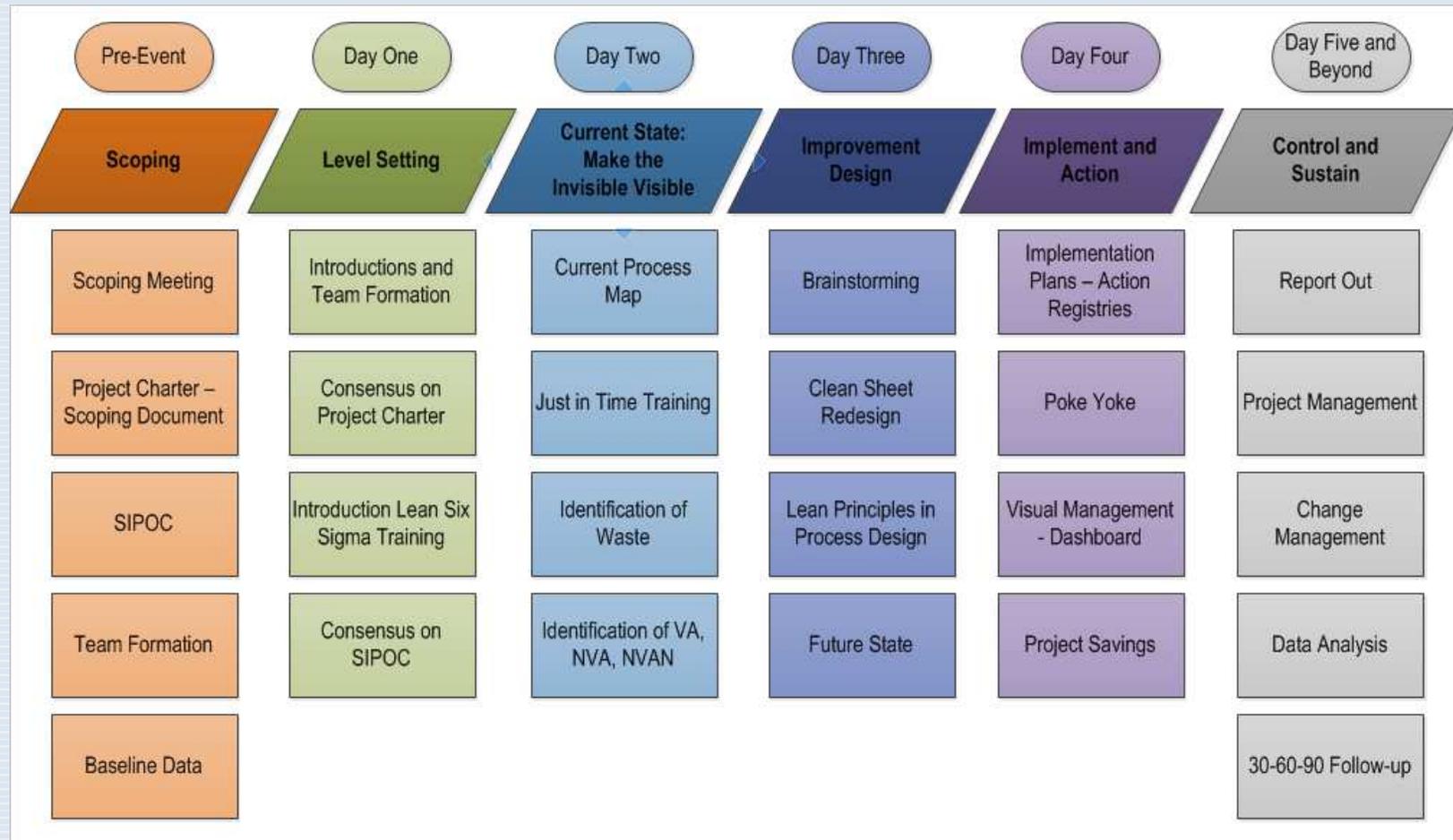


# LEANOhio

## Project Selection and Charter

SIMPLER. FASTER. BETTER. LESS COSTLY.

