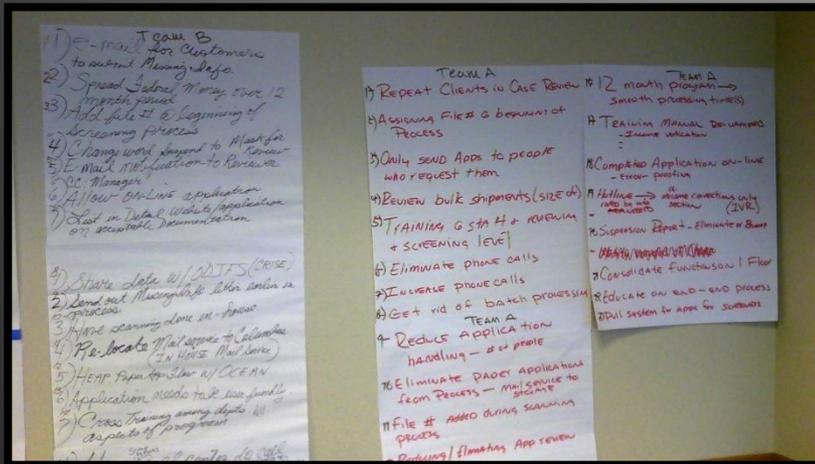
Intense work identifying Value and Waste



TIM WOOD



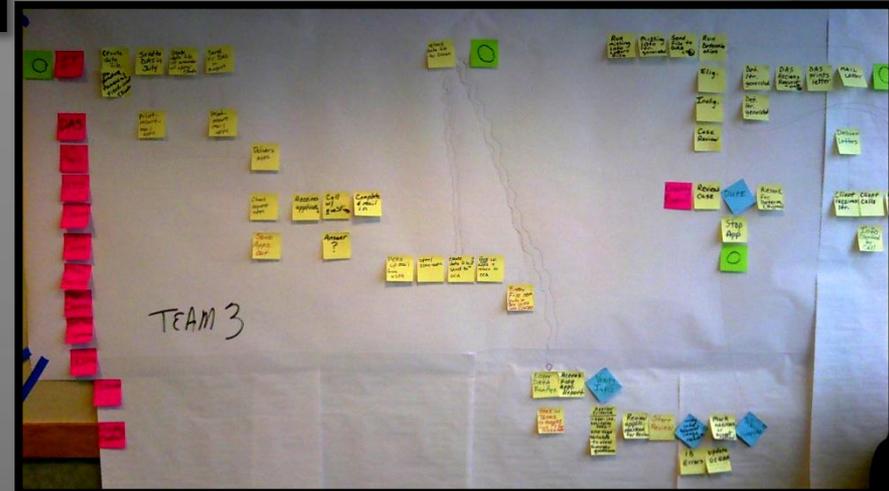
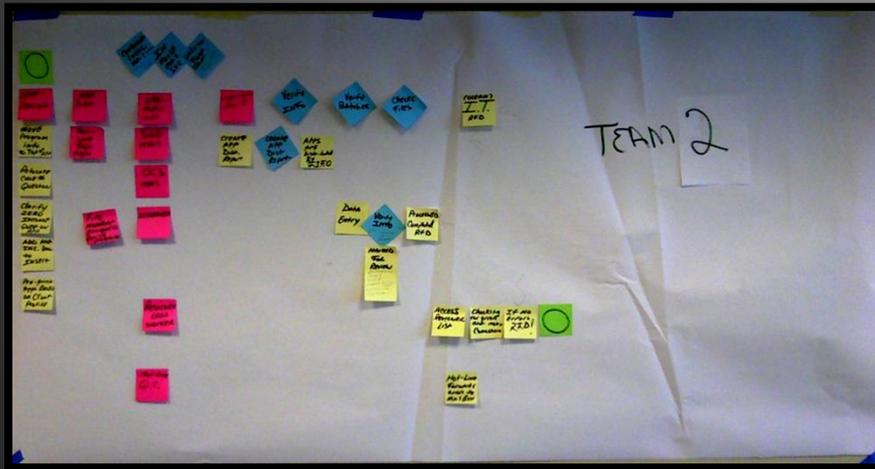
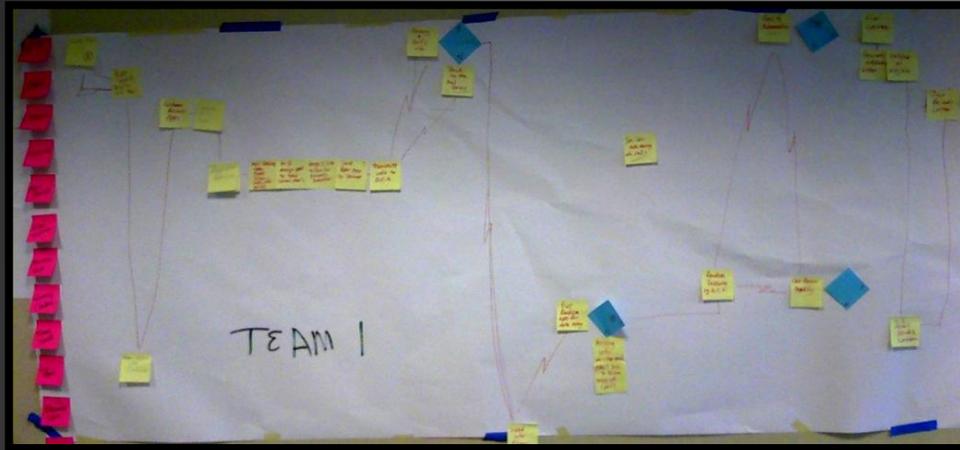
The team brainstormed 69 improvement ideas



