

# LEANOhio

**Ohio Turnpike Commission**

**Procurement Process**

July 14-18

SIMPLER. FASTER. BETTER. LESS COSTLY.

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# Team \$50K



# Team Members

- Ron Burgess
- Becki Sudnick
- Bill Keaton
- Denise Urbansky
- Chris Matta
- Julio Medina
- Jeff Landel
- Rick Gluszek
- Greg Rumph
- Kevin Scott
- John Arvai
- Barb Black
- Kevin Golick
- Tommie Jo Marsilio
- Dan Wooten (Cleveland Federal Reserve Bank)
- Mike Berger (Lottery Commission)

# Key Stakeholders

- All Ohio Turnpike and Infrastructure Commission Departments (i.e. Maintenance, Technology, and Operations)
- Vendors
- Public/Ohio Turnpike Customers

# Event Background

The process needs to be improved for internal and external customers. The turnaround time currently takes too long and communication needs to be improved.

# Scope of the Event

**First Step:** Our process begins with a department's identification of a need for goods and/or services.

**Last Step:** Our process ends with the final payment of an invoice for the requested goods and/or services.

# Out of Scope

- No additional staff
- No additional money
- No IT solutions until the process is improved
- No changes to laws or labor contracts
- No one loses their job because of the Kaizen event, although duties may be modified

# To Break for the Better

- Customer focused
- Right people changing the process
- One week-quick and action oriented
- Necessary resources available immediately
- New process implementation begins next Monday



# Baseline Data

January 1, 2014-May 31, 2014

**543 requisitions**

January 1, 2013-December 31, 2013

**841 requisitions**

Process Cycle Time:

**1 to 90 days**

# High Level Process Map

S  
Suppliers

MECHANICS  
FOREMAN  
(CHECKS  
ALL DEPTS.)

I

INPUTS

PART NUMBERS  
ROSS/IT SYSTEM  
SPECS  
\$ - BUDGET  
⊗ SYSTEM ACCESS

P

Process

CREATE REQ  
SIGNATURES  
... (PAPER)  
BIG HOUSE SIGNATURES  
TO PROCUREMENT  
PURCHASE  
& DELIVERY

O

OUT PUTS

WORK FIELD  
SUPPLIES  
P.O. - B.O.

C

CUSTOMERS

OUTSIDE  
Public/DRIVERS  
~~TRADES~~  
VENDORS

INSIDE  
TRADES  
MAINT. DEPT.  
MECH.  
I.T.  
OPERATIONS

Department ID's  
need for good  
service (only  
year)

CREATE  
REQ

SIGNATURES  
&  
APPROVALS

Procurement  
&  
Delivery

Final Payment  
of invoice  
for goods/service

# Project Goals

Reduce “pain points” and increase efficiency by 50% or more

Decrease the amount of time by 50% from creation of requisition to delivery of goods or services.

# Current State



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# Current State Had Too Many...