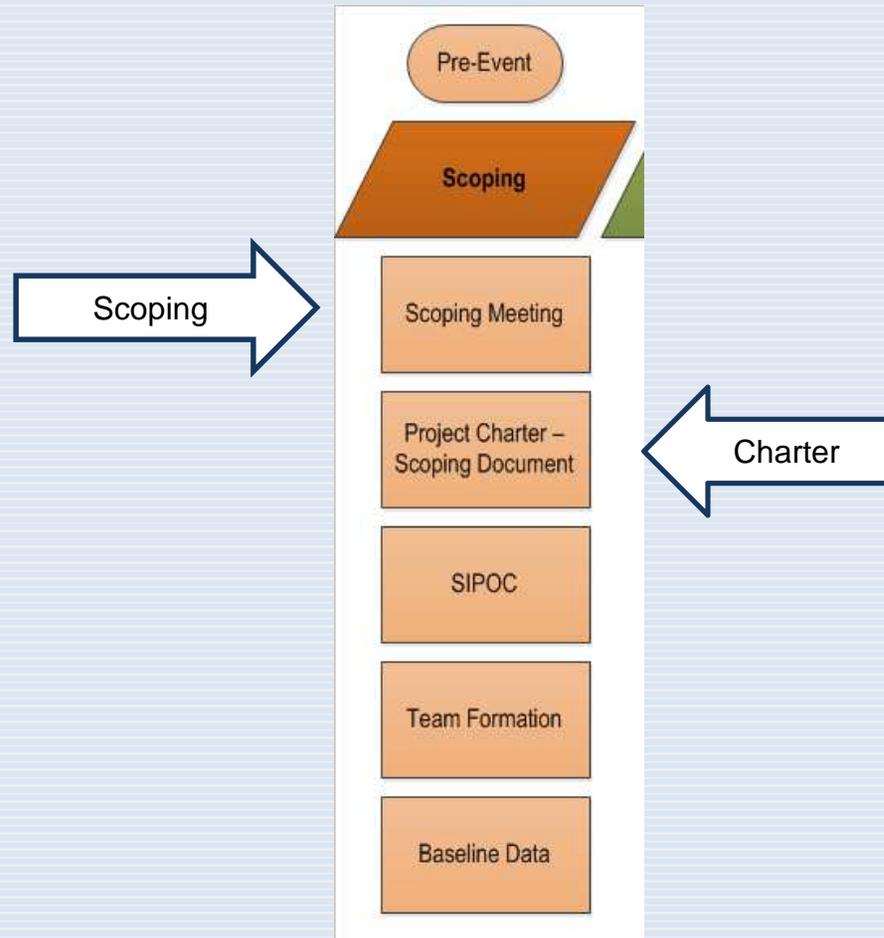
# Lean Kaizen Flow



SIMPLER. FASTER. BETTER. LESS COSTLY.

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# Lean Kaizen Flow: SIPOC



SIMPLER. FASTER. BETTER. LESS COSTLY.

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# Agenda

- Project Selection
  - Sources of Projects
  - Evaluating Potential Projects
- Scoping Meeting
- Project Types
- Project Charter

# Project Selection

## Blatantly Obvious

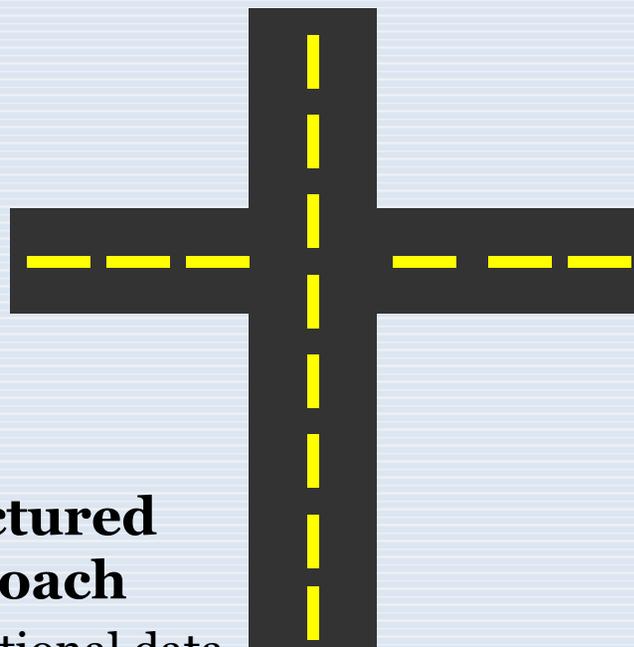
- Repetitive Basis
- Present Problems
- In Paper

