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Lean Government Overview

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Today's Headlines

- California: "Our Wallet is Empty."
- "Governor orders larger cuts in state agencies, halts millions in construction and purchases."
- "State budget troubles worsen."
- "Local officials scramble for stimulus cash."
- "America's shrinking income tax base requires higher rates for everyone"
- "Missouri budget cuts could shut down vets'nursing home."

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Lean Government Exchange Des Moines, Iowa

- Iowa
- Minnesota
- Kentucky
- Kansas
- Delaware
- Ohio
- Toronto
- Arkansas
- Alabama
- Nebraska
- New Hampshire
- South Carolina
- Illinois
- Oregon
- Oklahoma
- Hawaii
- Vermont
- Georgia
- Washington, DC
- California
- Arkansas
- Colorado
- Connecticut
- Maryland
- Rhode Island
- Washington
- City of Appleton, WI
- County of Ventura, CA
- City of Cape Coral, FL
- City of Fort Dodge, Iowa
- EPA
- HUD
- FBI
- DOJ
- John Deere Corp.
- Pella Corp.
- **CEG**

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Voice of the Conference

- Do more with less –need to be extremely efficient at utilizing the scarce resources we have
- We have an obligation to better use taxpayers' dollars
- Tax payers are demanding visibility and transparency
- We need to be friendly to business –economic development is imperative
- There are no more pots of gold

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Lean Government Origins

Iowa Department of Natural Resources (DNR)

- Reduced the average time to issue standard air quality construction permits from 62 days to 6 days (a 90% reduction)
- Eliminated 70% of the process steps (from 23 to 7)
- Within 6 months eliminated a backlog of nearly 600 permits

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Lean Government Origins

Iowa DNR

- Reduced the total number of process steps from 43 to 26
- Reduced the average decision-making timeframe in the program from 38 mos. to 3 mos.

IOWA ABD (Order Entry)

- Delays reduced 81%; steps reduced 62%

IOWA State Historical HUD Submittals

- 50% Defective, 100% complete

IOWA DHS (Child Abuse Appeals)

- Steps reduced 42%; hand offs reduced 46%

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5 Years into it


- ~100 Lean events completed by 2008
- 24 sponsoring agencies
- Four lead agencies developing internal capacity to support and lead events
- Full-time facilitator within the Department of Management

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Lean Applied

- Environmental permits / Air Quality / Wastewater/Floodplains / Landfills / Manure management
- Corrections - Offender Re-entry / Procurement
- Public Safety - Criminal Intelligence / Private Investigators
- Board of Medical Examiners Investigatory process
- Veterans Home Admissions / Medical Appointments / Medication Administration / Pharmacy
- Unemployment Insurance monetary determinations
- Health facility and Fire Safety inspections
- Child Abuse Appeals / Foster Child placement across state lines
- Museum collection management