Categorized

Clean Sheet Redesign

Ideas turned into actions!

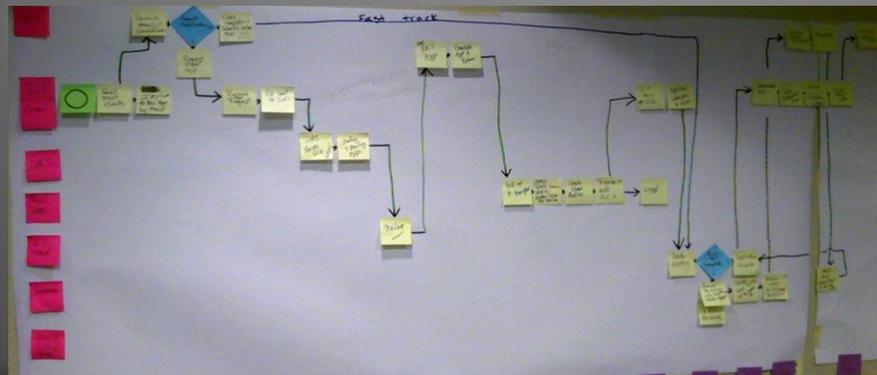


Comparison of Process Maps

Current State - 87 steps 9 decision points 22 handoffs



Future State - 43 steps 3 decision points 16 handoffs



Scorecard - Process

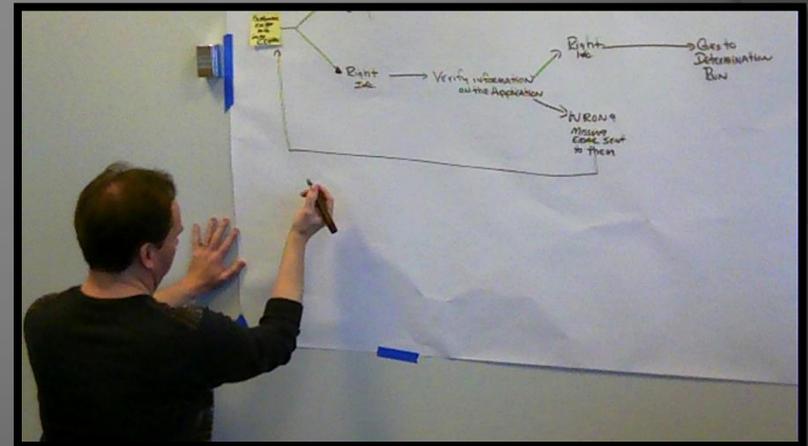
Measure	Current Level	NEW	Change
Application Processing	87 steps	43 steps	50%
Decision Points	9	3	66%
Handoffs	22	16	27%
Delay Points	7	0	100%
Loopbacks	6	1	83%
Application processing Lead Time	36-275 days	21-26 days Fast track 8-10 days	42%-91% 78%-96%