- Decisions
- Handoffs
- Loop Backs
- Signatures
- TIM U WOOD = Waste



Transportation

Information /  
Inventory

Motion

Underutilization

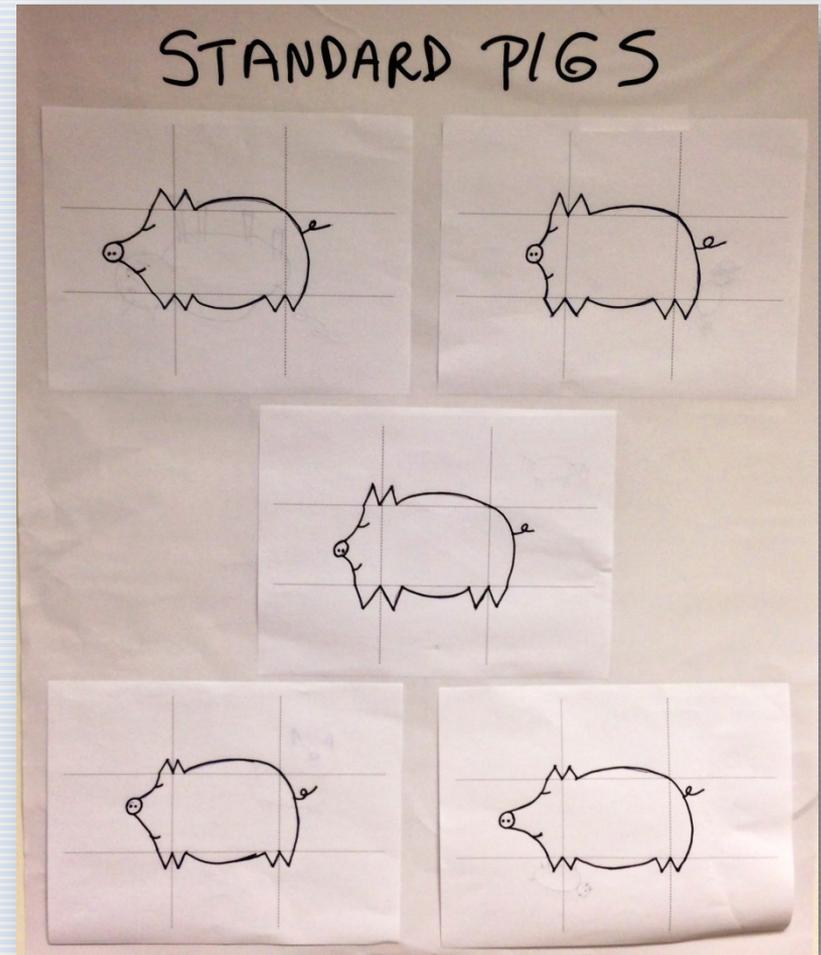
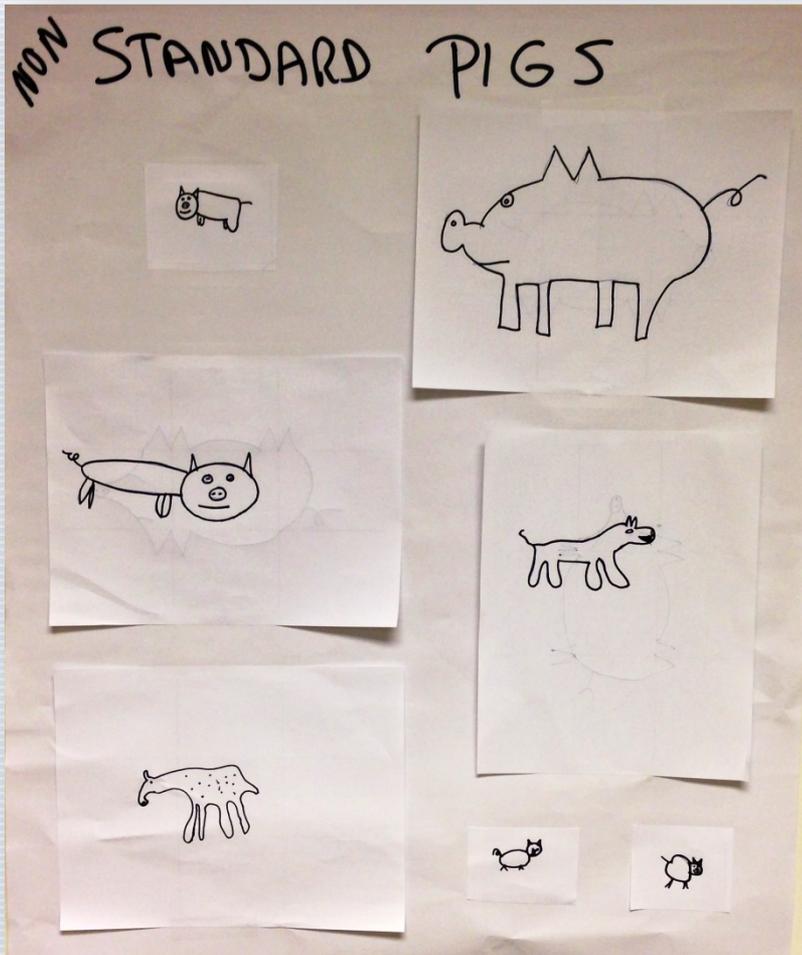
Waiting