State of Iowa
Executive Department

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

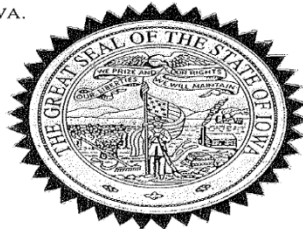
PROCLAMATION

- WHEREAS,** THE IOWA STATE GOVERNMENT HAS SUCCESSFULLY EMBRACED THE LEAN CULTURE AND RECOGNIZES THE BENEFITS OF DOING MORE WITH LESS TO IMPROVE SERVICES TO ITS CONSTITUENTS; AND
- WHEREAS,** DEDICATION TO A LEAN TRANSFORMATION HELPS GOVERNMENT LEADERS AND THEIR ORGANIZATIONS DRAMATICALLY IMPROVE RESPONSIVENESS AND EFFICIENCY; AND
- WHEREAS,** IOWA PUBLIC SECTOR ORGANIZATIONS WHO HAVE ADOPTED LEAN METHODOLOGIES HAVE ACHIEVED DOUBLE-DIGIT IMPROVEMENTS IN QUALITY, COST AND SERVICE LEVELS AND HAVE SET AN OUTSTANDING EXAMPLE FOR ALL STATE AGENCIES TO EMULATE; AND
- WHEREAS,** IOWA PUBLIC WORKERS HAVE RADICALLY CHANGED GOVERNMENT CULTURE THROUGH ENGAGED LEADERSHIP, STAFF PARTICIPATION IN THE CHANGE PROCESS AND INNOVATION FOR THE PUBLIC GOOD; AND
- WHEREAS,** THE LEAN GOVERNMENT EXCHANGE, SPONSORED BY GUIDON PERFORMANCE SOLUTIONS AND THE STATE OF IOWA, PROVIDES A FORUM FOR GOVERNMENT AGENCIES AND INTERESTED PARTIES TO UNDERSTAND HOW TO APPLY LEAN METHODOLOGIES TO ELIMINATE WASTE, SAVE TIME, STANDARDIZE WORKFLOW, REDUCE BACKLOGS AND DECREASE PROCESS COMPLEXITY; AND
- WHEREAS,** PURSUANT TO THE ABOVE MENTIONED AUTHORITY, THE STATE OF IOWA SUPPORTS TUESDAY, OCTOBER 2ND, 2007, AS "LEAN GOVERNMENT DAY". THIS DAY ACKNOWLEDGES THE STATE'S LONG STANDING COMMITMENT TO PROVIDING QUALITY, COST EFFECTIVE AND FAST CONSTITUENT SERVICE:

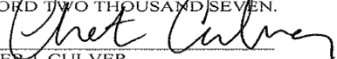
NOW, THEREFORE, I, CHESTER J. CULVER, GOVERNOR OF THE STATE OF IOWA, DO HEREBY PROCLAIM OCTOBER 2, 2007, AS

LEAN GOVERNMENT DAY

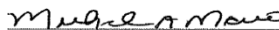
IN IOWA.



IN TESTIMONY WHEREOF, I HAVE HERETO SUBSCRIBED MY NAME AND CAUSED THE GREAT SEAL OF THE STATE OF IOWA TO BE AFFIXED. DONE AT DES MOINES THIS 5TH DAY OF SEPTEMBER IN THE YEAR OF OUR LORD TWO THOUSAND SEVEN.


CHESTER J. CULVER
GOVERNOR

ATTEST:


MICHAEL A. MAURO
SECRETARY OF STATE

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Lean Government into Law!!!!

2009: Senate File 98

- An act establishing a Lean Enterprise Office within the Department of Management
- The function of the office is to ensure implementation of lean tools and enterprises as a component of a performance management system for all executive branch agencies.
- Signed by the Governor on March 19th, 2009

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Why Lean Government?

Ventura County CA, Human Services

- 220 hours of staff time reallocated from payroll distribution to client services
- 6,910 driving miles reduced eliminates 3.8 tons of CO2 emissions
- \$10,775 in Staff time and \$3,800 in mileage reimbursement

Connecticut Department of Labor (CTDOL)

- 119 steps eliminated, redesigned or automated
- 1,181 cycle time hours eliminated redesigned or automated
- More than \$500,000 in staff times saved over the course of a year

City of Fort Wayne, IN, Civil City Accounting

- 143 hours of staff time saved (260 to 117) and reallocated
- \$4,440 annual savings

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Lean Government Results

- www.lean.iowa.gov.
- www.lean.state.mn.us
- <http://www.ci.ft-wayne.in.us>
- <http://portal.countyofventura.org>

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What is Lean?

- **It is not a job reduction strategy!**

“With nearly 50% of the state’s workforce eligible to retire by 2015 and with no assurance of the state’s ability to backfill these retiring employees – both in terms of skill, and certainly in terms of process knowledge – it is time now to put initiatives in place to prepare us for the loss of critical human capital”.

Enterprise Lean Business Case, State of Minnesota



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Lean is:

Lean Enterprise is a **systematic approach** to identifying and eliminating **waste** (non-value added activities) through **continuous improvement** by **flowing** the product at the **pull** of the customer in pursuit of **perfection**.