## Structured Approach

- Organizational data
- Core metrics
- Direct Plan

## Brainstorming Approach

- Individual Experience
- Tribal Knowledge



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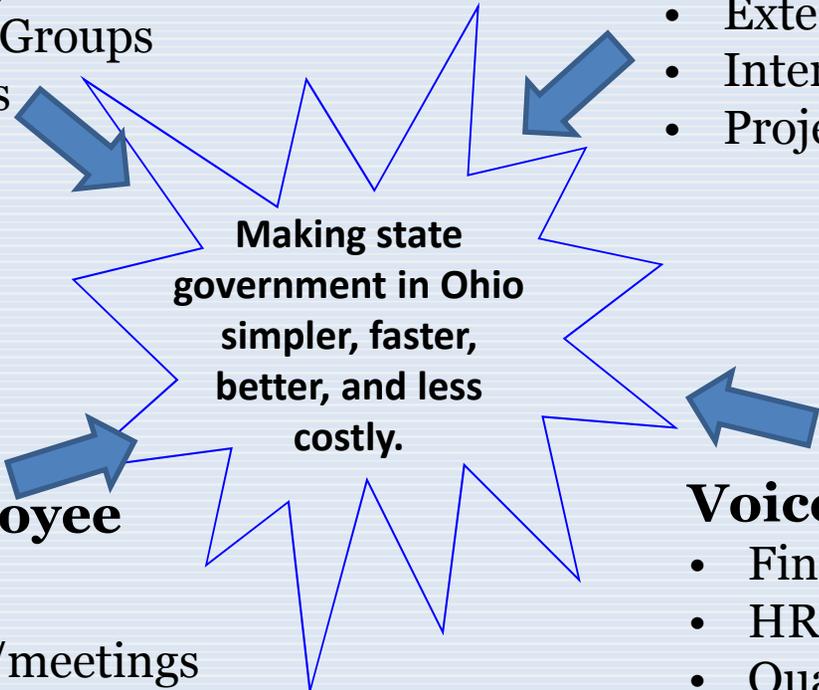
# Sources of Projects

## Voice of the Customer

- Complaints - Surveys
- Interviews – Focus Groups
- Returns or Backlogs
- Scorecards
- Plus Delta

## Voice of the Business

- Business Ys
- External benchmarking
- Internal benchmarking
- Project leveraging



Making state government in Ohio simpler, faster, better, and less costly.

## Voice of the Employee

- Suggestions Boxes
- Verbal suggestions/meetings
- Brainstorming

## Voice of the Process

- Financial data
- HR data
- Quality data
- Health & safety data

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# Project Selection Checklist Criteria

- Strategic
- Significant
- Impact
- Measurable
- Manageable

# Strategic

- Alignment
- Leadership support
- Control of Agency

# Significant

- Priority
- Chronic
- Waste: time, money, rework

# Impact

- Risk
- Positively Impact
  - Customer
  - Agency

# Measurable

- Process can be measured
- Baseline Data

# Manageable

- Duplication – Fatigue
- Scope Defined
- Resources
- Timeline

# Review the Checklist

Project Selection Checklist						
Project Title:		Project Lead:				
Criteria	Definition	1. Strongly Disagree	2. Disagree	3. Neither Agree nor	4. Agree	5. Strongly Agree
Strategic	This project aligns with top level agency strategy.					
Strategic	Leadership strongly supports doing this project.					
Strategic	This process is under the control or influence of the agency.					
Significant	This problem is a priority for our agency.					
Significant	The problem identified in this project is chronic. This problem has been around for a long time.					
Significant	This problem has resulted in a lot of time and or money spent in rework or waste.					
Impact	There is a large risk of doing nothing.					
Impact	This project will directly and positively impact the customer.					
Impact	This project will directly and positively impact the agency.					
Measurable	This process can be measured.					
Measurable	Historic/baseline data are available.					
Manageable	There are no other project initiatives going on in this area.					
Manageable	The scope is defined and manageable for this project.					
Manageable	Resources are available to address this problem.					
Manageable	This project can be accomplished in a reasonable amount of time (3-6 months).					
<b>Total</b>		0	0	0	0	0
		Total number of Points: 75				
		75-60	Good project			
		Below 30	Poor project			

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# What Makes a Good Project?