Overproduction

Overprocessing

Defect

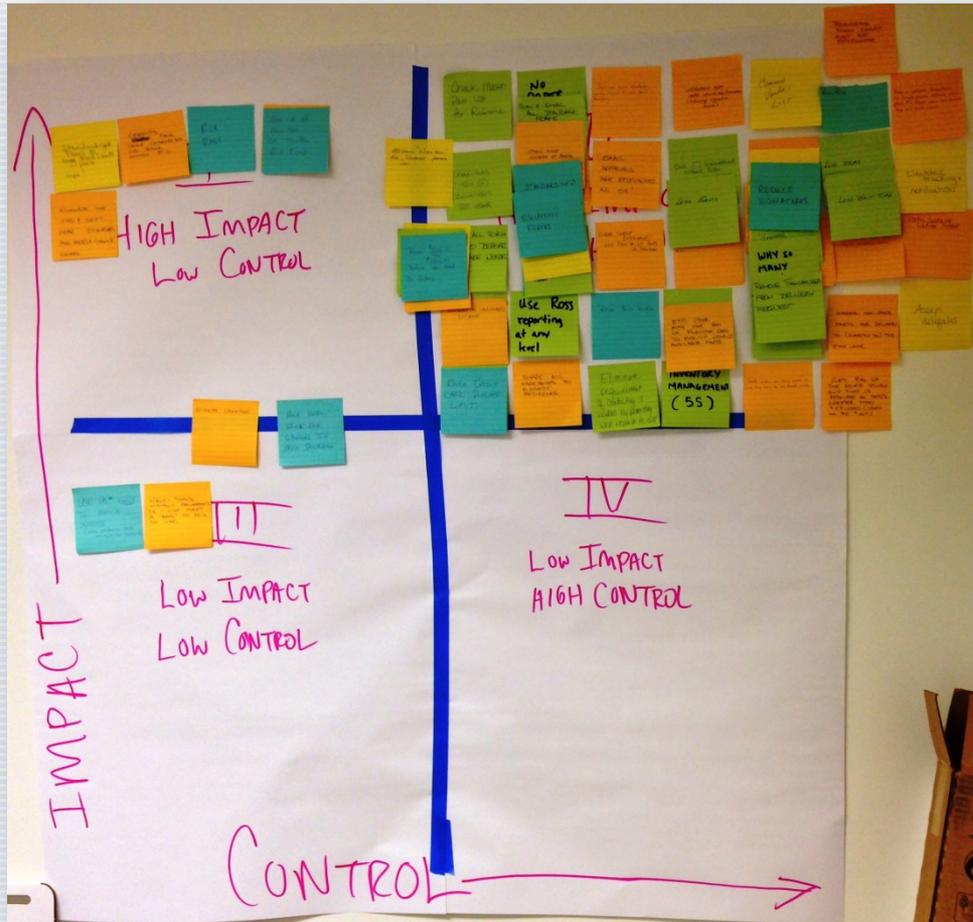
# Standardization



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# Brainstorm - 78 Ideas!



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# Team Analyzed and Evaluated All Ideas

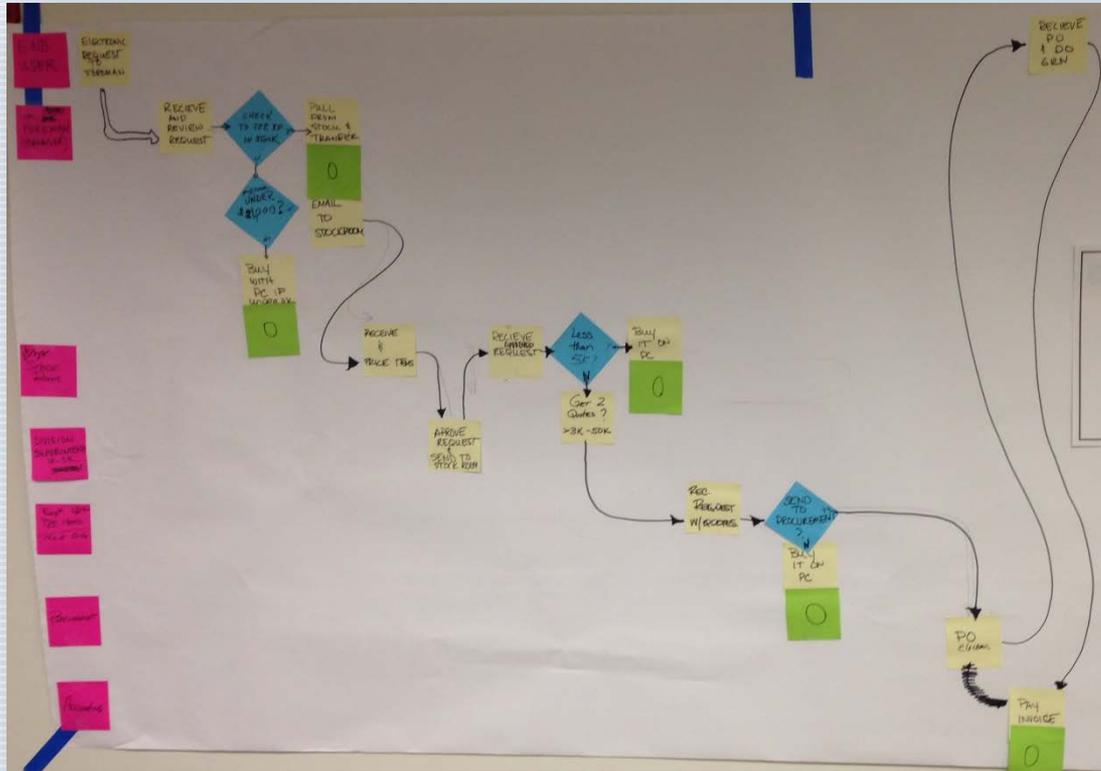
- Reduce or eliminate signatures
- Go paperless
- Improve utilization of technology
- Better tracking of inventory
- Redefine purchase limits