Scorecard - Costs

Measure	Current Level	Projected NEW	Projected Savings
Temporary Staff Needed for HEAP Application Processing	55	35	36% \$348,816
Projected Cost Savings	\$19,191 Savings – Printing Costs \$103,500 Savings – Mailing Costs \$2000 Savings – Shipping Costs \$8160/yr Savings – Record Storage \$132,791 – Annual Cost Avoidance TOTAL POTENTIAL ANNUAL SAVINGS \$481,607		
Projected Redirected Hours	112 to 1868 Hours Redirected annually		

More Results

- ⦿ Reduction of Distribution
- ⦿ Reduction of received forms by mail
- ⦿ Faster processing of applications
- ⦿ Better use of technology
- ⦿ Better utilization of staff



Improvement Summary

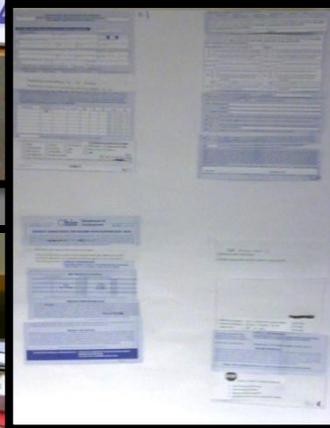
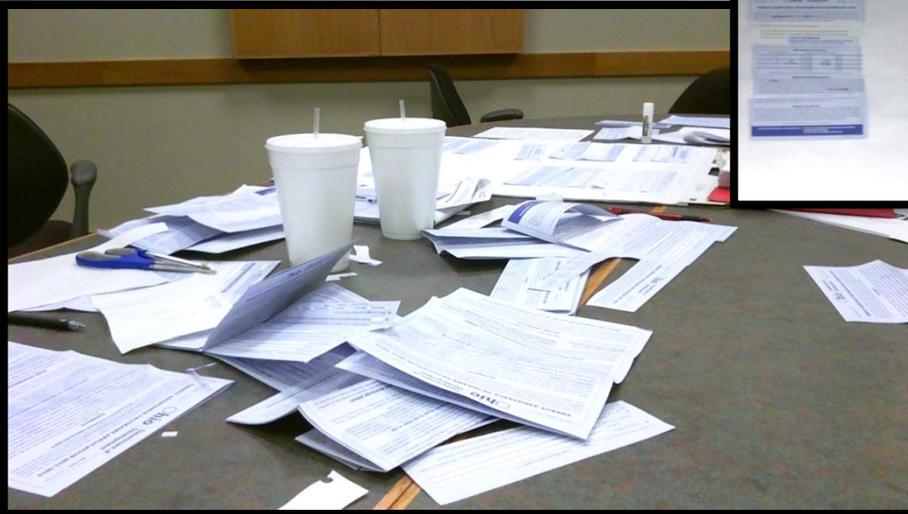
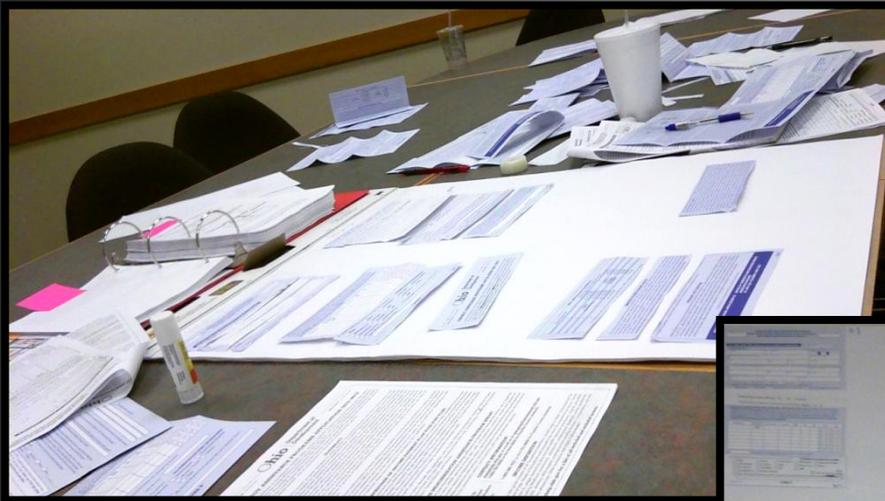
Current Key Issues	Kaizen Improvements
Excessive number of “incomplete” applications received - 54,239	Form Team has redesigned the form. Applications will eventually be submitted online and error-proof to reduce the number of incompletes.
Excessive Form Distribution 1.36 million applications distributed 220k applications received	New online submission process will significantly reduce the number printed and distributed applications.
Excessive Transportation of applications	New process will reduce transportation and handling of paper applications.
Limited defined current metrics	Metrics have been identified to measure the effectiveness of the new process.
Significant Overtime in “peak” season	Projected elimination of overtime

