Continuous Improvement through the relentless elimination of waste
What is our Current Situation?

1. **Worst economy since the Great Depression**
2. **High unemployment rate**
3. **Decreasing property values coupled with high foreclosure rate**
4. **Increasing revenues is extremely difficult**
5. **Costs are escalating at an alarming rate**
6. **Healthcare and Pension costs are escalating even faster.**
Holistic Lean

The Elements of ACE
- PROOF OF THE NEED:
  - Reason for change, driven by threat or opportunity, is installed for the organization to work.
  - Vision is installed for the organization to work.
- THE VISION:
  - The desired outcome of change is clear, repeatable, widely understood, and shared.
- DEVELOPING COMMITMENT:
  - Change requires commitment from key constituents to invest in the change and make it work, and demand and resolve management action.
- SUSTAINING CHANGE:
  - Once change is started, it requires modified behavior and learning to transform the desired vision of the organization.
  - It must be able to sustain this long-term.
- MONITORING PROGRESS:
  - Progress is real, measurable, set and realized, and indicators are established to track accountability.

MWM – Measure What Matters

LEAN Tools

Kaizens

Lean Introduction
Implementing & Sustaining Government LEAN Initiatives
Achieving Change Effectiveness
To Successfully Implement and Sustain LEAN

The Elements of ACE
Having a champion who sponsors the change

**LEADERSHIP**

**THE VISION:**
The desired outcome of change is clear, legitimate, widely understood and shared. The 90-second speech.

**DEVELOPING COMMITMENT:**
There is a strong commitment from key constituents to invest in the change, make it work, and demand and receive management attention.

**SUSTAINING CHANGE:**
Once change is started, it endures, flourishes and learnings are transferred throughout the organization. We must be able to sustain this long term.

**MONITORING PROGRESS:**
Progress is real; benchmarks set and realized; indicators established to guarantee accountability. Process Owners, Performance Reviews, etc.

**INFRASTRUCTURE**

**CHANGING SYSTEMS AND STRUCTURES:**
Making sure that the management practices are used to complement and reinforce change

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*Culture = “the way we do things around here”*
The Body Rejects the Foreign Object

We need to move from this:

To this:
Continuous Improvement (CI)
Draft Elevator Speech

_______ is facing serious fiscal challenges for the future. In order to help address these issues, we are initiating a Continuous Improvement (CI) Process throughout _____ to increase service to all of our constituents, reduce wasteful activities, improve our financial stability and enhance _____ as a place to live and work.

We will be working with all departments to identify key department processes to be able to select CI projects to generate positive results. We need your help to recommend CI opportunities; participate on project teams, as needed; and provide your support and cooperation. CI will be successful based on the support of all _____employees – we can’t do it without you.

CI will help to provide better job satisfaction, work on the right things that truly matter to our constituents, and increase pride in being a key member of the _______ community.

CI will help us all enhance _____ for it’s employees, residents, and future.
When something is new or a significant change use ACE Tools:

If something is new or a change, question #1 is:

*Should there be an elevator speech?*
- what is the change?
- why are we doing it?
- what do you expect from me?
- what's in it for me (WIIFM)?

This provides the unified "talking points" for consistency of message.

Question #2 is:

*Who are the stakeholders, where do they stand, and where do we need them to be?*
- stakeholder analysis sheet
- strategies to address key stakeholders - communications strategy, etc.
MWM “Measure What Matters”

Level 0
Total Business

Level 1
Core Processes

Level 2
Sub-processes

- Focus on what are the key metrics to support our desired outcomes
- MWM Creates a results based organization
- Metrics identify improvement opportunities
- Metrics drive higher accountability
The Lean Road to World Class Government

The Lean “Toolbox” - Powerful tools to make improvements

- **Takt Time**
- **Work Sequence**
- **Standard WIP**
- **Standard Work**
- **Product/Process Mapping**
- **Waste Identify & Quantify**
  - **Worker Realign**
  - **Setup Reduction**
    - **Workplace Reorganize**
    - **One Piece Flow Lines/Cells**
    - **Pull Systems**
    - **Small Lot Processing**
  - **Visual Controls**
  - **Six Sigma**
  - **Short Cycle Time**
    - **Rapid Response To Change**
  - **Minimum Investment**
  - **Highest Quality**
  - **Shortest Response**
  - **Best Process Reliability**

**TPM**

Lean Introduction
Implementing & Sustaining Government LEAN Initiatives
What If . . .?

- You could select one of your highest leveraged problems... ?
- Identify your best people to work on it . . . ?
- Provide that person with all the training, tools, and resources they needed to fix it . . . ?
- Guarantee them uninterrupted time and focus to work on it...?
- Require a well thought out, objective, data driven solution. . . ?
- And sustain the benefits of the solution over time . . . ?