# Common & Unique

<u>Common</u>	<u>UNIQUE</u>
<ul style="list-style-type: none"><li>- Elec. Signatures</li><li>- No paper</li><li>* Purchasing Cards</li><li>* \$ limits raised</li><li>* <del>Reduced</del> Blankets</li></ul>	<ul style="list-style-type: none"><li>- Req started from step 1</li><li>- Need determined</li><li>- Diff. threshold for field → various</li><li>- Bar Coding</li><li>- Same Date Delivery</li></ul>

# Future State



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# Future State Improvements

- Improved technology performance
- End user gets what they want when needed
- Increased productivity
- Empower end user
- Less waste in process
- Standardized and simplified process

# Scorecard

Measure	Current Level	NEW Level	% Change
Process Steps	127	19	<b>85%</b>
Decision Points	20	4	<b>80%</b>
Handoffs	22	7	<b>68%</b>
Known Delays	15	1	<b>93%</b>
Process Lead Time	1-90 Days	1-5 Days	<b>94%</b>

# Event Savings

SAVINGS

DIRECT COSTS

- PAPER - PRINTING - POSTAGE  $\approx \$25,000.00$
- TRAVEL COSTS  $\approx \$108,000.00$

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$\approx \$133,000.00$  TOTAL ANNUAL SAVINGS

REDIRECTED HOURS

- SAVED BY OTIC  $\approx 80^{hrs}/REQUEST$
- SAVED BY CUSTOMER/<sup>(END USER)</sup>VENDOR  $\approx 80^{hrs}/REQUEST$
- REQUESTS FILLED FASTER - REDUCED WAIT = 80-90% FASTER



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# More Results

- Employees feel valued
- Improved morale
- Decreased frustration for everyone involved in the process
- Better utilized time and skills
- Improved vendor and department relationships

# Implementation Plans

- Communication & Training
- Policy & Procedures
- Technology
- Metrics / Dashboard



# Communication & Training



What	Who	When
COMMISSION WIDE E-MAIL EXPLAINING KAIZEN PROCESS COMPLETION + CHANGES TO BE IMPLEMENTED.	ROBIN	Monday, <del>July</del> 21, 2014
ROB/ROBIN MEET WITH DEPARTMENT HEADS TO IMPLEMENT CHANGES.	TOMMIE JO	Tuesday, <del>July</del> 22, 2014
ANNOUNCE UPCOMING IT CHANGES.	BILL	AS UPDATED - MONTHLY
WRITE ARTICLE FOR NEWSLETTER	KEVIN G.	AUGUST NEWSLETTER
E-MAIL NOTIFICATION OF POLICY CHANGES (AVAILABLE ON EXTRANET)	ROBIN	AUGUST 18, 2014 @ COMMISSION MEETING
PRESENT KAIZEN CHANGES/UPDATES @ 8/18/14 COMMISSION MEETINGS	KEVIN SCOTT JOHN ABRAI	8/18/14
COFFEE CHAT PRESENTATION	ANNA	AUGUST 2014
FIELD ON-SITE PRESENTATION	JEFF/JAY	AUGUST 2014
FIELD TRAINING PRESENTATIONS (2) (1 MECHANIC, 1 or 2 ASST. FOREMAN, CLERK, FOREMAN, SUPERINTENDENT AUDIT REP., TOLL DTS,	BARB	WHEN IT SYSTEM UPDATED
SPECIFIC ON-SITE TRAINING { EAST (SH. SARA) WEST (JEFF. KEVIN) ADHM (KEVIN G.)	KEVIN SCOTT	ONCE SYSTEM IMPLEMENTED
INITIAL FOLLOWS UP "FEEDBACK" MEETINGS	KEVIN G	2 MONTHS AFTER IMPLEMENTATION
QUARTERLY MICRO MEETINGS TO ADDRESS ISSUES	TOMMIE JO	QUARTERLY FOR AT LEAST FIRST YEAR

