

# LEANOhio

## White Belt Training

SIMPLER. FASTER. BETTER. LESS COSTLY.



# 7 Steps to Implementing Lean “Manufacturing” in State Government

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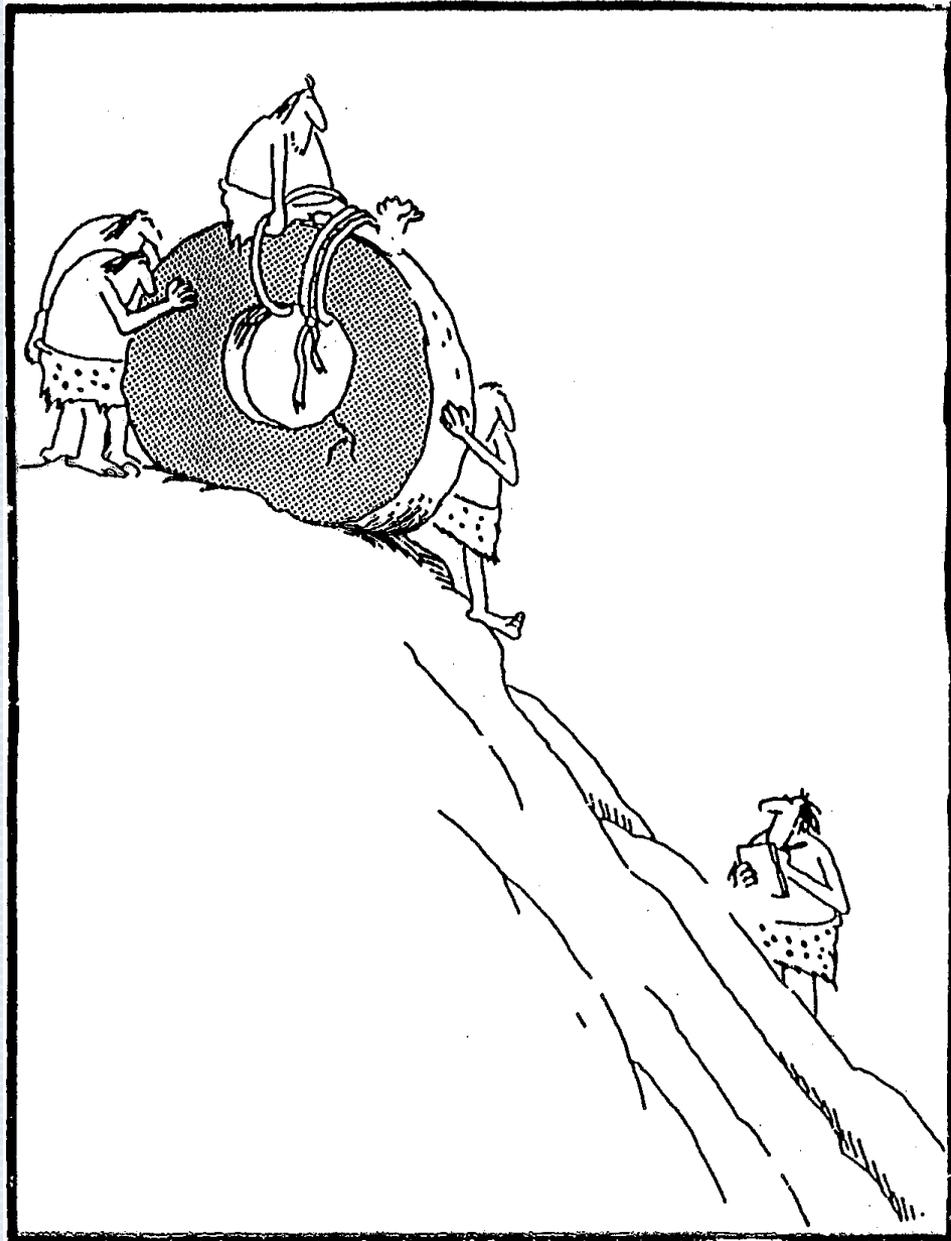
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# Step 1

Learn and test the effectiveness of “Lean Manufacturing” to improve state government systems

***Do not invest in fads***

A team of state employees work with business experts to learn and experiment with Lean tools and principles to determine their effectiveness improving government services



# Lean: Manufacturing vs. Government

## Manufacturing

- Makes things to specifications for specific customers
- Process bolted to shop room floors
- Data for each step and part
- Workers have pride and want to do a great job

## Government

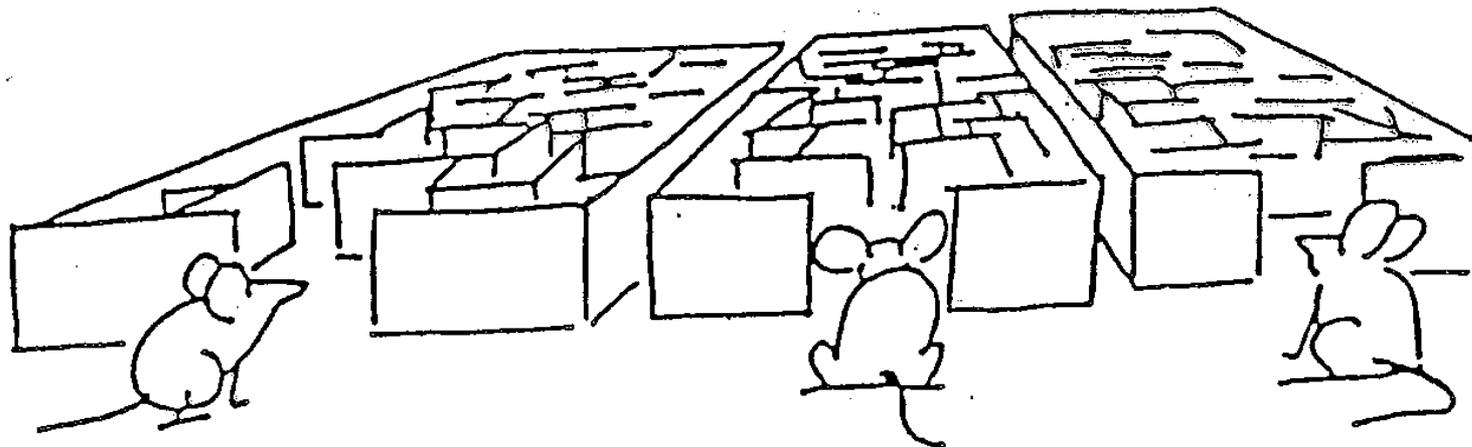
- Provides information and services to all
- Processes invisibly winds through cubicles
- D.R.I.P
- Workers have pride and want to do a great job