That is Lean!
Focus on the Customer

Customer
(The Taxpayer)

- What does my customer need from our process?
- How is our process performance from the customer perspective?
- How does my customer measure my process?
- What can we do better?
- How would my customer like for our process to perform?
- How does my customer view my process?
LEAN is based on:

**The Goal**
- To deliver continuously improving value-added services (quality and speed of service) to customers (taxpayers) at lower costs.

**Process Improvement**
- To be able to identify key processes, how they are performing and apply LEAN tools to make improvements in reducing costs/wastes and enhancing revenues.

**People are the Business**
- There needs to be a high respect for people. A constant search for how to improve things and reduce errors vs. who’s responsible for the error.
The Goal

Organizations effectively solve customer problems by satisfying customer needs, on a timely, cost effective basis.

Solving customer problems adds value and is what the customer wants. Using LEAN allows this to happen, while reducing costs.

Delivering continuously improving value-added services (quality and speed of service) to customers (taxpayers) at lower costs. We want to do things better, faster, and cheaper.
Process Improvement

Understanding the Value Streams in your processes and continuously improving them are key to creating greater value for your customers.

Eliminating wastes/reducing costs using LEAN while supporting the Goal.
What is a LEAN Process?

- Valuable to the Customer
- Capable to produce good results all of the time
- Have enough capacity
- Flexible to switch between tasks
- Available whenever needed
People are the Business

- Teach everyone to view the process
- Provide problem solving skills
- Have MWM (Measure What Matters) in place – visibility in “What I Do Matters”
- Make everything visible, especially problems
- Push responsibility to the people in the process
Select the Targeted Process: Value Stream Mapping

Plan – What needs to be done.

Check – Reflect on Results

Act – Adjust

Do – “Trystorming”

P-D-C-A LEAN Thinking Process
The Administrative Classic Wastes

(Value Added = What is the Customer Willing to Pay For?)

1. **Handling/Unnecessary Motion** – anytime we handle things, it’s non-value added.
2. **Inferior Methods** – How is work done? What is the training method? Is there a better way?
3. **Inspecting** – Any inspection functions do not add value. They’re mainly in place to catch errors.
The Administrative Classic Wastes (continued)

4. **Transporting/Moving** – Anytime things are moved, there is no value.

5. **Counting** – This operation is another step to make sure something is right – no value added.

6. **Delaying/Waiting** – Cycle and process time is key to provide services to customers faster. Many times, we’re waiting for something before we can proceed.

7. **Storing** – Storing is an extra, non-value added step in combination with its partner Retrieval.
The Administrative Classic Wastes (continued)

8. **All Rework Loops** – Something isn’t done right the first time and then we have to rework it to correct the problem.

9. **Multiple Signatures** – Signatures get added over time, without understanding the need. In fact, the more signatures that are required, the less scrutiny happens.

10. **Waste of underutilized people** – the greatest waste of all. Ideas for improvement are suppressed = “Check your Brains at the Door”
Elements of Waste

Searching  Walking  Moving
Hauling  Carrying  Storing
Retrieving  Counting  Wandering
Wondering  Asking  Interrupting
Stopping  Bending  Adjusting
Looking Up  Energy
Lean Culture – “The way we do things around here”

1. Respect for People – People want to do a good job and want to be successful.
2. Behavior - what we do and how we do it.
3. Focus on building Quality, provide the necessary Support, and cultivate Ownership.
4. “No Problem is a Problem” – Make it easy to see and solve problems and learn from mistakes.
5. Move from the 5 “Whos” to the 5 “Whys”
6. Environment – Free of Fear
Identifying and Addressing Projects

1. What should we focus on?
   - What has the greatest impact on our customers – and/or better service?
   - What gives us the greatest financial leverage?
   - What do our key metrics and data reveal? – Is it the right data, good operational definitions, etc.?
   - What’s the highest priority for improvement?

2. How do we do it?
   - Develop a unified, clear problem statement (and Project Charter, as necessary) – everyone needs to know what the real problem is
   - “Learn to See” via a detailed review:
     - Develop the Value Stream Map – What steps add value, are value enabling, or are waste
     - What are the details with each step – how long does it take, time between steps, frustrations, ideas, etc.
   - Then, develop the future state with improvements:
     - Don’t accept excuses as to why it can’t happen or be done – the questions are “How do we make it happen?”, “How do we remove the obstacles?”, etc.
     - Use Lean Tools where appropriate: 5S, Visual Controls, Spaghetti Maps, Standard Work, etc.
   - Then, establish accountability – Who is doing what by when?
Lean Summary

Continuous Improvement through the relentless elimination of WASTE