

## KAIZEN RESULTS

# Ohioans needing energy assistance will receive credits for utility bills up to 12 weeks faster

**IN BRIEF:** More than 400,000 low-income Ohioans get help with their utility bills through the PIPP Plus program (Percentage of Income Payment Plan Plus). Each year, clients must re-verify their income in order to remain in the program. The processing of all these re-verifications is a time-consuming undertaking – but considerably less time is being required thanks to the work of a Kaizen team.

**SIMPLIFICATION:** The streamlined process has 64 fewer steps (46% reduction), 5 fewer loopbacks (83% reduction), 14 fewer handoffs (45% reduction), and zero points of waste (compared to 66 instances of waste before).

**SPEED:** The new process will take 1-6 weeks, compared to 4-18 weeks with the previous approach. That's from when a program client receives notification that they need to re-verify their income to when they receive a letter informing whether they remain eligible.

**CLIENT SAVINGS:** When all the improvements are in place, clients will save an estimated \$972,000 from reduced mail and travel expense. Walk-in customers will spend a projected 808,400 fewer hours waiting in line and being served.

**AGENCY SAVINGS:** Local agencies will save a projected \$600,000 from reductions in needed supplies, storage, and shredding once the online application is fully in place.

Kaizen Event RESULTS SCORECARD	BASELINE	PROJECTIONS	
	Key process measures, gathered at the start of the Kaizen event	Projected measures once all improvements are in place	PROJECTED CHANGE
PROCESS STEPS	140	76	46% reduction
LOOPBACKS	6	1	83% reduction
HANDOFFS	31	17	45% reduction
Overall Process Time	4-18 WEEKS	1-6 WEEKS	

**Faster re-verification!**  
*The new process reduces the client's wait time by as many as 12 weeks.*

### DETAILS

The Ohio Development Services Agency (ODSA) offers several programs to help low-income Ohioans pay their utility bills and improve the energy efficiency of their homes. One of these is PIPP Plus, or "Percentage of Income Payment Plan Plus." Households are eligible for assistance from PIPP Plus if household income is at or below 150 percent of the federal poverty guidelines.

Each year, every PIPP Plus participant must provide income documentation to ODSA or a local HEAP agency (Home Energy Assistance Program) to verify that they are still eligible to participate in the program. More than 400,000 clients participate in the program, and since they have to re-verify their income each year, the work load is significant.

In fact, the volume of work had become too much for the existing process to handle. Clients were waiting in lines at local HEAP agencies, and a processing backlog was beginning to form at ODSA's Office of Community Assistance (OCA). It was clear to everyone that something needed to be done.

Leadership organized a Kaizen event, and 19 team members convened for a full week to analyze the current situation, identify improvement opportunities, develop a fully redesigned process, and build accompanying action plans.

The team looked at the entire process: from when a client receives notifica-



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## BRAINSTORMING A BETTER APPROACH

At left, team members are generating and documenting their improvement ideas. This step in the Kaizen event occurs after they have fully mapped the current process and identified all occurrences of inefficiency.

tion that they need to re-verify their income all the way to when they receive a letter informing them that they have been either re-verified or deemed to be no longer eligible.

The team's analysis of the current situation proved numerically what people had been seeing in the long lines and growing backlog. The process involved too many steps (140), too many handoffs (31), and way too many points of waste (66). The start to finish process time was ranging from 4-18 weeks – too long by anyone standard.

During the team's five straight days of work, they went on to develop a major redesign of the process. Planned improvements include:

- A single model for income verification in OCEAN, in order to have a standardized process between OCA and Community Action Agencies. (The Ohio Community and Energy Assistance Network is a web-based centralized client application and database shared by the State and local agencies. It allows for real-time reporting as well as access to client intake processes, income calculations, eligibility determination, and client comments.)
- A user-friendly online application and client portal, to ensure that clients provide all of the needed information and documents the first time around. This will sharply reduce the amount of time spent going back to the client to get missing information and correct income errors.
- Website FAQ, application tutorials, and how-to videos – to give clients all the guidance they need to complete the application easily and correctly.
- Elimination of batching to process re-verification letters. This will reduce the backlog and keep it in check over time.
- The new process also eliminates multiple entry points, levels out seasonal spikes by spreading out the client load, and improves the routing and tracking of missing documents.

When the improvements are in place, the process will involve 76 steps (a 46% reduction over the previous approach), 17 handoffs (45% reduction), and zero points of waste (eliminating the 66 instance of waste uncovered by the team). The new process will take 1-6 weeks – which is 3-12 weeks faster than with the previous process.

According to the team, these improvements will yield major savings to client: \$972,000 in cost savings due to reduced mail and travel expense, plus 808,400 fewer hours that walk-in clients will spend waiting in line and being served. Local agencies will also save big once all the changes are implemented: \$600,000 in savings are projected thanks to reductions in needed supplies, storage, and shredding. ●