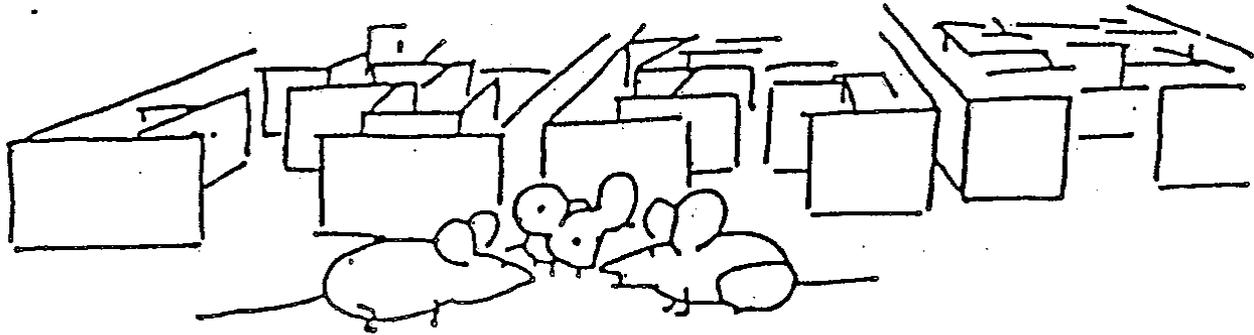
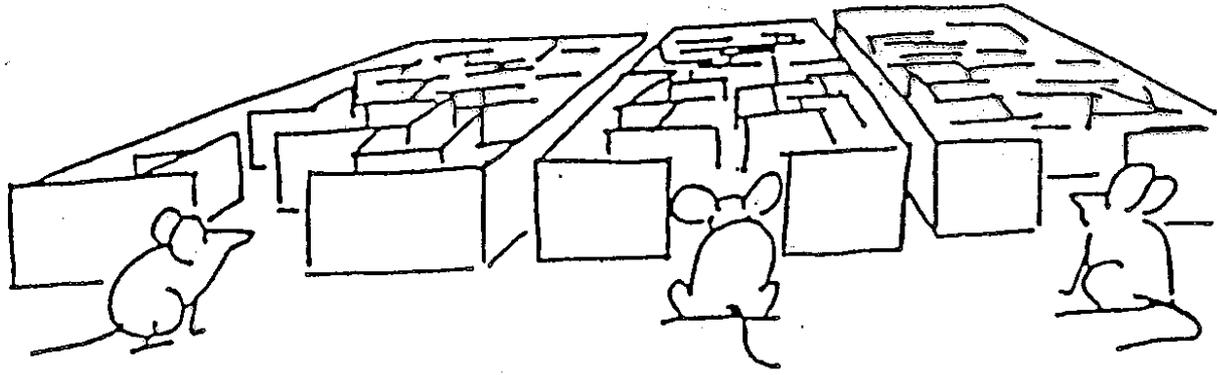
# The Key Differences

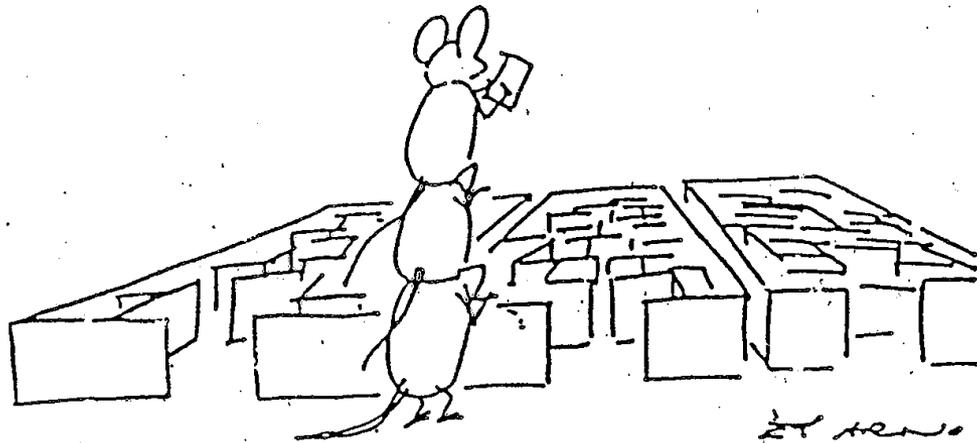
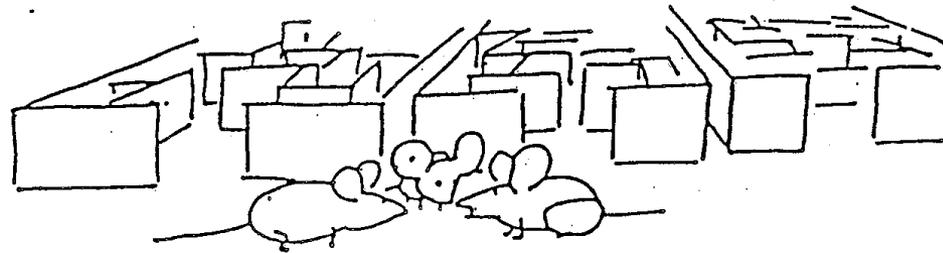
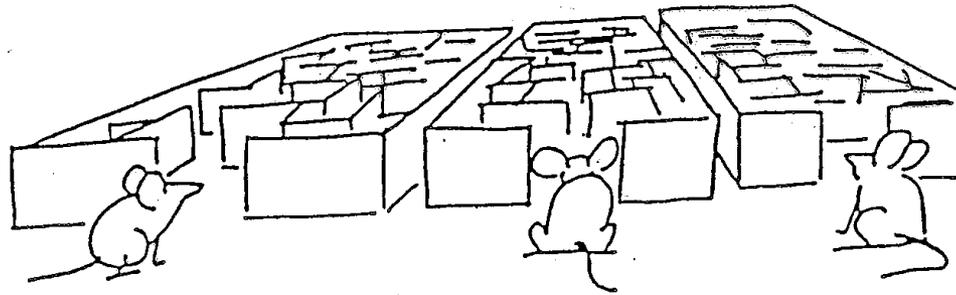
The main challenges for adapting “Lean Manufacturing” to Government are:

- Measurements, tolerances, specifications, and data are more routinely required in manufacturing
- **Processes are not as visible in government**

How do you “Lean Up” those invisible administrative processes in places like HR or Finance?