Product = Process, Information, Service

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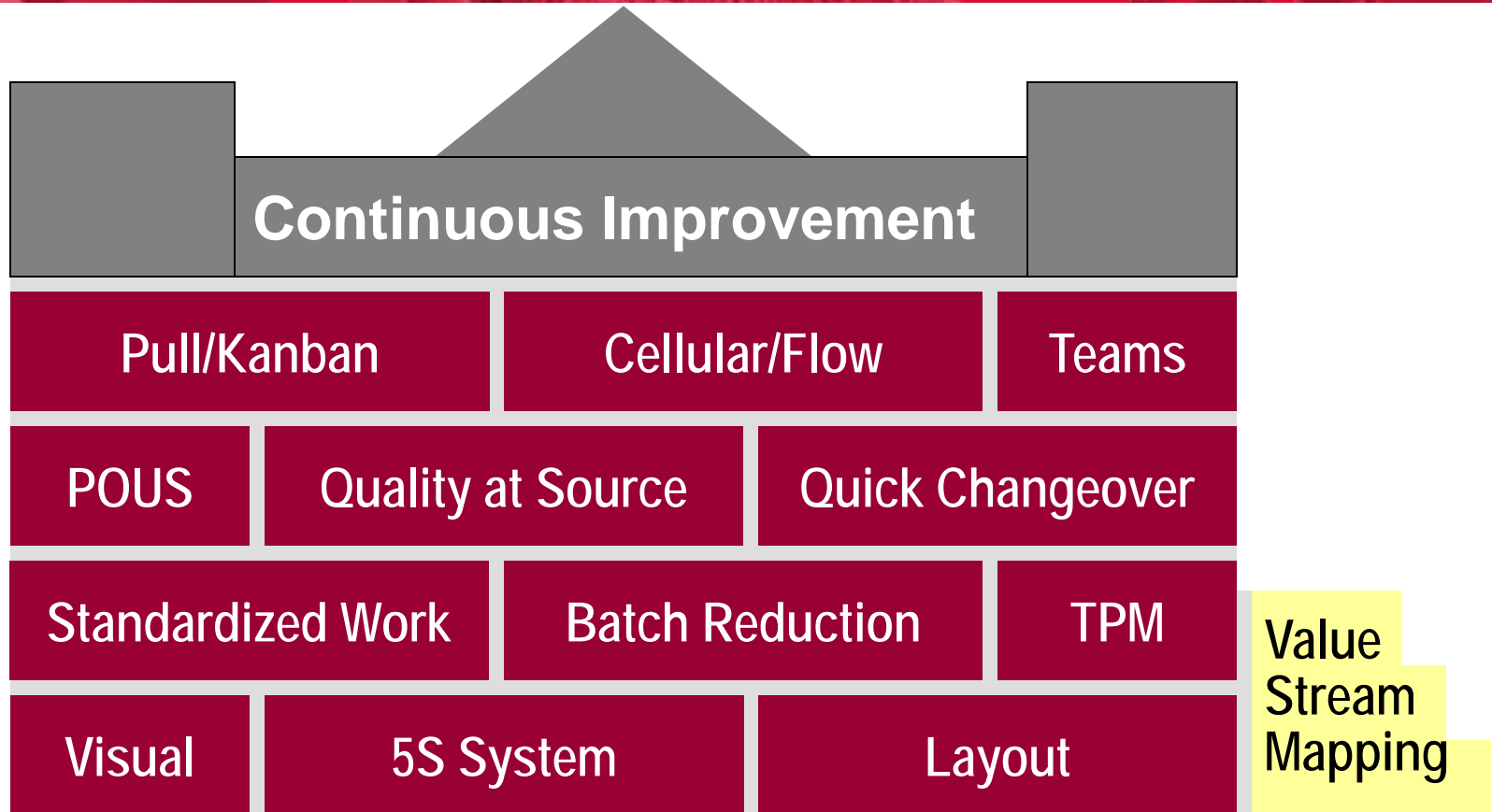
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Value Added vs. Non Value Added

- **Value Added**
 - Any activity that adds form, feature or function to your work.
 - Any activity the customer is willing to “pay” for.
- **Non-Value Added**
 - Any activity that consumes resources but creates no value for the customer.
 - Can I eliminate, reduce, simplify, or integrate this activity?

