

LEANOhio

Ohio Department of Commerce Procurement Process

October 2017

How Did We Get Here?

Why are we doing this event?

- We are seeking ways to improve the efficiency our of service delivery.

What needs to change?

- The processing time for which it takes us to deliver our services needs to be improved.

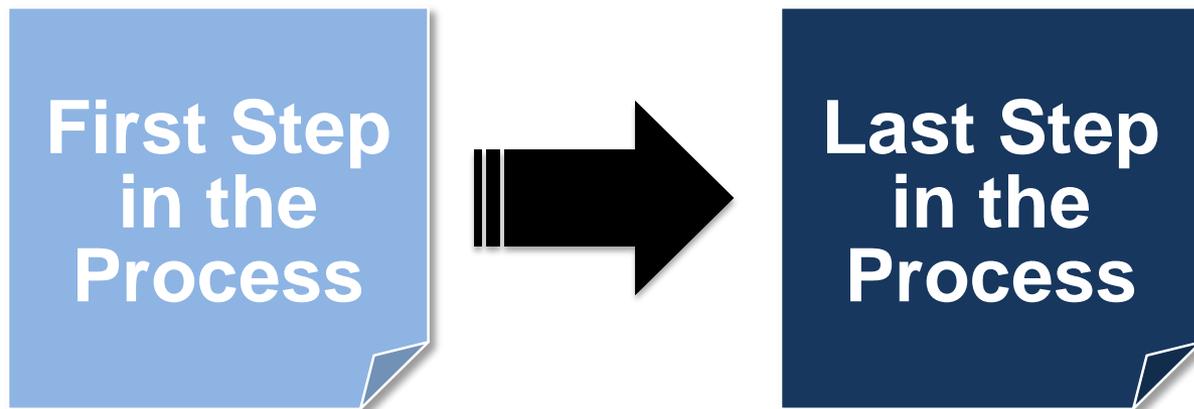


SIMPLER. FASTER. BETTER. LESS COSTLY.

lean.ohio.gov

Event Scope

- What is the first step in the process?
 - Our process begins when a Division initiates a purchase request.
 - Focus is Non-IT procurement of goods and services
- What is the final step in the process?
 - Our process ends when the Division is notified that the order is placed.



Event Baseline Data

What are the known data points?

- Number of customers: 8 divisions
- Number of incoming items: 1160 (7/1-10/5)
- Number of completed items: 990
- Number in backlog items: 132
- Number of expedites: 101
- Other: 3,000 requests in FY17

*Baseline data is critical to the success of the event

Process Improvement Goals

Streamline the purchase request process (i.e. reduce the number of steps)

Decrease the amount of time it takes to process purchase requests and create benchmarks

Comply with all laws, rules, and procedures governing the procurement process

Change for the Better

- Customer focused
- Right people changing the process
- A series of meetings that are action oriented
- Necessary resources available immediately
- New process implementation begins right away





Day One

- Level setting
- Scope of event
- Customer identification
- Current state mapping