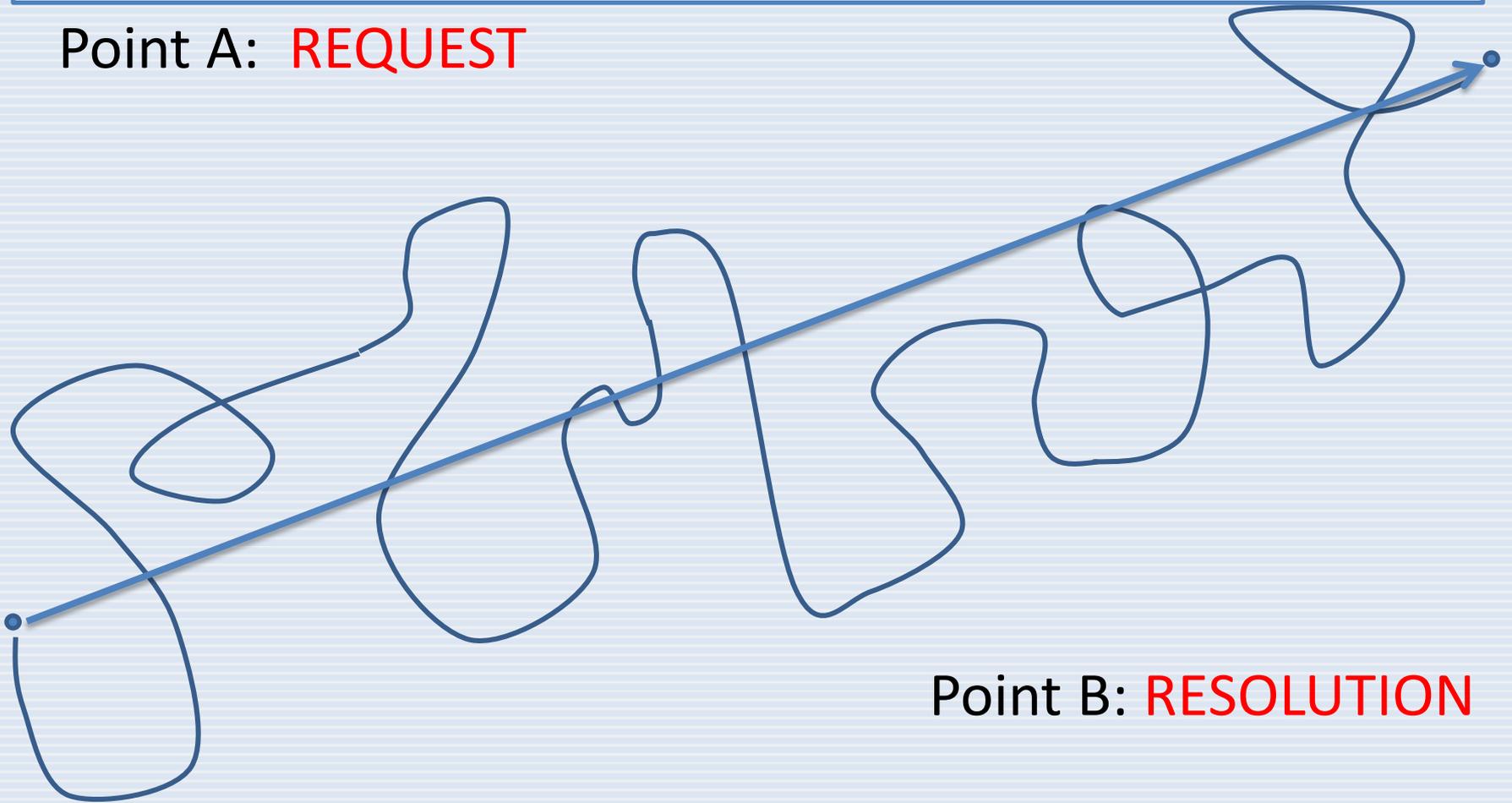






# Processes tend to be invisible

Point A: **REQUEST**



Point B: **RESOLUTION**

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# In Manufacturing or Government, Whatever your results ...

- Process Time
- Errors
- Costs
- Customer satisfaction or frustration

...your process is PERFECTLY designed to achieve those results

# What result is this process perfectly designed to achieve?



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## Step 2

Focus preliminary Lean efforts on major “Kaizen Events” to ensure significant rapid results.

***Selling results is easier than selling theory***

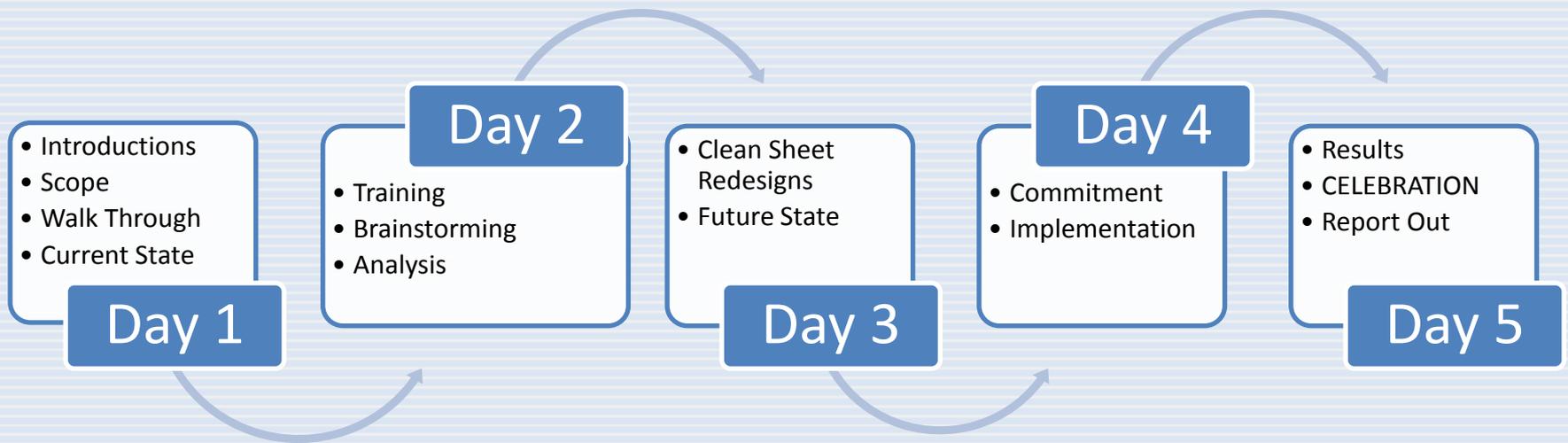
Select high-opportunity projects and champions that will do what it takes to succeed, and accumulate a variety of significant, transformative results throughout state government

# Kaizen Event

Kaizen Events are just one tool in the Lean tool box – but powerful.

- 1 week (Monday – Friday)
- Scope 3 weeks prior to event
- 12-20 people
- Employees who do the work, supervise the work, customers, fresh perspective
- Action oriented - Some things change Monday
- 30, 60, 90, 6 month, 1 year follow ups

# LeanOhio Approach



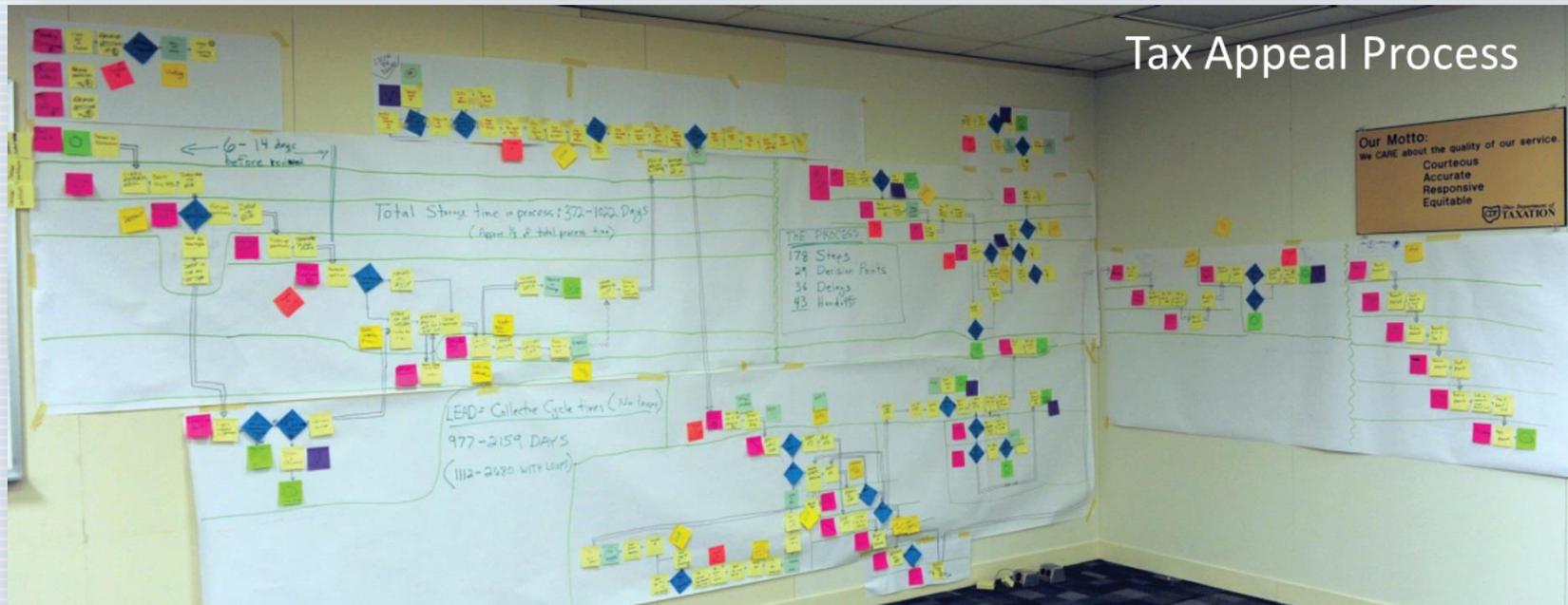
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# Kaizen Expectations

- A new process
- Resource savings
- Customers served faster
- Less waste in process
- Hard work
- Change (for the better)
- Exhausted on Friday