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Value Stream Mapping

A simple, visual approach which:

- Creates a clear picture (visual) of the current paperwork and information flow, called a “current state” map
- Focuses on one “product family” at a time
- Identifies lean tools and techniques that can improve flow and eliminate waste
- Incorporates those ideas in a new picture of how paperwork and information should flow. “future state”
- Helps create an action plan that makes the future state a reality

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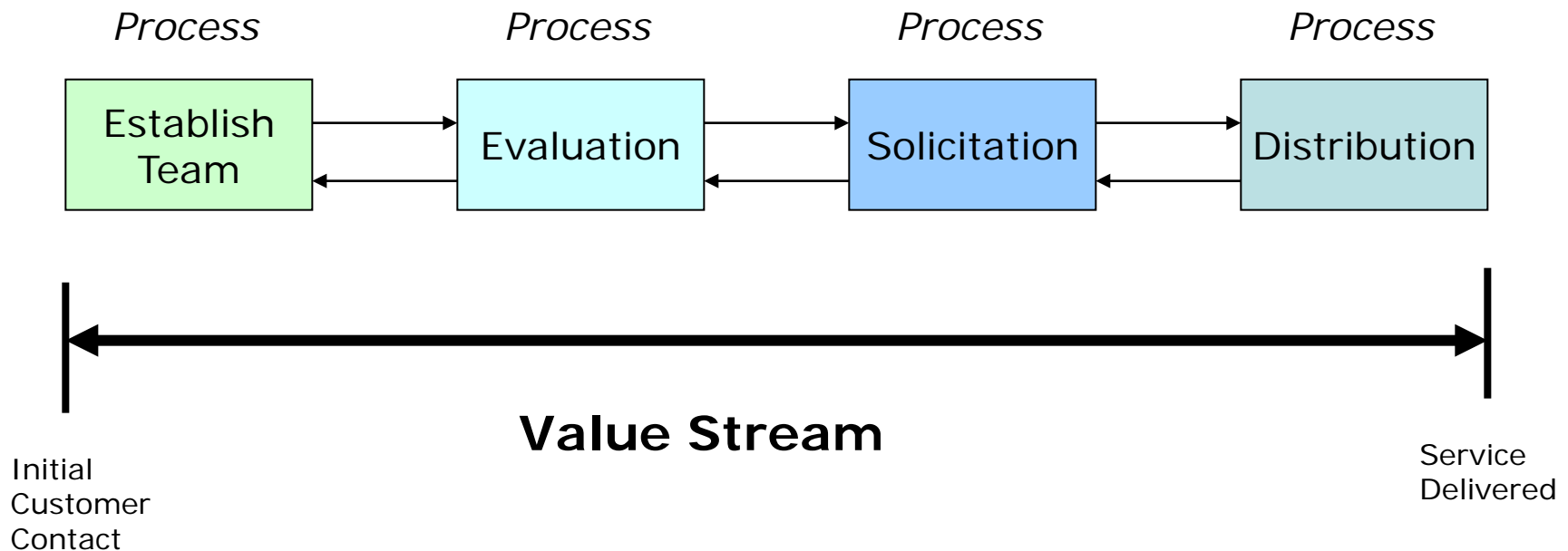
Gemba Walk



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VSM Improvement vs. Process Improvement