## Helps

- Project sized to match time available to work it
- Clear objectives, relevant to business, and often tied to functional area
- Allows learning of Lean process and tools
- Valid data easily available
- Small number of outside resources needed (under agency control)
- Change is under project team's authority
- Easy to calculate benefits
- Able to complete in less 3-4 months

## Hinders

- Tries to solve “World hunger”
- No clearly defined benefits
- Long lead time to detect improvements
- Subject matter experts not available
- Valid data not readily available
- Unsupported by stakeholders
- Decision-makers not engaged
- Low occurrence of defects
- Benefits owner not engaged
- No existing process evident (important for first BB/GB projects)

*Select a project with a high likelihood of success*

# Project Selection – Summary

## Good Project:

- Clear problem & goal statement – Clear Positive Impact
- Manageable Scope
- Does not start with a solution
- Relates to the voice of the customer
- Aligned to strategic business objectives
- **Data driven**

## Bad Project:

- Not focused – Scope is too broad
- Defect is not clear
- Known/mandated solution
- Little or no link to the four voices
- No relation to key business objectives
- Anecdotal – Not data driven
- Sub-optimization

# Pre-Scoping Meeting

- Held process owner and leadership to discuss project
- Explain Lean Six Sigma and Services
- Review potential issues, core processes, and improvement opportunities.
- Discuss pain points
- Begins Scoping Discussion
- Walk through charter template (leave behind)



# Scoping Meeting

- Held process owner and leadership to discuss project
- Review of Charter
- SIPOC - Scope Check
- Team Formation
- Baseline Data
- Uncover any potential issues
- Ensure project has full management support
- Review the Out-of-Scope slide
- Confirm Project Type

# Project Types

- Lean Routine
- Green Belt
- Black Belt
- Kaizen Event
- Other

# Event out of Scope

- No one loses their job because of the Kaizen event, but duties may be modified
- No additional staff
- No additional money
- No legislative changes or changes to collective bargaining agreements
- No IT solution until it is determined that an IT solution is needed
- Other?

# LeanOhio Project Charter

- Document and Approve Projects
- Scope of Authority
- “Living” Document
- Excel Document

# Project Charter

- Timely Information
- Monitoring
- Team Management
- In writing

# Charter Sections

- Project Contact/Information
- Project Background
- Project Metrics
- Project Benefits
- Project Status
- Approval

# Project Contact Information

Project Contact Info

<b>LEANOhio</b>		<b>LEANOhio Project Charter</b>	
Project/Event Title			
Project Facilitator			
Facilitator Agency			
Project Mentor			
Project Type:			
Project Champion/Sponsor:			
Project Agency			
Charter Last Updated Date:			
<b>What is the Process this Project is intended to Improve?</b>			
<b>Business Case</b>			

# Project Background

- What is the Process this Project is intended to Improve?
  - Short description of the project process
- Business Case
  - Strategic reasons

# Project Background

- Problem/Opportunity Statement
  - Detail the issue.
  - Historical data
  - How long problem has existed
  - Other Symptoms

**Do not include a solution or state course of action in Problem/Opportunity Statement**

# Problem/Opportunity Statement Questions

- What is the reason we are working on this project?
- When/when does the problem occur?
- How often?
- What is the current (or potential) impact