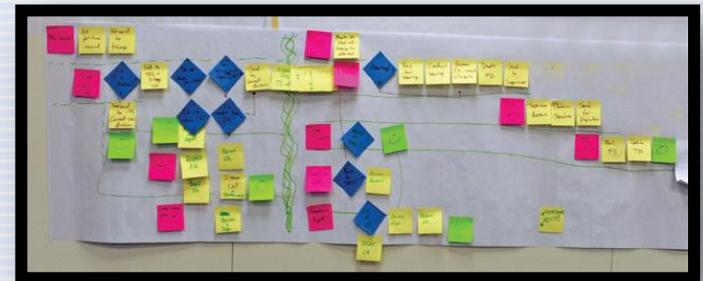
# Fix processes, not blame



Current State = 143 steps, 4 entry points

Future State = 96 steps, 1 entry point

Process time reduced from 32 months to as few as 7 - 20 days



# Taxation/Tax Appeals

- Four entry points reduced to 1
- 18,000 backlog reduced to less than 3000
- Process time from as much as two years to just a few days for common appeals
- \$529,200 reduced in cost avoidance
- Cost to process simple returns reduced from \$105 to \$7

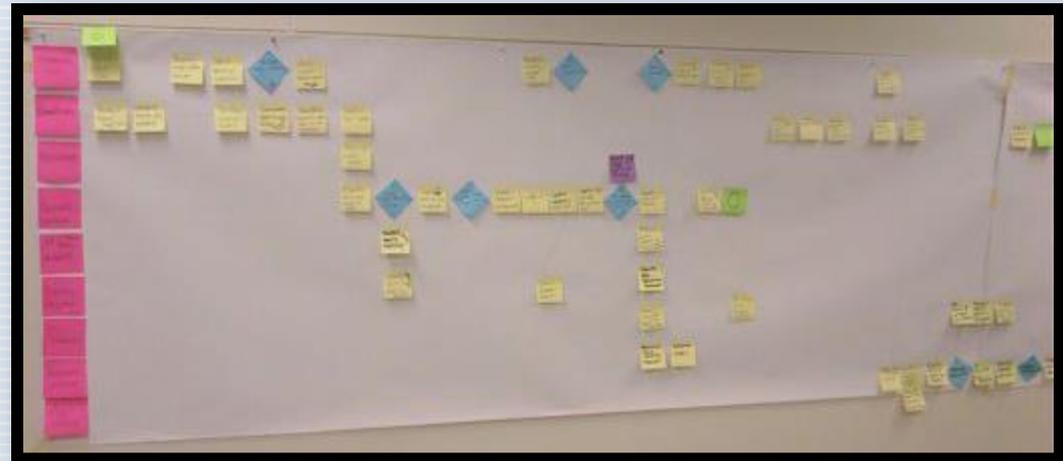
# ODOT – Aviation Registration Process



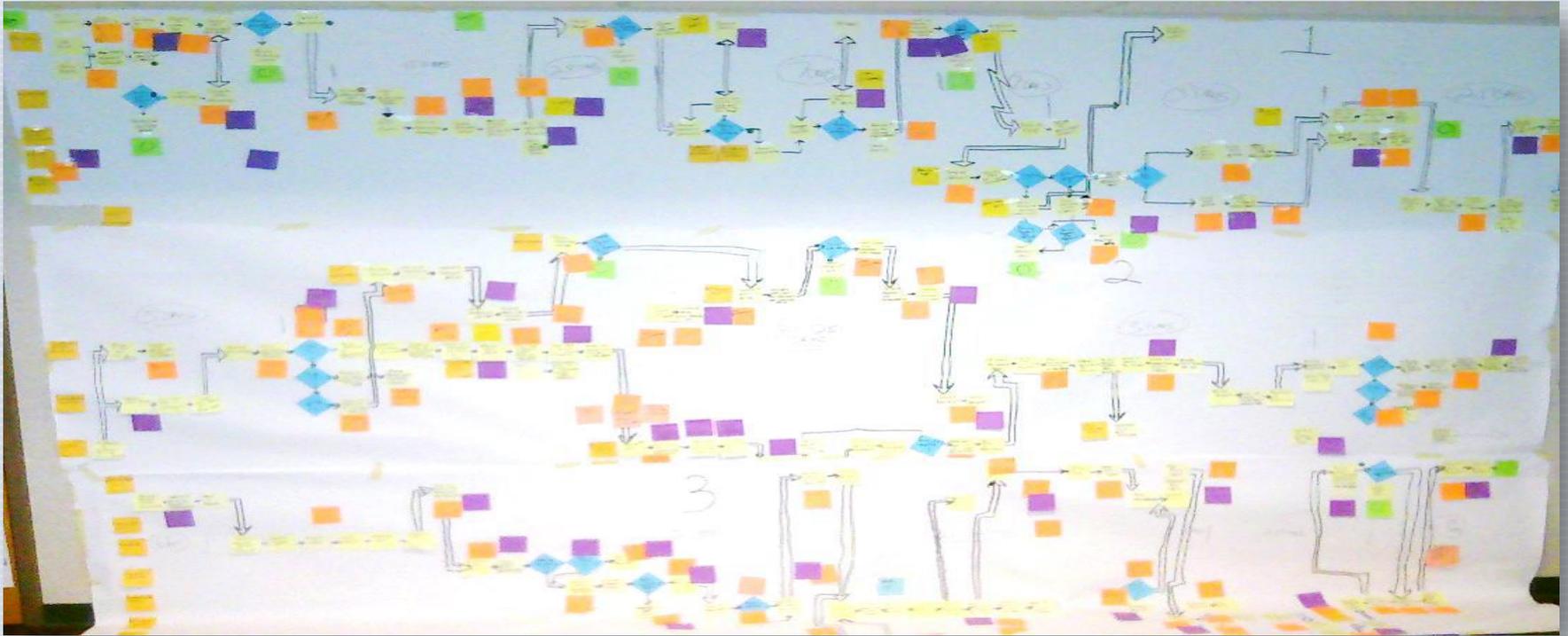
Current State = 129 steps, 13 decisions,  
7 delays, 24 handoffs

Future State = 51 steps, 9 decisions,  
18 handoffs, 0 delays

Process time reduced from 275 to  
11 days



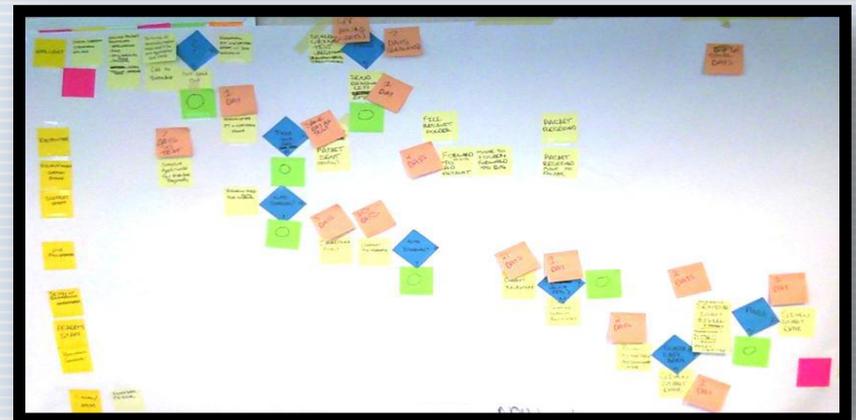
# Public Safety – Trooper Recruitment



Current State = 235 steps, 28 decisions,  
76 handoffs, 50 delays

Future State = 34 steps, 8 decisions,  
11 handoffs, 15 delays

Process time reduced from a range  
of 191 days to more than a year,  
down to 61 days