Implementation Registers

- Application Plan
- Data Plan
- On-line Transition Plan
- Bridge Plan
- Communication Plan
- Training Plan
- Procedures/Manual Plan



Application Plan



Approved

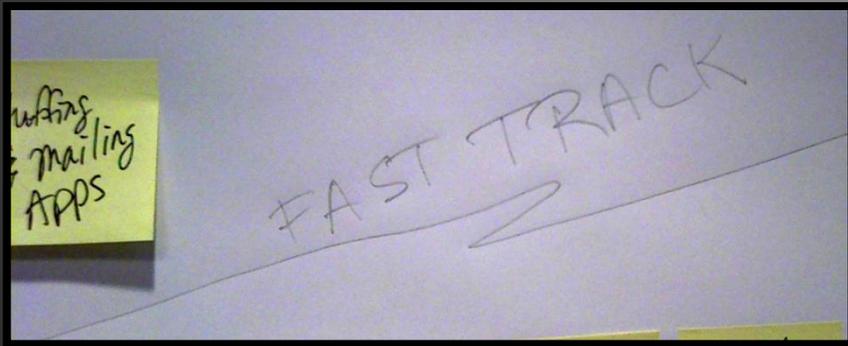
R Action Register

What	Who	When
• Create Mock up App	TEAM	Completed 4/26/12
• Set up meeting with Communication/Marketing	Jesse H. + Virginia	Goal: 4/26/12
• to Create electronic version of Mock up App.	SUSAN	Goal: 4/30/12
• Set up meeting with IT	Jesse Kenya	Goal: 4/27/12
• fill in blank App on-line		
• Send e-mail message w/ LINK ^{current 2012-2013} online App w/ IT		
• Process to followup undeliverable e-mails. w/ Chris Bowster		
• Meet w/ Hotline ^{Mgr} about communicating application ^{obtaining} e-mail address from client	SUSAN	Goal: 4/30/12
• Notice on Website about applications are being e-mailed		Goal: 07/01/12
• Develop Audio file Scripts	TEAM	Goal: 05/15/12

Data Plan

<u>DATA</u>		
Activity Register		
<u>What</u>	<u>Who</u>	<u>When</u>
screener activity log	IT/QC/Reviewer Manager <small>Lee Teresa Nichol Lori</small>	4-30-12
Screeners error log	IT - QC/Reviewer Manager <small>Lee Teresa Nichol Lori</small>	4-30-12
. Date of apps currently being processed. <small>Exp. Rep.</small>	Chris-Lori	5-14-12
- Case review report (Modify)	Nichol-Kristy Chris-Lori	5-7-12
Total weekly calls @ call center	Rochelle	4/30/12 5-15-12
<u>What</u>	<u>Who</u>	<u>When</u>
. Reviewer Score card	Lee Teresa Nichol Jesse	5-8-12
Appeals	Ronda David	Complete

On Line Transition Plan



On-line TRANSITION

Action Register

What	who	when
Develop on-line App	IT/Janet/Kaizen	July 2015
Modify Processes	Kaizen/Managers	TO Be
Communication Plan	Kaizen/Comm. office/Robin L.	SEPT. 2
Training — Internal External	Kaizen/Agencies/ Public/Service ctors	June 20
Research online Process for other STATES	Lee/Janet/IT	June 2015
Re-eval. incoming staff (size/need)	managers	TO Be
Expand expand oceanhelp	H.R./Janet/Chris B.	June 20
Pilot on-line Process	Kaizen/IT	march 2
Evaluate Evaluate the mail-out off Apps.	Lee/Kaizen	summer 2