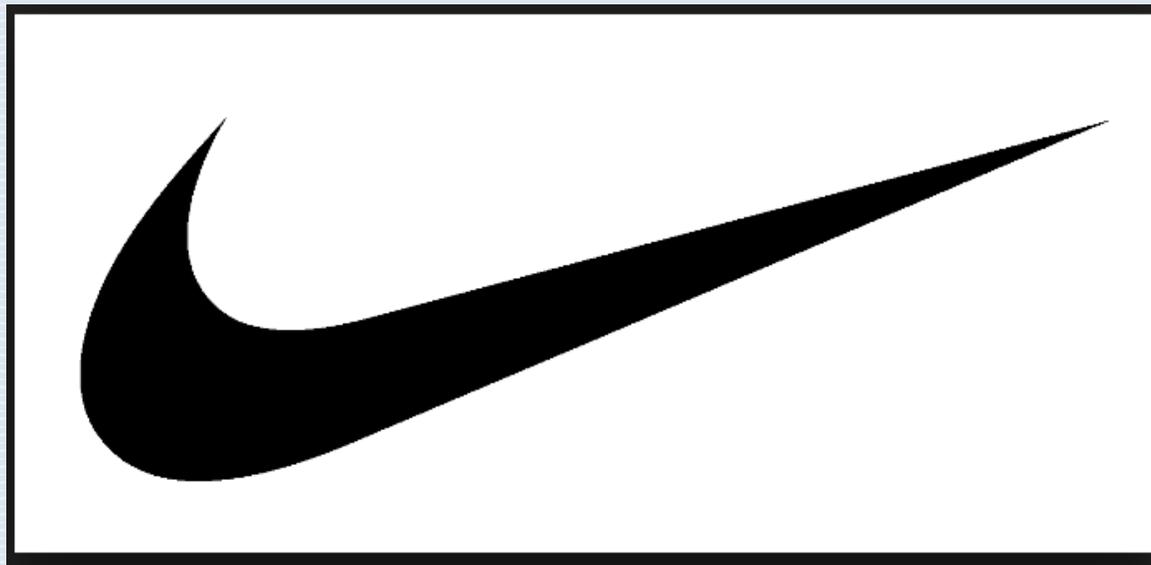
Always related to why customer expectations are not being met.

# Effective Problem/Opportunity Statements

- Concise and Specific
- Jargon-Free
- Written for management
- Quantify the magnitude of the problem
- Identify the process and current performance
- Include how customer is affected, data, and time frame (if available).

# Problem/Opportunity Statements

Be like Nike



If you already know the solution,  
then Just Do It!

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# Other Pitfalls

- Problem based on assumptions (guesses) instead of observations (facts).
- Problem statement prejudices a root cause.
- Problem statement too narrowly or broadly defined.

# Problem Opportunity Statement Example

## **Statement:**

Install a client-server network to improve communications by August 8.

# Example

## **Improved Statement:**

75% of our customers are complaining about delays when requesting account change reports and are threatening to take their business elsewhere. This is one of four key sources of customer dissatisfaction preventing us from achieving our goal of 6% revenue growth this year.

# Example

## – Improved Statement:

- 75% of our customers are complaining about delays when requesting account change reports and are threatening to take their business elsewhere. This is one of four key sources of customer dissatisfaction preventing us from achieving our goal of 6% revenue growth this year.

Problem

Quantified

Contributions

Critical Business Y-  
Output

Customer  
Focus

Impact

# Scope

Scope is the Boundaries of the process:

- First Step in the Process
- Last Step in the Process

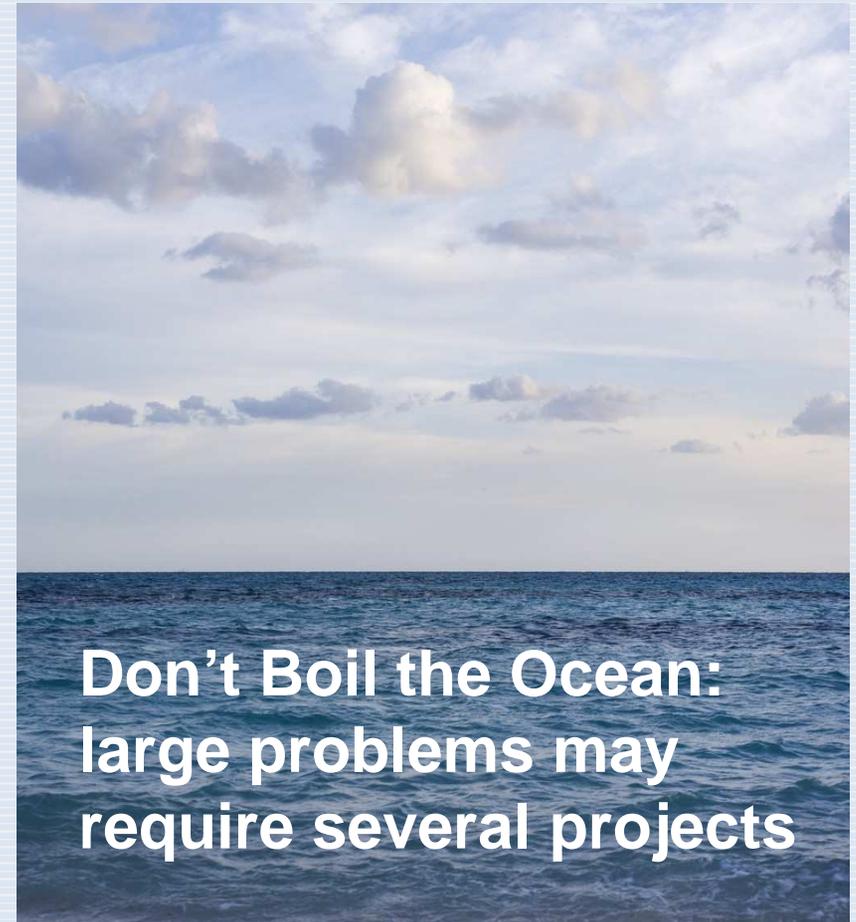
Scope is the size of the Project

Appropriate Scope

# Scope-Creep

**Scope creep:**  
uncontrolled changes or  
continuous growth in a  
project's scope.

- Be specific.
- Touchstone.



# Includes/Exclude Chart

- Assist in scoping

Project Title		
	Includes	Excludes
What		
Where		
When		
Who		
Time		

# Includes/Excludes Example

Reduce Cycle Time of AOS Hiring Process		
	Includes	Excludes
What	Assistant Auditor 1s	Administrative Hires, Retention Rates/Employee Turnover, Promotions, Transfers
Where	Financial, State, Performance, LGS, MCA	IT, HR, General Services, Graphics, Admin Assistants
When	Current Fiscal Year	-
Who	External Hires	Summer Interns
Time	-	-

# Sub-Optimization

**Sub-Optimization** is improving one process at the expense of another.

- Improvement projects are interrelated with other processes.
- Only sub-optimize if agreed upon.
- Communication

# Problem Opportunity Statement

- Details the issue that the project wants to improve.

# Goals and Objectives

- Three intended outcomes of the project
- Related to Problem and Defect Definition
- What will be Achieved
- Sets targets - deliverables
- Criteria to know if project was successful

A carefully developed goal statement is  
critical to project success.

# SMART Goals

- Specific,
- Measurable,
- Attainable,
- Relevant,
- Time Bound

# Constraint Questions

- Potential Issues/roadblocks
- Legal or rule related boundaries

# Customers

- Identify the Customers
- Identify the Stakeholders: Anyone who has an interest in or is affected by the project (vendors, employees, government).

# Defect Definition

- Defect is something that is unacceptable to the customer.

# Performance Metrics

- Establish the process's baseline
- Allow a comparison to the target or goal.
- Drive project decisions.
- Examples:
  - cycle time
  - takt time
  - back log
  - defect rates,
  - Quality
  - Cost
  - rework rates.

# Performance Metrics

## Performance Metrics Chart Explained

- Current: historical level (previous year)
- Goal: the target
- Final: where the process is when the project is complete
- The percent change: how much improvement was made

# Primary Metric

- The primary focus of the project.
  - Serves as the indicator of project success
  - Links to a Key Performance Indicator or Primary Business Measure
  - Typically only one primary metric per project

$$Y = F(x)$$

# Secondary Metrics

- Helps avoid sub-optimization

***Keep Me Honest!***



# Additional Baseline Data

- Process Time
- Cost
- Delays
- Error Rate/Rework Rate
- Backlog
- Customer Service Results
- Other

# Benefits

- Intangible Benefits: or soft benefits are nonmonetary or are difficult to measure.
- Financial Benefits: money savings attributed to your project.
  - Labor Costs
  - Inventory
  - Energy or Utilities
  - Space
  - Contracted services
  - Overtime

# Project Status

- Notes Field

# Project Champion/Sponsor Sign-off

- Initial approval
- Mid-Point Approval
- Final Review

# Lessons Learned

- Be Flexible
- Use your resources and ask lots of questions.
- Be open to learning and respectful of others.
- Direct and frequent communication
- Don't assume that Lean Six Sigma is a "Silver Bullet"
- Be committed to this program.
- Be proactive

# SIPOC Exercise

- In your groups – create a SIPOC for the DOP Application Processing Section.
- Start with the Process