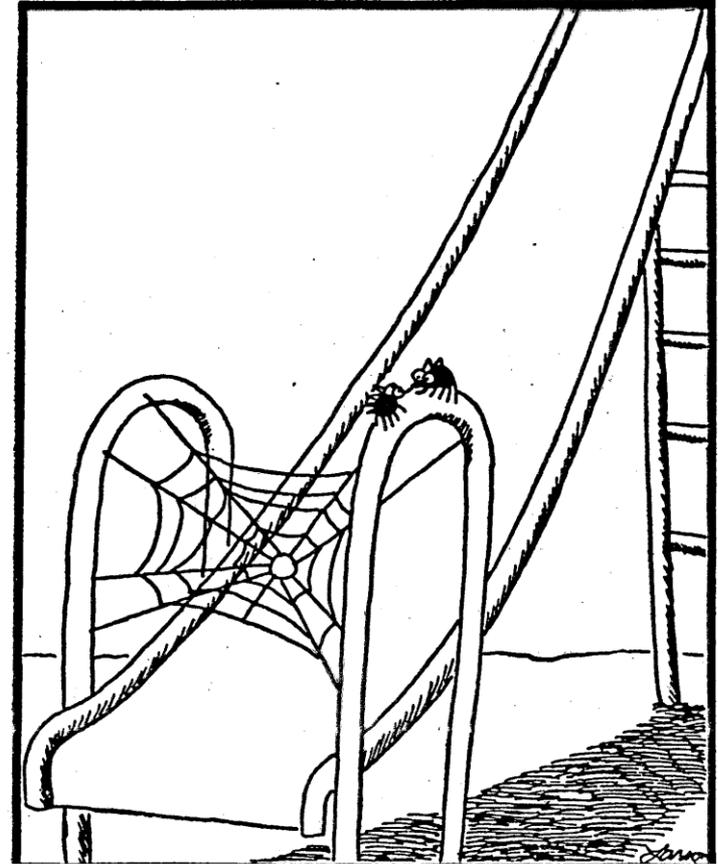
# Kaizen Events Top 10 List

**Top 10** reasons why a Kaizen Events is the “sledge hammer” of the Lean tool kit and works best to achieve the biggest results as quickly as possible

# Top 10 Reasons Kaizen Events Work

## Number 10:

No Kaizen event is held without first developing a meaningful yet appropriately sized scope to ensure success

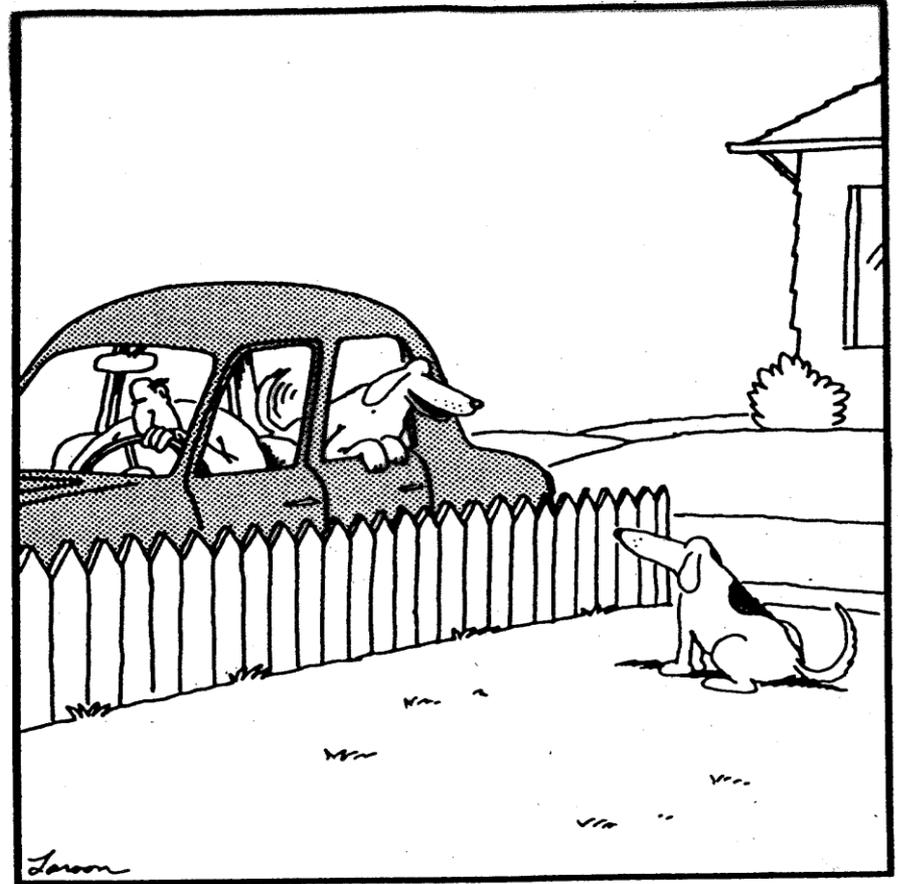


“If we pull this off we’ll eat like kings!”

# Top 10 Reasons Kaizen Events Work

## Number 9:

Each Kaizen event has a detailed scope that provides operational definitions and clearly defines the purpose and goals so everyone is on the same page

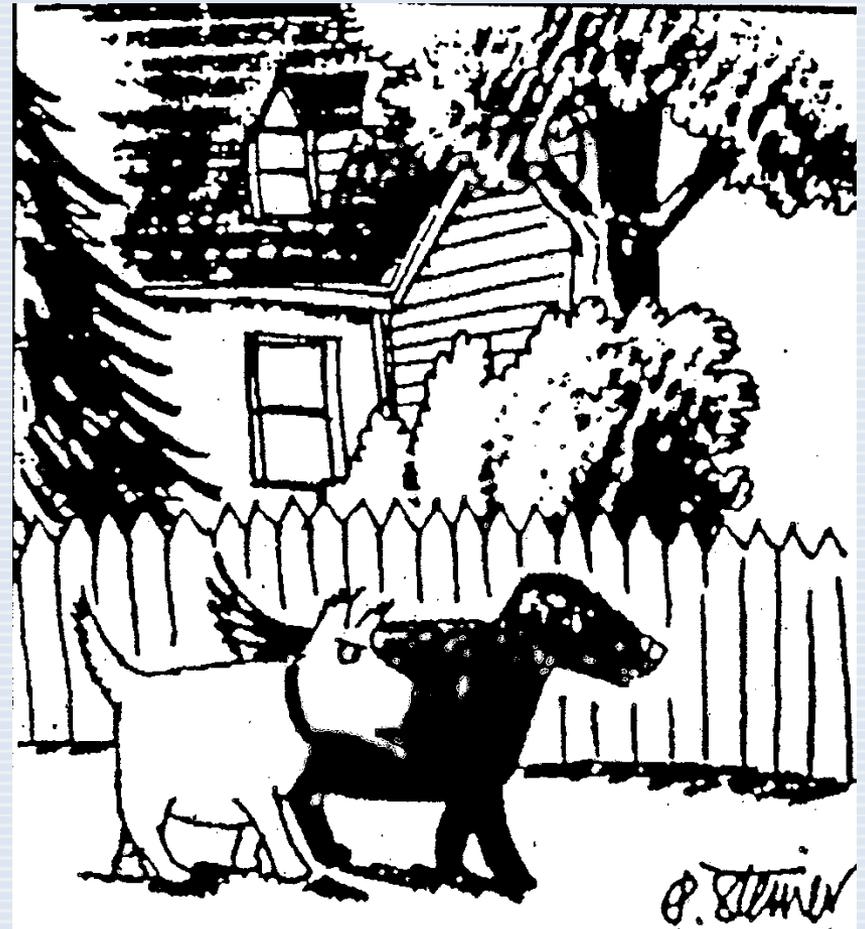


**“Ha ha ha Biff. Guess What? After we go to the drugstore and post office, I’m going to the vet’s to get tutored.”**

# Top 10 Reasons Kaizen Events Work

## Number 8:

The people who do the work (and therefore know the work best) are involved in making the improvements