Day Two

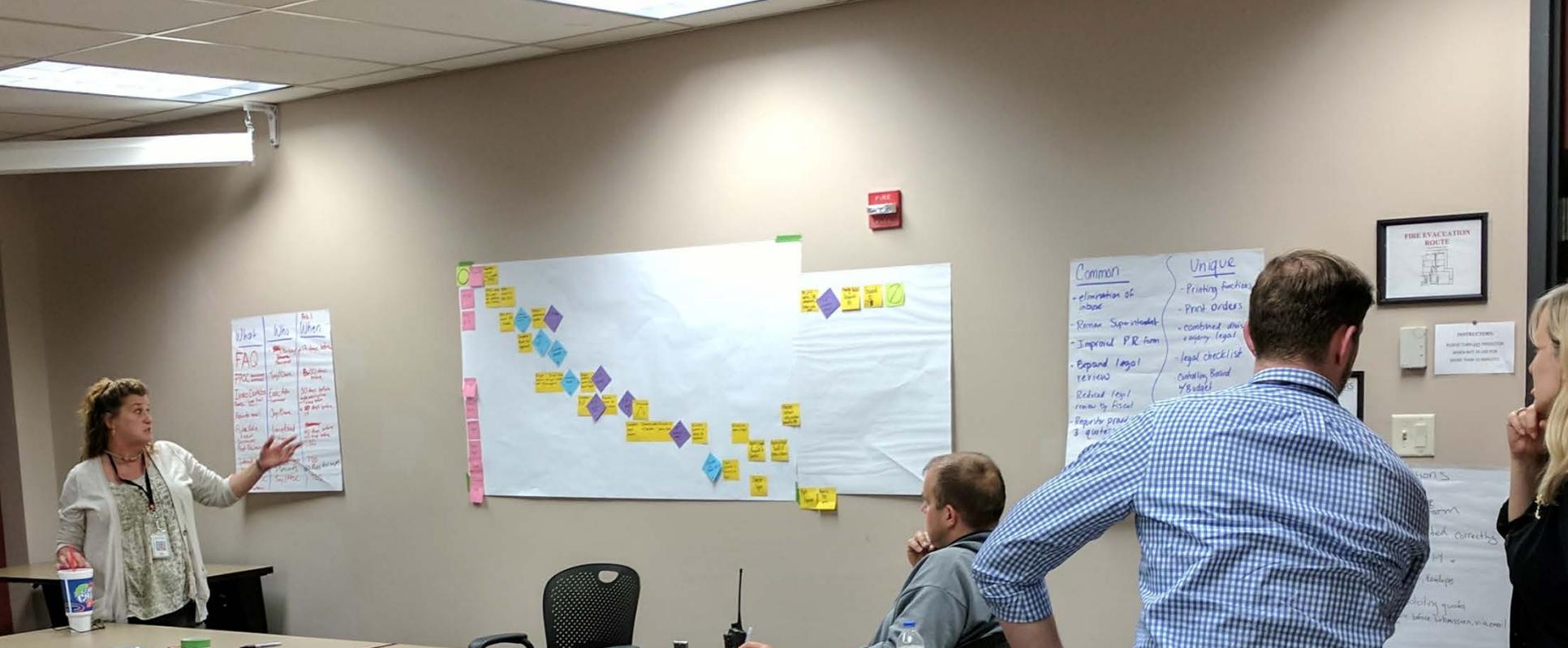
- Finish current state mapping
- Waste identification
- Value added discussion
- Lean Six Sigma training



- Handwritten list on a whiteboard:
1. [unclear]
 2. [unclear]
 3. [unclear]
 4. [unclear]
 5. [unclear]
 6. [unclear]

Day Three

- Brainstorming
- Analysis
- Problem solving
- Process redesign



Day Four

- Future State Process
- Discussion and consensus
- Implementation planning
- Details



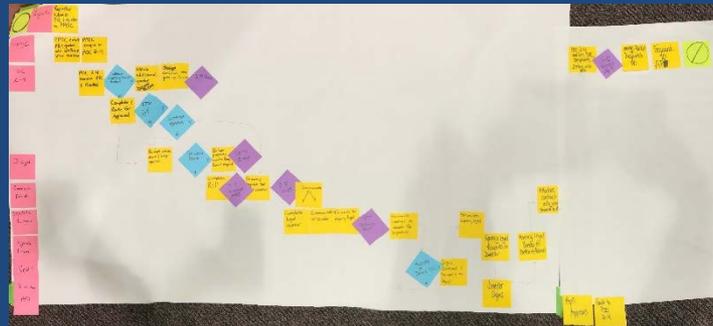
Today - Day Five

- More implementation planning
- Sharing results

Current State



Future State



Simpler



- Budget and supervisor combined approval
- Direct communication with customer
- Less back and forth of review process
- PPOC has ability to send request straight to POC 2-4 to initiate process
- Requestor can provide quotes
- Error-proofed form – less rework

Faster



- Reduced delays
- Reduced number of approvals and increased quality
- Streamlined overall process
- Reduced steps
- Reduced handoffs between functional areas

Better



- Knowledge based responsibility alignment
- More ownership of duties with more clarity of roles and responsibilities
- Customer-friendly form
- Freedom for requestors to assist Procurement with quotes

Less Costly



- Redirected hours per request
- Procedural well-being
 - Improved customer service, reducing vendor declination and frustration
 - Better customer service increases vendor bid participation possibilities
 - Improved internal customer service

Summary Scorecard

Measure	Current Level	NEW	Change
Process Steps	130	32	75%
Decision Points	19	5	77%
Handoffs	55	14	75%
Process Time	Simple: 3 to 5 days Complex: 15 days	Simple: 2 to 4 days Complex: 10 days	Simple: 1 day Complex: 5 days

Note: Contracts are dependent on complexity

Implementation Plans

- Communication
- Training
- Roles & Responsibilities
- Travel Request Process

Communication Plan

- Team presentation to leadership
- Develop FAQ's
- PPOC mandatory meetings
- Department-wide email

