

KAIZEN RESULTS

Ohio's state agencies will process purchase orders 77% faster on commodity purchases

IN BRIEF: Throughout state government, agencies were using their own approaches for purchasing commodities. There was room for improvement across the board – and a need to think enterprise wide. So a Kaizen team was formed, bringing together people from six state agencies. Team members analyzed the individual approaches, identified best practices, and created a single streamlined process that makes the most of OAKS and automation.

STREAMLINING: With the new process, the time from submitting a requisition to receiving a purchase order will be reduced from 30 days to 7 days on average.

REWORK REMOVED: The streamlined process will free up an estimated 171,000 staff hours for value-added work.

SMART USE OF TIME: Participating agencies will save at least \$67,000 in reduced office costs and paper expense.

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	90	19	79% reduction
DECISION POINTS	17	6	65% reduction
WASTE POINTS	98	0	100% reduction
Overall Process Time	30 DAYS	7 DAYS	21 DAYS

Up to a 77% reduction in processing time

DETAILS

Over the years, the purchasing of commodities in state government had become an agency-specific undertaking, to the point where each agency was doing things a bit differently. The level of efficiency varied significantly. No one was gaining the benefits of a single streamlined approach.

So a Kaizen team was formed, bringing together people from six state agencies (OBM/OSS, DAS, ODH, OhioMHAS, DPS, DRC) along with two people from the City of Gahanna (to provide an outsider perspective). They focused on the procurement process for commodities purchased through Ohio Marketplace – from the identification of a need all the way to the dispatch of a purchase order. The aim: to come up with a streamlined process available to all state agencies.

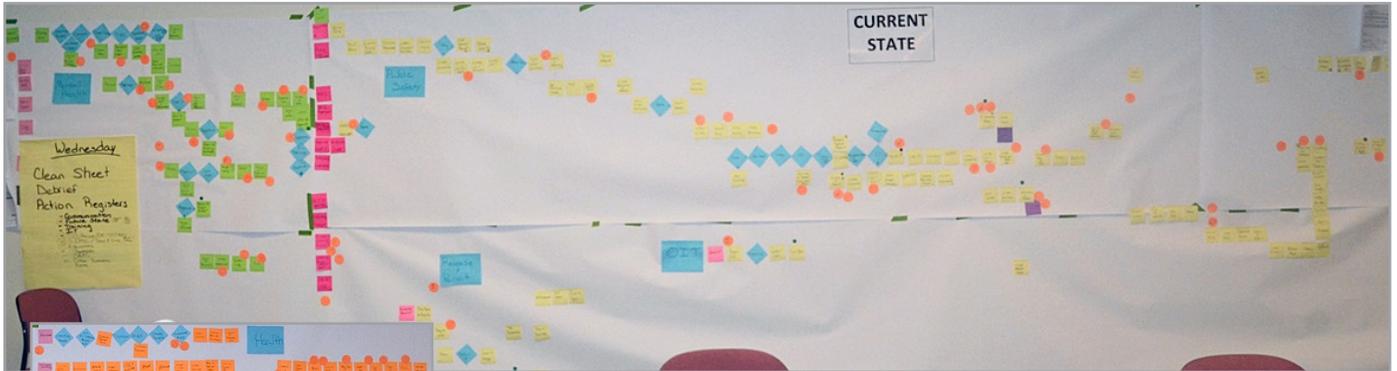
The team began by analyzing the various processes currently in use to purchase commodities. With purchasing staff from different agencies in the room – some of them meeting for the first time – they were able to uncover strengths and improvement opportunities in their individual approaches.

One general discovery had to do with the Ohio Administrative Knowledge System (OAKS) and the level of purchasing-related automation. It was found that agencies enter requisitions in OAKS and create purchase orders through the OAKS workflow – but that manual, paper-based processes surround these

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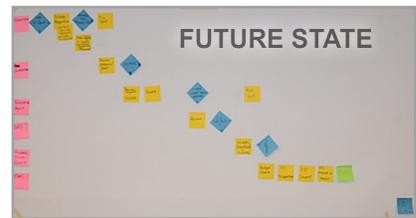
Team members: Betsy Bashore, OBM (Team Leader); Bryon Moore, OBM/OSS; Bridget Brubeck, OBM; Scott Ferguson, MHAS; Lucille Fuller, MHAS; Ron Watts, DRC; Jackie Flemmings, DAS/OIT; Tony Collins, City of Gahanna; Brandi Braun, City of Gahanna; Barbara Richardson, ODH; Marlene Jones, ODH; Michele Flanery, DPS; Teresa Peters, DPS; Kelli Whalen, DPS; Jean Stephenson, DAS/OPS.



BEFORE & AFTER

Above and on the left is the team's map of the current process. In many cases, different agencies had different approaches for purchasing commodities.

On the right is the transformed process with just 19 steps.



automated steps, causing process-slowng waits and feedback loops.

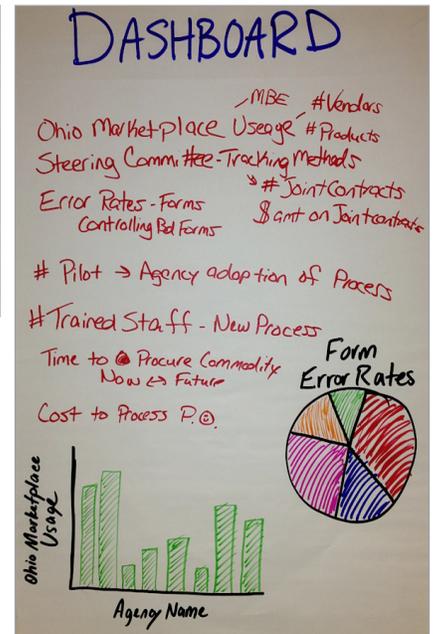
The team went to work standardizing and streamlining the process. They removed layers of approvals, eliminated the need to enter redundant purchase information in multiple systems, and reduced the number of touches required for processing.

With an eye toward having single-system entry, they developed a way for purchasing information that is entered into OAKS to be automatically uploaded to e-Controling Board, e-OIT and Procure.Ohio. This change alone will save considerable time.

When it's fully in place, the new process will have just 19 steps. That's a 79% reduction over the typical way of doing things before. The team's analysis uncovered 98 points of inefficiency in the purchasing process – all of which will be eliminated with the new approach.

According to the team's calculations, the streamlined process will take an average of 7 days – from submitting a requisition to receiving a purchase order. That's 77% faster than the estimated 30 days with the old process.

Money will be saved too. With more of the process done online, participating agencies will save more than \$67,000 in reduced office costs and paper expense. ●



The Kaizen team sketched out a dashboard, as seen the right. Once it's developed and implemented, it will track key measures – providing staff with up-to-date information on the fitness of its process.