Bridge Plan



Bridge Action Register

What	Who	When
Change Application Modify Case Review (Name/county - update to remove)	Kaizen/Comm. - Robin Long I.T. Lori/Chris B.	immediately 4/30/2012
Reduce the # of BULK shipments	Lee	July Aug 2012
Begin Comm about changes to App Process	All	July/Aug 2012
Modify the Reviewing Process	Q.C.S./ Managers Managers	immediately
Look at Contract w/ mail Service for 2013 modify/Set-up mty w/ legal	Lee/Legal Janet	May 2012
Collect the email addresses from Client	Hotline/agencies/ Reviewers & Comm.	ASAP
Clean modification/Enhancements	IT	Summer 2012
Eval Staffing Modify I.V.R.	Managers IT/Rochelle/Janet	MAY/2012 June June 2012

Communications Plan



WHAT	WHO	WHEN
WEBSITE UPDATE	JANET	JULY 1st
MEETINGS WITH STAFF	KAIZEN TEAM	MID MAY
CONCEPT TALKING PAPER	SUSAN/JANET	1st WEEK MAY
TRAINING SCHEDULE	TRAINING GROUP	FOR TRAINING GROUP
OCEAN FRONTIER VALIDATION	BOUSHER	

WHAT	WHO	WHEN
REGIONAL TRAINING	KAIZEN TEAM	SEPT-OCT
POSTERS	PIPPERS ^{team}	
^{CONTRIB} MEDIA	DOD COMPLIANCE/KAIZEN	
STATE FAIR	SUSAN	AUGUST
OCEAN WEDINARS	HIGGINS WHEELER BOUSHER	ONGOING
ALL TRAINING	HIGGINS	ONGOING
OCEAN FRONTIER PROJECT EXHIB BOOTH	BOUSHER	MAY 4

WHAT	WHO	WHEN
UTILITE 3 1. BILL MESSAGE 2. LINK TO OUR OCEAN WEB SITE	KAIZEN TEAM ^{STAFF}	MID MAY
SENIORS CITIZENS CENTERS	JANET	MID MAY
OHIO		MID MAY

Training Plan

Training	Action Req	
What	Who	When
<ul style="list-style-type: none"> Income Workshops <ul style="list-style-type: none"> - Wages - Unemployment - Self-employ. - etc. 	All MANAGERS	Goal: 05/07/12 Every Thursday's
<ul style="list-style-type: none"> Application Processing Group Workshop 	All MANAGERS + Leads	Goal: 05/14/12
<ul style="list-style-type: none"> Training Packet 	LEADS	Goal: 05/30/12
<ul style="list-style-type: none"> Cross Training SCREENERS to back up hot line 	Hotline LEADS + REVIEWERS	Goal: 10/01/12
<ul style="list-style-type: none"> Add training tips to opening SCREEN OF OCEAN OR ADD to OCEAN FAQ'S 	IT / DRAW FROM Pool of Staff	Goal: 4/30/12