COMMUNICATION

What	Who	When
FAQ	Stacy /Bussay Dave Procurement	17 days before
PPOC MANDATORY MEETINGS	Joy/Dave	20 days before
INTRO DEP WIDE EMAIL - Super. Email Buy in	EXEC Adm. - Superintendent	30 days before implementation - 10 days before
How to email	Joy/Dave	17 days before
Poke Yoke FORM	Group/Chad	Stacy 60 days before
INTRA NET	IT/Fiscal	60 days before
Post-Review	PPOC/Joy	TBD
Internal fiscal review	Fiscal managers	TBD
UPDATE PPOC list	Pensions	60 days before imp!
Monthly PPOC Communications	Joy/PPOC	TBD

Training Plan

- Provide training on new purchase request form
- Develop an acronym guide
- Cross-training between Legal and Contract Admin

What	Who	When
1) Purchase Req Form	Requestor + POC's	30 days Before LIVE
2) Full Process	Dept. Wide those impacted by Procurement	60 Days Before LIVE
3) Solicitation Process + Laws	Requestors + POC's in smaller groups	15-30 Days
4) Division Q+A Follow up	Procurement Panel	as needed 1 WEEK OUT
5) Approvals + Thresholds	Sr. Staff	
6) TRAVEL	Dept. Wide	?
6) Acronym Guide		
7) Legal + Contract Admin cross-training	Legal + Contract Admin	

Travel Request Plan

Travel

Issues w/ Process

- No education on how to finalize travel expenses in OAKS. → OSS OAK vs Intellina
- Hotels - Suggested hotels | per diem amounts.

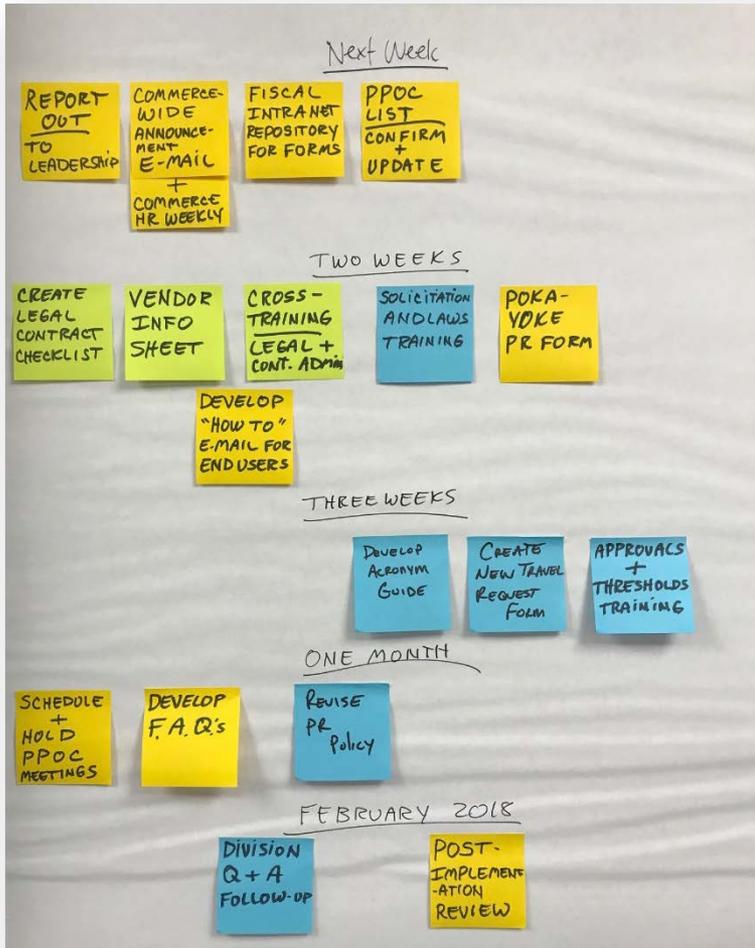
* Traveler has to go 45 mins. out in order to stick w/ Per Diem rate * What is the limit? (30 miles)
What if there is no hotel w/ in the 30 miles w/ Per Diem Rates?

Travel Request Form

- Add lines to state: hotel name, address, telephone # and comments. (3 lines)
Top 3 ↓
- Add line about conferences. (Y/N)

- PPOC | Traveler - Travel Reservations
 - Make to copy the PPOC on all emails to the traveler.
- Update Travel Request Form (pages)
- GSA Rates - conferences (over/under)
- Educate Division on Travel Rule (OEM) as well as Travel Process.

Timeline Tree



Special Thanks to...

Senior Leadership:

Jacqueline T. Williams, Director

Matt Close, Assistant Director

Sponsor:

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Team Leader:

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Fresh Perspective / Observer:

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