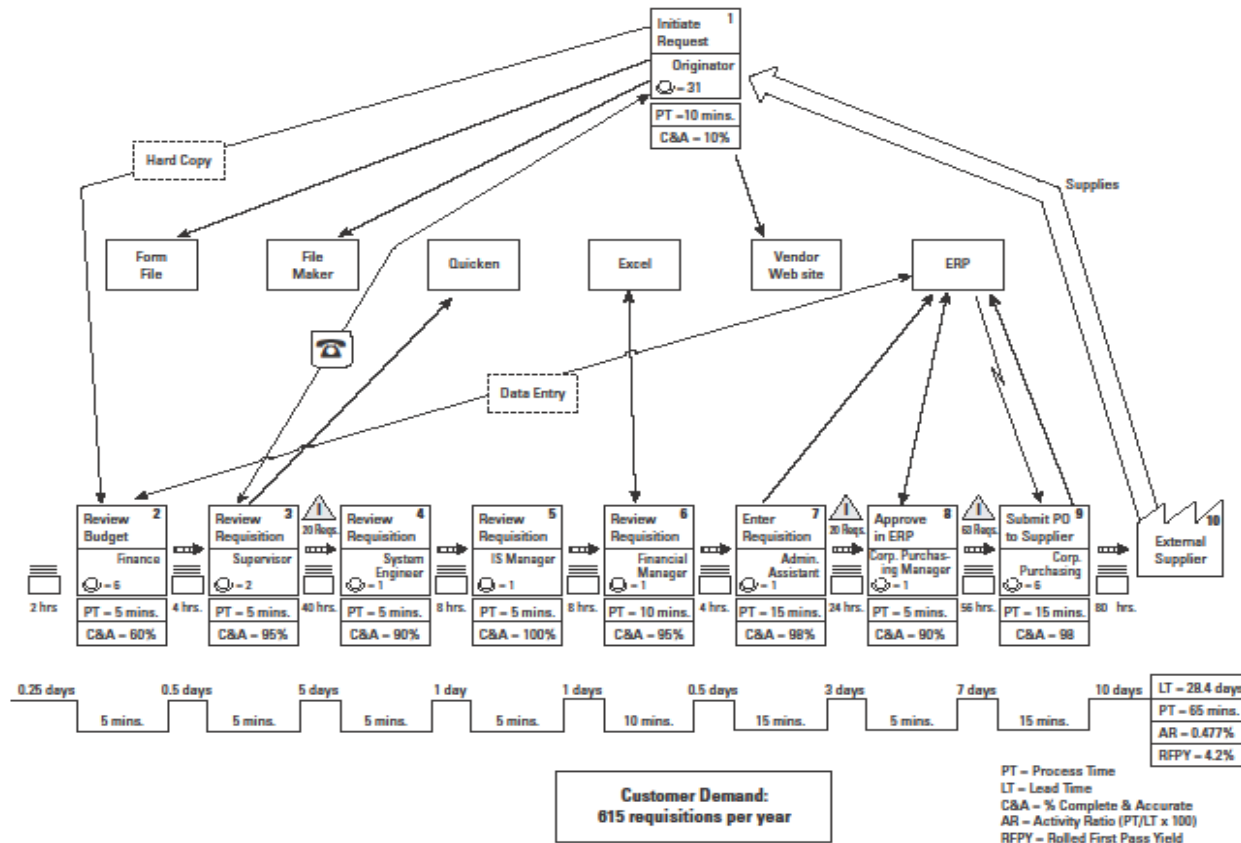


Value Stream = All steps, both value added and non value added,
Required to complete service/widget from beginning to end

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Current State Value Stream Map
Purchasing—Non-repetitive purchases less than \$5,000