**"It's always 'Sit,' 'Stay,' 'Heel' – Never  
'Think,' 'Innovate,' 'Be Yourself.'"**

# Top 10 Reasons Kaizen Events Work

## Number 7:

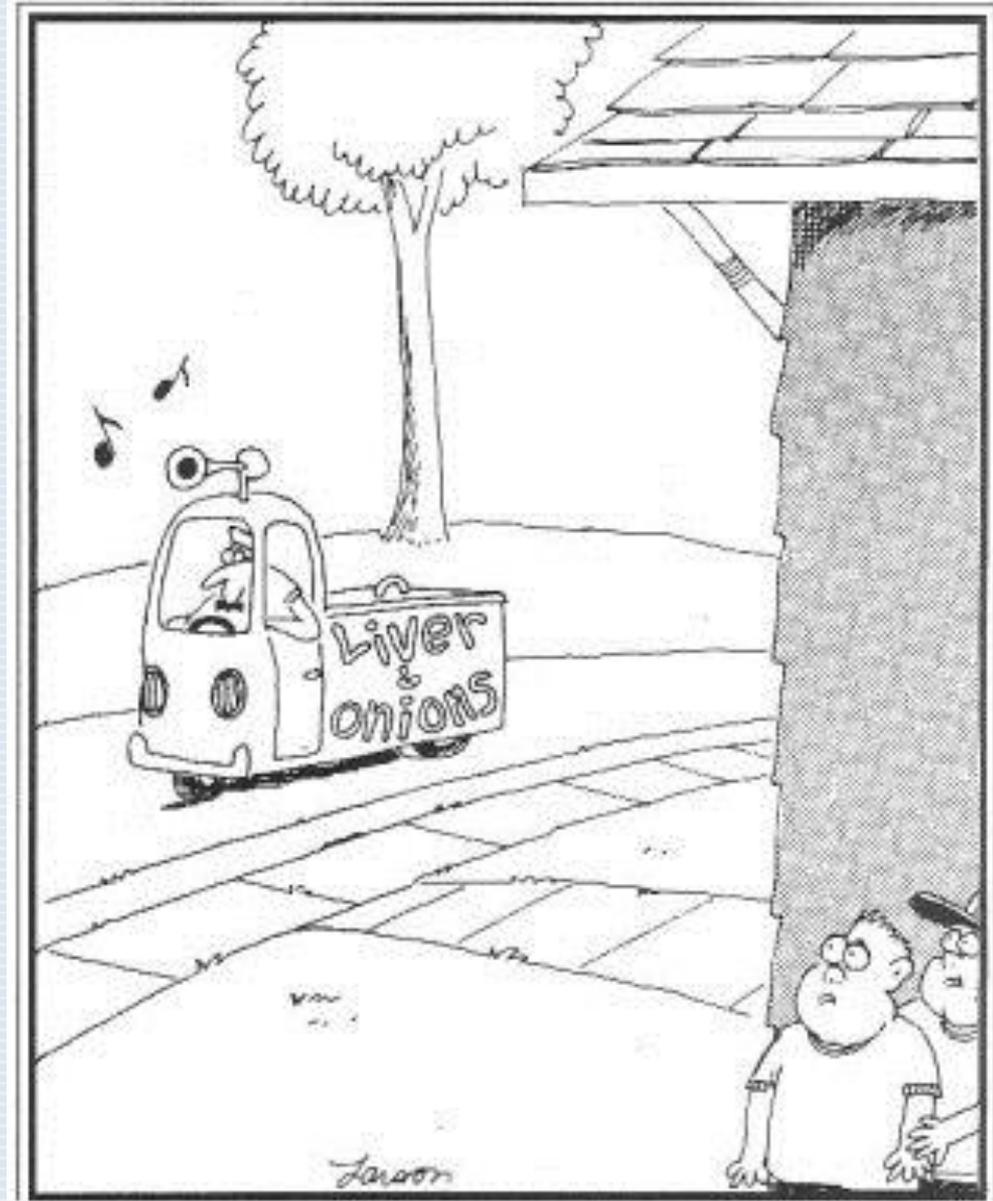
Through team work,  
more creative  
solutions are tried  
and all have  
ownership of the new  
process



# Top 10 Reasons Kaizen Events Work

## Number 6:

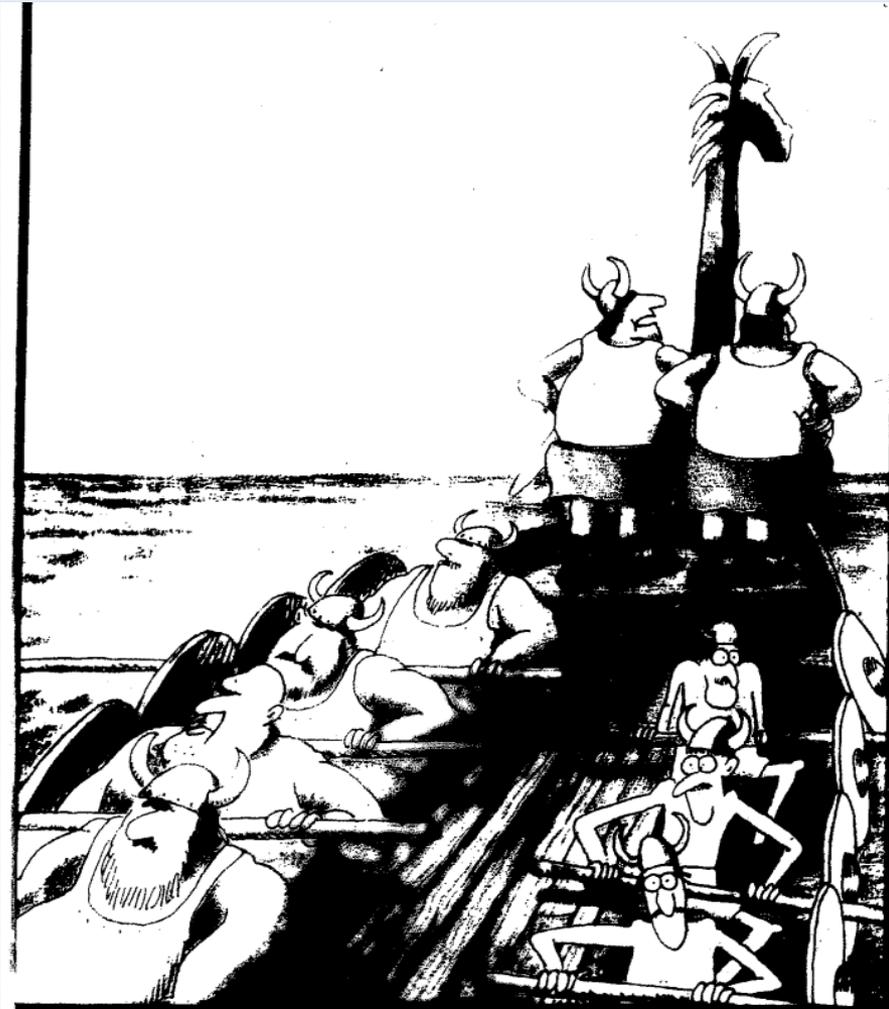
Customers are part of the improvement team so their needs are more accurately identified



# Top 10 Reasons Kaizen Events Work

## Number 5:

The team is taught the science of flow, sequencing and pull systems so they can design their own processes to work more efficiently