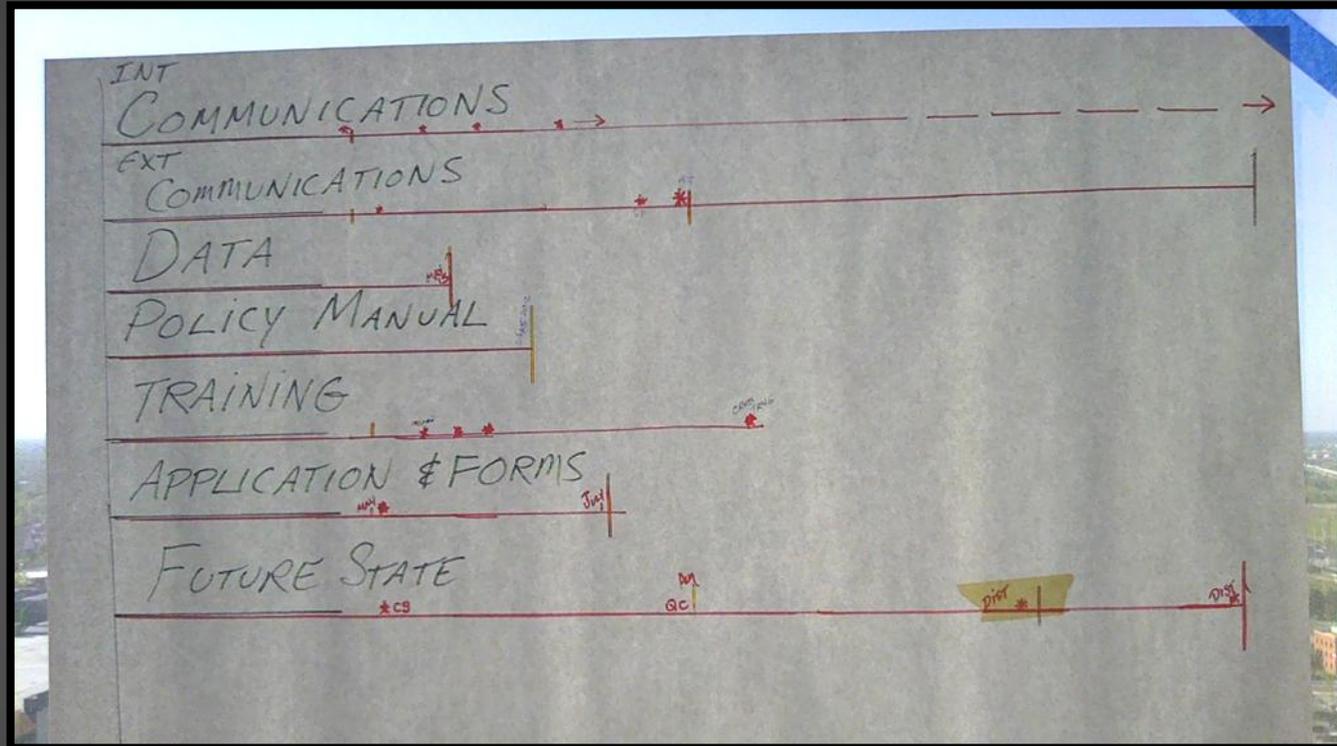
Procedures and Manual Plan



OPERATION PROCEDURES MANUAL

WHAT	Who	WHEN
ENERGY ASST PROGRAM	UPPEI MONT	2012
MAIL PROCEDURES	OPERATION Lee-Rochelle	2013-2
APPLICATION PROCESSING PROCEDURES	APP Manager Qual Central INVITED Staff	Summer 2012
appeal CASE REVIEW	No change IT Chris Bawshir	2012 Immediate
PHONE Misc.	No Chg No Chg	- -

Action Plans Gantt



What begins Monday?



- Introduce New Process
- Begin Communication internally
- Execution of Action Registers
- Setup Timelines/Mtgs
- Stay Focused on the Task
- Prepare for Implementation

Overall Kaizen Benefits

- Establishing Goals and milestones
- Learning From One Another
- Improving Internal/External Customer Service
- Simplifying Processes
- Cost Savings/Avoidance
- Illuminating the “hidden” processes
- Eliminating waste
- Thinking “outside the box”



Personal Lessons Learned

- Everyone has a voice
- Thinking outside the box
- Teamwork
- Embracing Change / it's OK to change
- We learned what other sections do
- It was a lot of hard work
- “Genius is in the simplicity”
- Learned the importance of accountability



Lean Kaizen

Event Fact Sheet

Agency: DoD

Section: HEAP Program

Major Changes:

- Reduced Overtime Costs
- Reduced print/mail costs
- Application processing lead time reduced significantly

Measure	Before	Projected After	Difference
Annual Overtime Costs	\$240,000	\$0	100% Reduction
Print/mail costs	\$249,382	\$124,691	50% Reduction
Application processing lead time	36 to 275 days	21 to 26 days	42% to 91%



For more information visit Lean.ohio.gov

Life as a member of a Kaizen event Team...

"I thought that a 50% improvement was crazy!"



What Questions/Comments do you have?



Lean.Ohio.gov

Special *THANKS* to...

Senior Leadership: Director of the Department of Development, Christiane Schmenk

Sponsor(s): Karen Fabiano, William Murdock

Subject Matter Experts: Chris Bowsheer, Colette Harrell, Kari Hertel, Robert Moore, Greg Woods