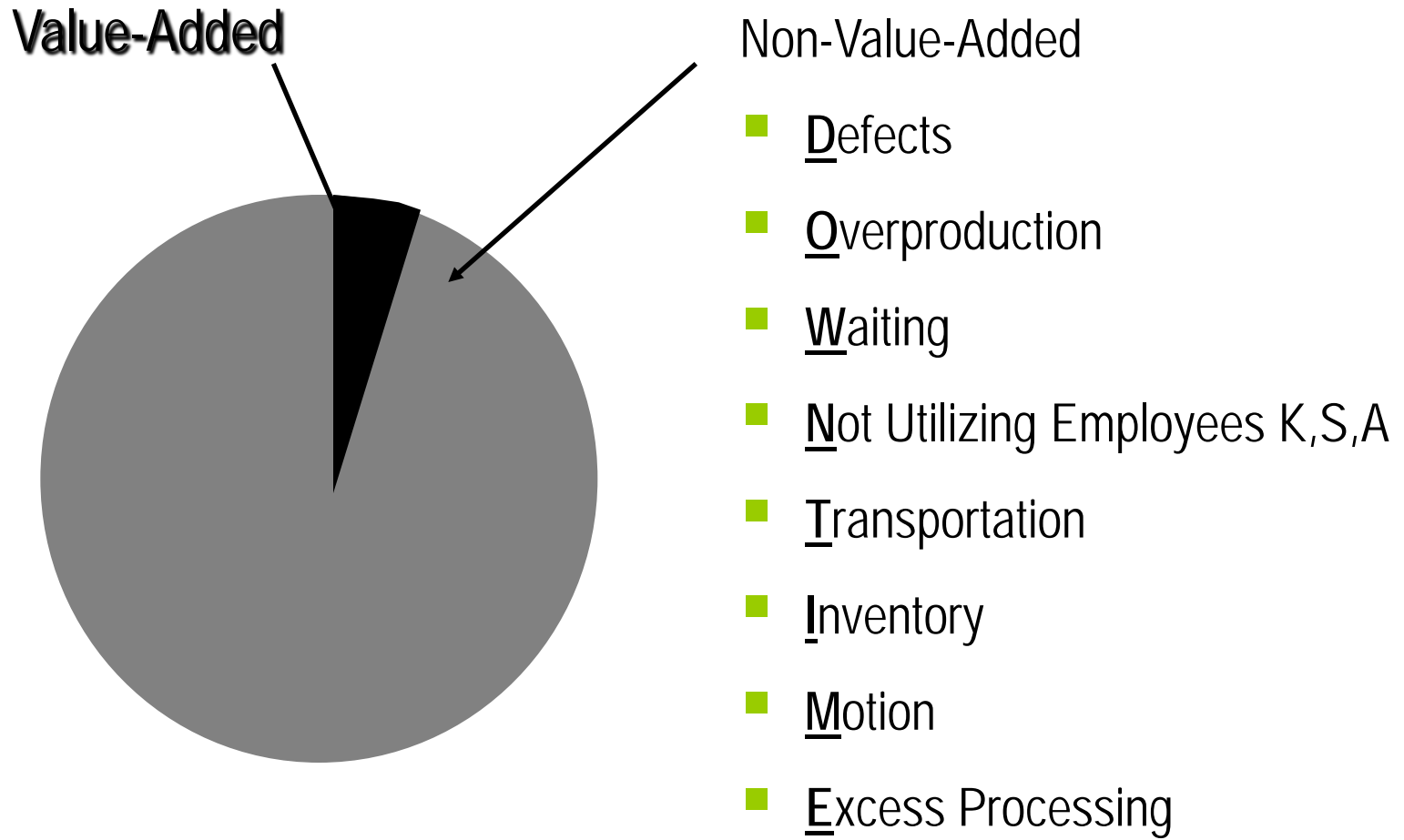
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Ventura County, CA.

As opposed to targeting a specific time frame or number of events to be accomplished, the Program will seek to establish an ongoing environment and **culture** where County executives, managers and staff are encouraged and have easy **access to the skill sets and tools** to pursue service excellence, continuous improvement and resulting cost reductions. The primary emphasis of the Program will be supporting agencies and departments in providing their key internal “process owners” and staff with such skills and tools.

Lean = Eliminating (8) Wastes



Typically 95% of all lead time is non-value-added.

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Defects

Causes:

- Improperly trained employees
- Lack of Communication and/or information
- Poor design of forms
- Re-entering information
- Bad quality of supply material
- Environmental conditions
- Confusing or non existent procedures

Examples:

- Forms filled out incorrectly
- Individual methods of performing tasks (no standardization)
- Paperwork does not match
- Information was entered incorrectly
- Missing information
- Incompatible software
- Revision changes

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Overproduction

Making **more** than is required by the next process

Making **earlier** than is required by the next process

Making **faster** than is required by the next process

• Causes

- Just in case logic
- Unleveled scheduling
- Unbalanced work load
- Weak organization structure
- Ineffective supervision
- Lack of communication