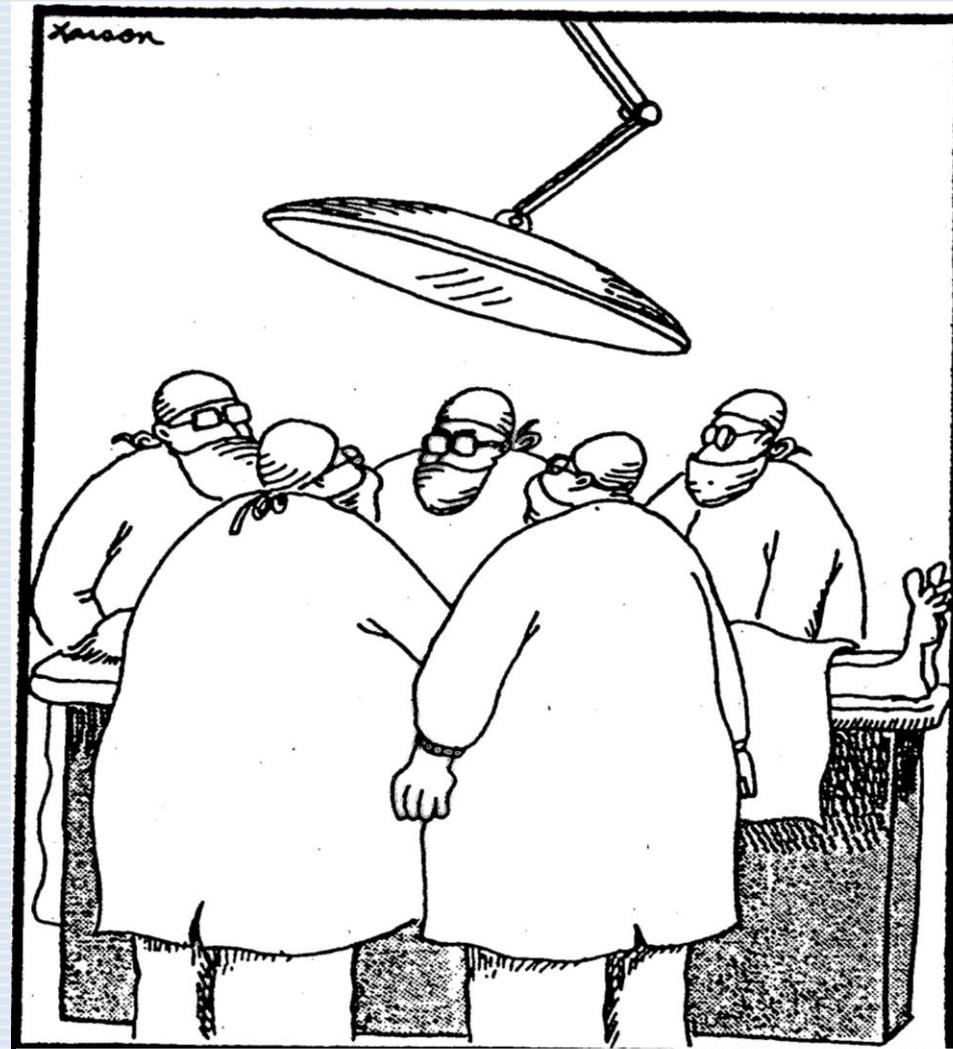


**“I’ve got it too, Omar. A strange feeling like we’ve just been going around in circles.”**

# Top 10 Reasons Kaizen Events Work

## Number 4:

Decisions are made based on the data, so facts trump opinions

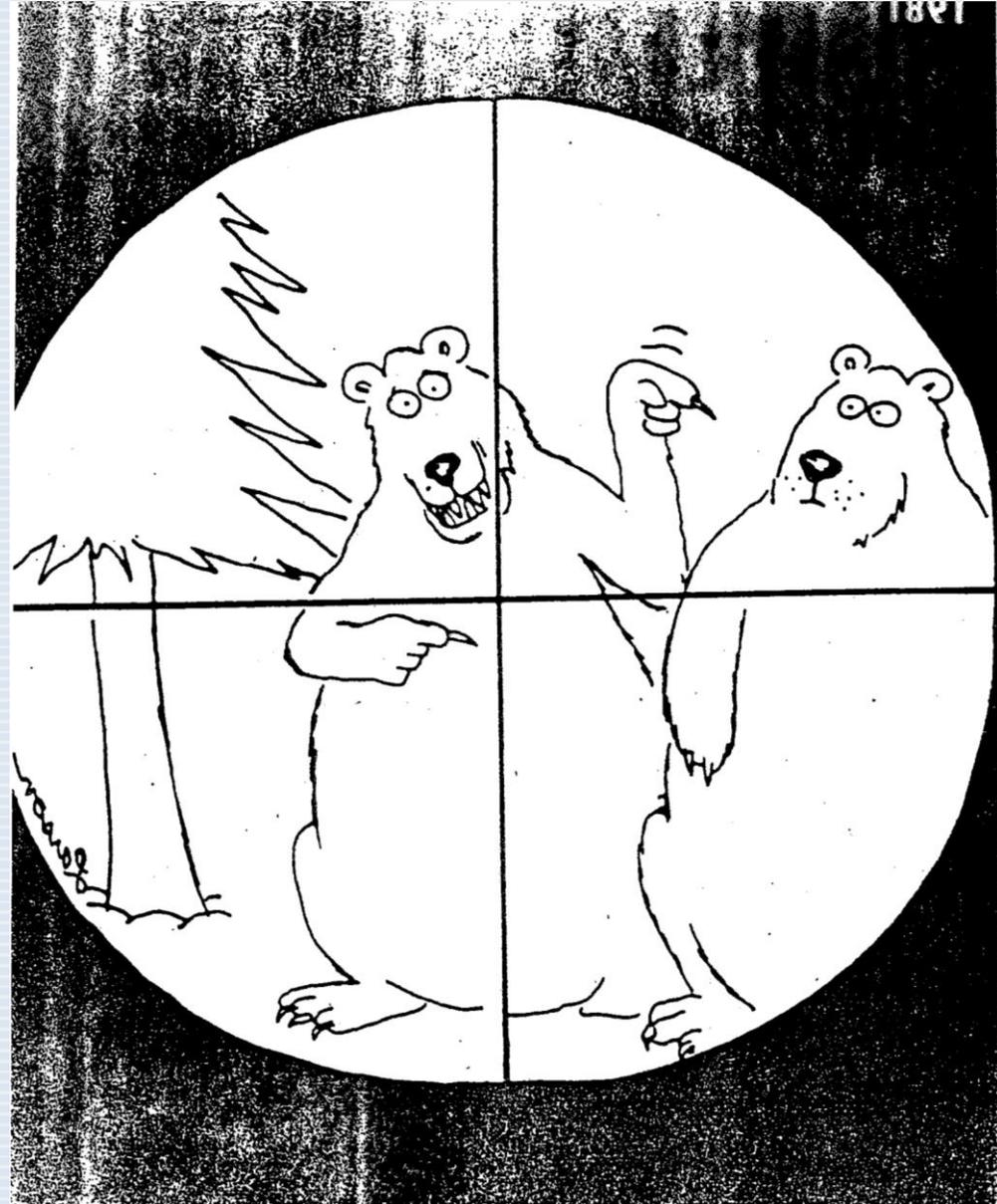


“OK, Williams, we’ll vote...how many here say the heart has four chambers?”

# Top 10 Reasons Kaizen Events Work

## Number 3:

The process creates a blameless environment to help overcome defensiveness and resistance to change



# Top 10 Reasons Kaizen Events Work

## Number 2:

Implementation of the new process begins immediately so momentum is not lost



**“Again? Why is it that the revolution always gets this far and then everyone just chickens out?”**

# Top 10 Reasons Kaizen Events Work

## Number 1:

Management is totally committed to implementing the new process

“Men, I want you to fight vigorously and then run. And as I am a little bit lame, I’m going to start running now.”

- General George Stedman  
U.S. Army (Civil War)

## Step 3

Communicate and celebrate those first tangible results to increase interest and demand for Lean

***If you improve it, they will come***

Use web site, articles, and meetings to share results, and recognize and reward excellence

# Communicating Cost Savings

## BMV / Dealer Licensing Process

- Process reduced from 221 days to 37 days
- \$62,649 annual cost savings
- 5200 annual staff hours redirected
- New Dealerships save between \$200,000 and \$300,000 each
- Columbus based DMV “concierge” service for auto dealers

# Communicating in English

**Ohio Department of Insurance:** It used to take between 102 and 146 days for the state to respond to citizen's complaints about Ohio's insurance companies. It now takes less than 56 days, on average, to resolve those issues.