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# Policy & Procedures

<u>WHAT</u>	<u>Who</u>	<u>WHEN</u>
PURCHASING CARD Limits / New Users	Denise U.	AUG 4
CONTRACTING Policy RE-ISSUE • C&A check w/limits update • DAS / ODOT PROCEDURES	TOMMIE JO	AUG 4
SOP'S	DENISE U.	ONGOING
SUMMARY OF CHANGES (<#SOP PROCESSES)	KEVIN G.	MID-AUG.
PROCUREMENT MANUAL	<del>BARBARA B. SANDERS</del>	ONGOING
ETAKES Policy Distribution	TOMMIE JO	
IMPLEMENTATION TRAINING	CHRIS / TOMMIE JO / LAY	AUGUST 2014
PURCHASE STOCK ITEMS ON P-CARD	DENISE	AUG 4
FIXED ASSETS (<\$1,000) / EQUIPMENT.	BECKI	AUG 4
GC ACCOUNT FOR P-CARD PURCHASES	BECKI	AUG 4
OWNERSHIP OF PROCUREMENT PROCESS	KEVIN G.	MONDAY, JULY 21
BANK TERMS FOR PC	BECKI	BY AUG 4
FOLLOW-UP MEETINGS	CHRIS	ONGOING

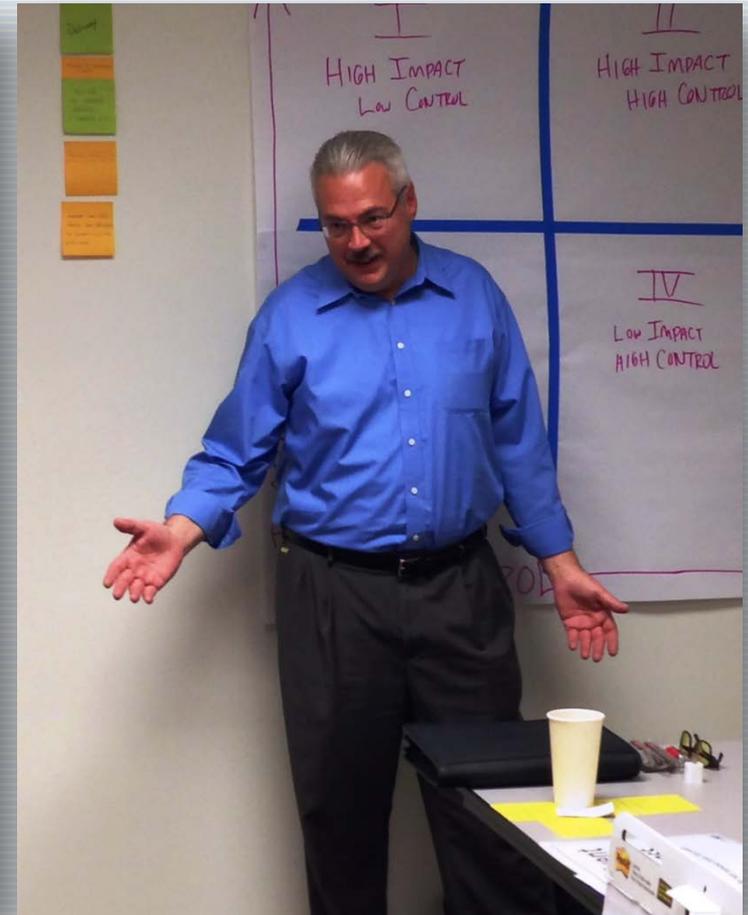


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# Technology

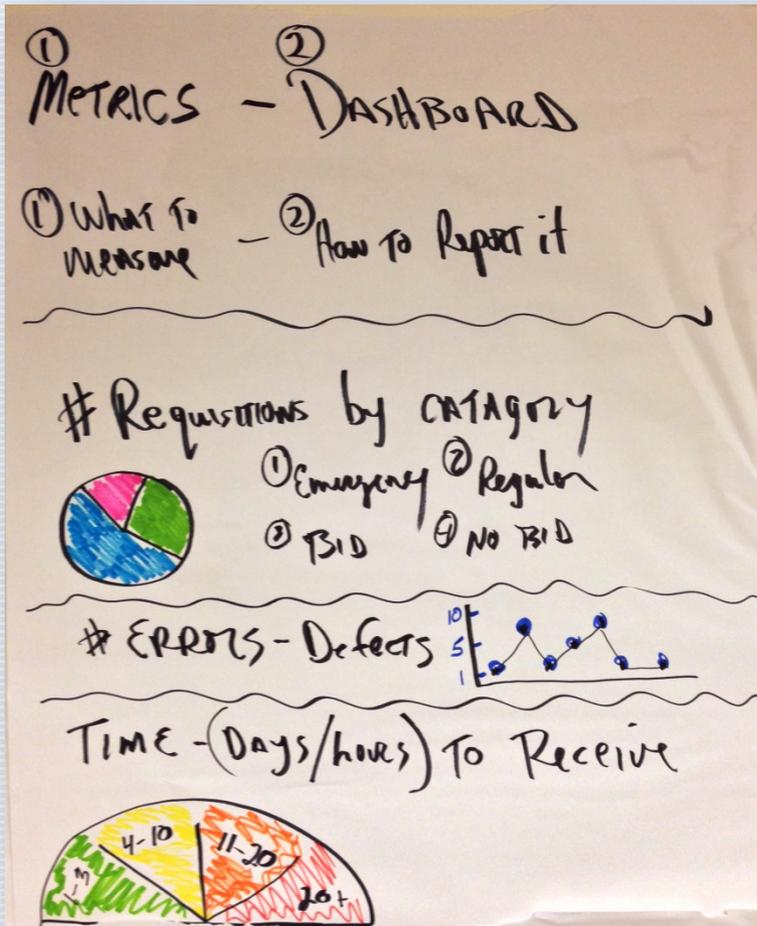
<u>WHAT</u>	<u>WHO</u>	<u>WHEN</u> (IT)
UPGRADE ROSS TO CURRENT VERSION	JEFF	BEGIN AUG 1 <sup>ST</sup> (90 DAY TIME LINE) JAN 2015
TEST & SELECT A WORKFLOW PROVIDER	BILL	12/31/2014