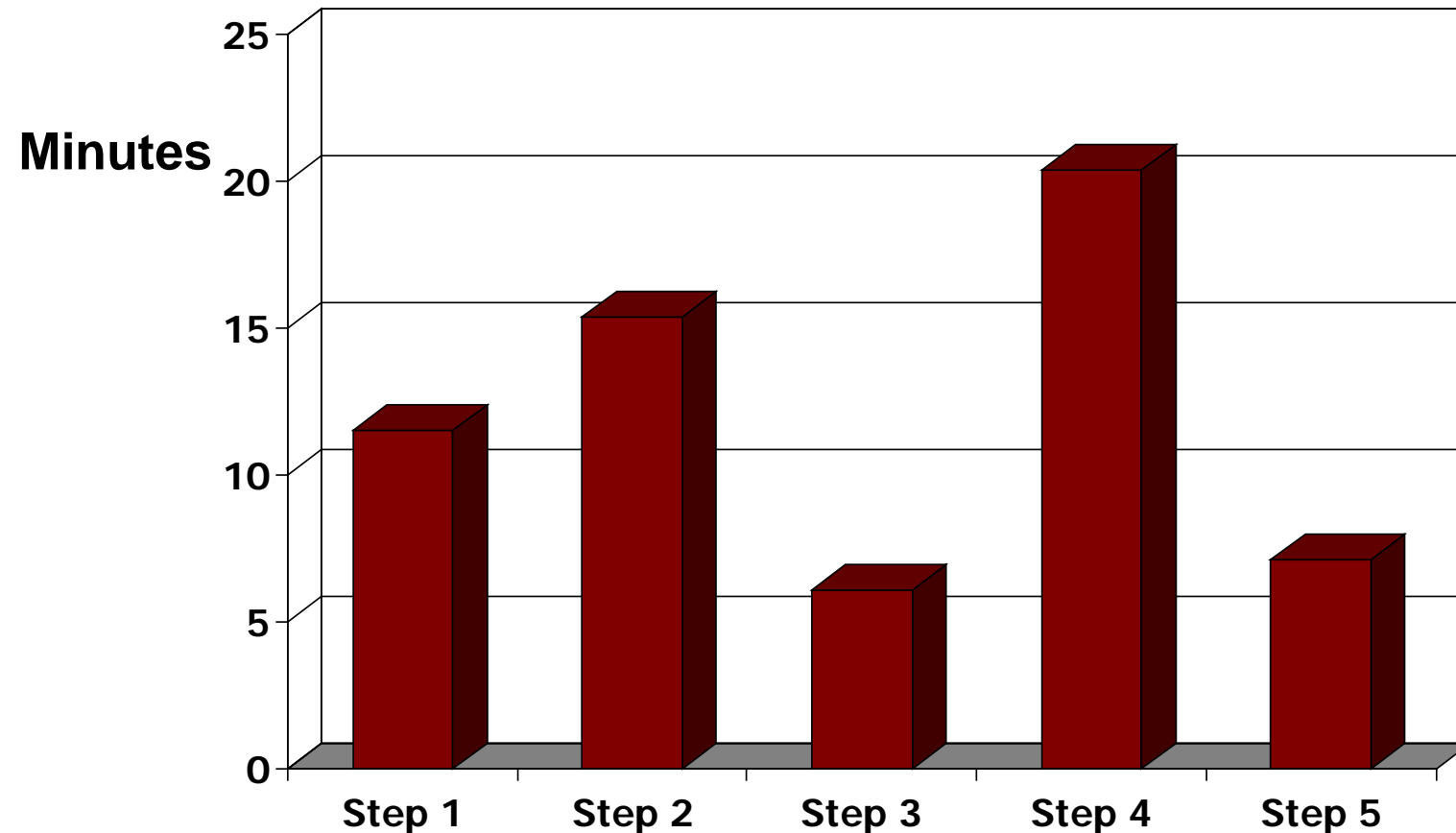
Examples

- Printing documents earlier in batches due to long changeover
- Prepare monthly reports early
- Multiple bosses & multiple jobs cause wrong order of jobs
- Memos to everyone
- E-mail blasts

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Where is the bottleneck?



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Waiting Waste

- **Causes**

- Redundant Approvals
- Unbalanced Workload
- Unreliable Equipment

- **Examples**

- Signatures, Decisions, Information, specifications
- Not delegating responsibilities
- Different work schedule of team members
- Waiting for printer/copier to warm-up
- Printer copier breakdown
- Mail delivery within agency
- Attendees not all on-time for meetings
- No meeting agenda

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Not Utilizing Employees Knowledge, Skills, Abilities

• Causes

- Incompatible hiring practices
- Politics
- Organizational culture
- Improperly trained employee
- Old guard thinking

Examples

- Bypassing procedures to hire a favorite candidate
- Start using system software without prior training
- Qualifications unclear
- Not providing opportunity for growth
- Temporary workforce
- Flawed suggestion system