**Ohio Bureau of Workers' Compensation:** Because of improvements made to streamline the modified claims process, injured workers will return to work an average of four days sooner. This leaner claims process will save the state approximately \$6 million annually.

**Ohio Development Services Agency:** A new improved process for determining eligibility in the Home Energy Assistance Program (HEAP) program will mean ***Ohio citizens in need will be able to get heat for their homes in the winter more than 60 percent faster.***

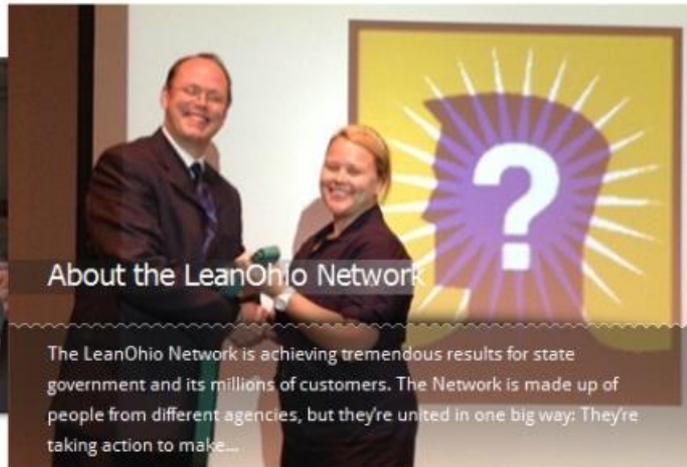
# Step 4

Develop a network of additional practitioners to meet the increased demand for Lean efforts

## *Matching supply and demand*

As more people and agencies wish to use Lean, increase capacity by developing a variety of opportunities for training, mentoring and gaining experience – both within the Lean Ohio Office and interested agencies. Ensure new Lean champions in all agencies have support from experienced practitioners

“The LeanOhio Network is achieving results throughout state government.”



#### Learn how the Network is organized

The Network has five groupings based on members' different levels of Lean-related involvement and know-how. [Click for details.](#)

#### See who's who in the Network

The Network Directory provides info about Network members. The Network is big, but the directory is easy to navigate. [Click here.](#)

#### Get the latest news and views

This series of posts by LeanOhio staff will keep you up to date and informed about all things Lean in Ohio state government. [Click here.](#)

The LeanOhio Mission: Making state government in Ohio simpler, faster, better, and less costly.

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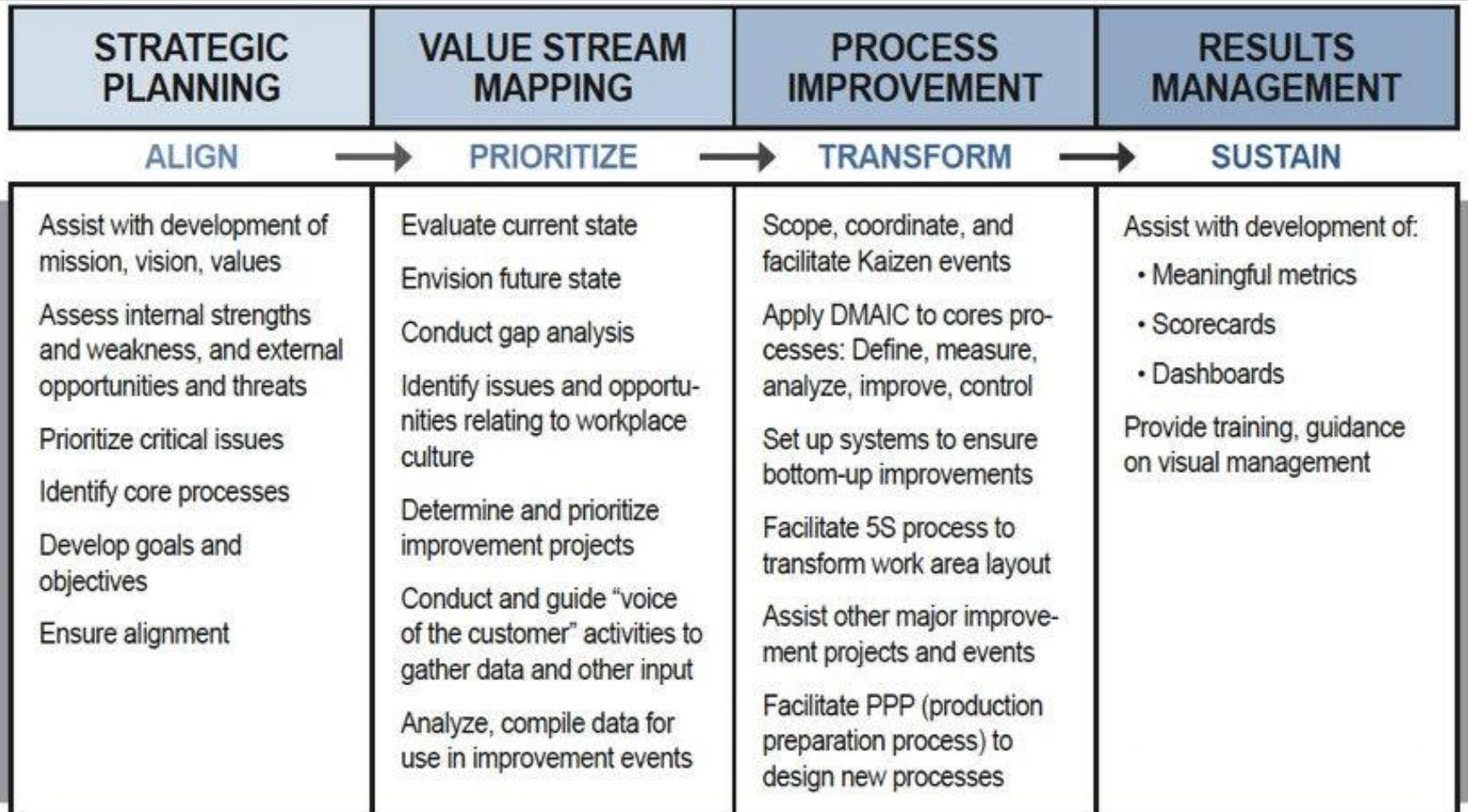
# Step 5

Ensure major improvement efforts are prioritized, aligned with agency goals, and managed with appropriate visual metrics

*From random projects to aligned system improvements*

Widen focus to include strategic planning, understanding and improving systems through value stream mapping, creating efficient processes the first time and visual management systems to better ensure complete success

# LeanOhio Focus



# Step 6

Support opportunities for greater use of Lean tools by everyone

*Push Lean down and out*

Promote bottom-up improvement efforts so everyone is improving all the time – not just if on Kaizen events

# Current Initiatives

- Training Academy
- Lean Liaison in every Agency
- Social / Professional Network
- State and Local Government partnership

# Local Government Efficiency Program

- Grants:
  - \$4.6 million available this fiscal year
  - \$5.9 million available next fiscal year
  - Up to \$100,000 grants with 10% match

# Local Government Efficiency Program

- Training
  - Standard training focused on public sector examples and needs
  - LeanOhio Boot Camp: Transforming the Public Sector
  - 1 week
  - \$2000.00 vouchers available

# Local Government Efficiency Program

- Support
  - Network
  - Opportunities for Experience
  - Mentors

# Step 7

Lean thinking becomes the normal routine rather than something done just during an event

***Lean embedded in state government's D.N.A***

How else would you do **any** state business except by using the best practices for improvement and efficiency? Lean is naturally part of all meetings, projects, day-to-day work activities, and new employee orientation

# Not there yet, but...

- Since January, 2011
  - More than 160 process improvement projects
  - More than 50 week-long “Kaizen events”
  - On average, process time and process steps reduced by more than 60%
  - 170 Lean Six Sigma Black and Green Belts
  - More than \$150 million projected annual savings to date



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