OBTAIN IT. BUDGET FOR CHANGES/NEW SOFTWARE	KEVIN G.	NOV/DEC 2014
TRAINING ON NEW SYSTEM (ROSS)	BARB	DEC 2014
DEVELOP EXEC. FORMS	KEVIN S./JOHN A.	1 <sup>ST</sup> QTR 2015
DEVELOP WORKFLOW PROCESSES	CHRIS	DEC 2014 - JAN 2
IDENTIFY SYSTEM USERS/ROLES	CHRIS	DEC 2014
IDENTIFY REPORT TYPES	BECKY	1 <sup>ST</sup> QTR 2015
TRAINING ON WORKFLOW	BARB	



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# Metrics / Dashboard



RIGHT TIME - TIME TO PROCURE  
VISIBILITY OF EACH STEP

CORRECT PART - ACCURACY

RE-ORDER POINTS  
INVENTORY

SPENDING COMPARISONS

TRENDING

SYSTEM / TECH ERRORS  
PERFORMANCE

# What Begins Monday?

- Commission wide communication
- Department head meeting
- Begin upgrading ROSS
- Policy changes



# Life as a Member of a Kaizen Team...



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# Special *thanks* to...

## Senior Leadership:

Rick Hodges, Executive Director

## Sponsor:

Robin Carlin, Deputy Executive Director

## Team Leaders:

Kevin Golick, Procurement Manager

Tommie Jo Marsilio, Director of Contracts & Compliance

# Connect with LeanOhio

<http://lean.ohio.gov/>