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Transportation

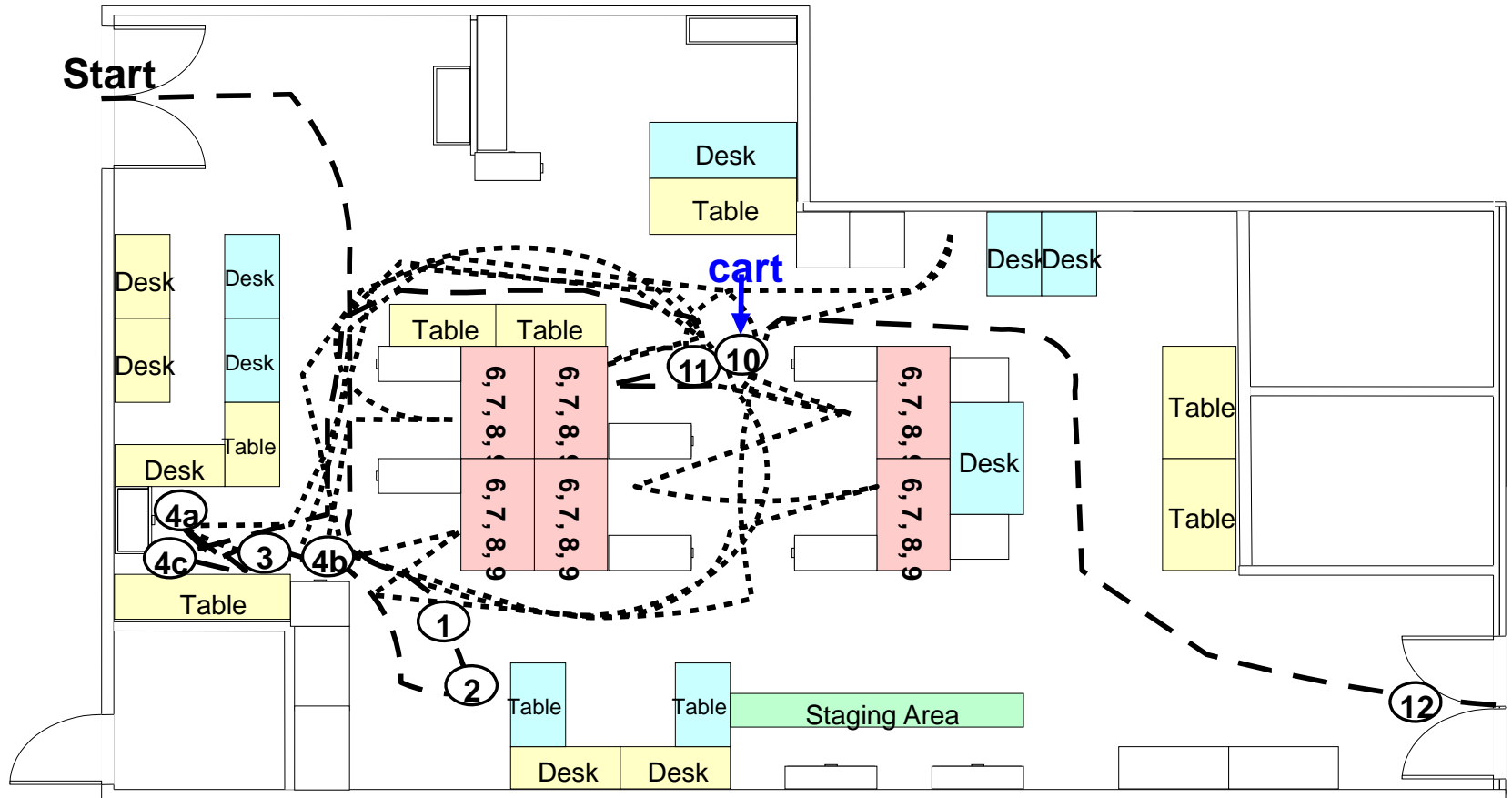
Transporting forms and information around the office

- Poor location of office and equipment
- Large file storage area
- Poor document flow scheduling
- Lack of visual signage
- Defects/rework

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Spaghetti Map

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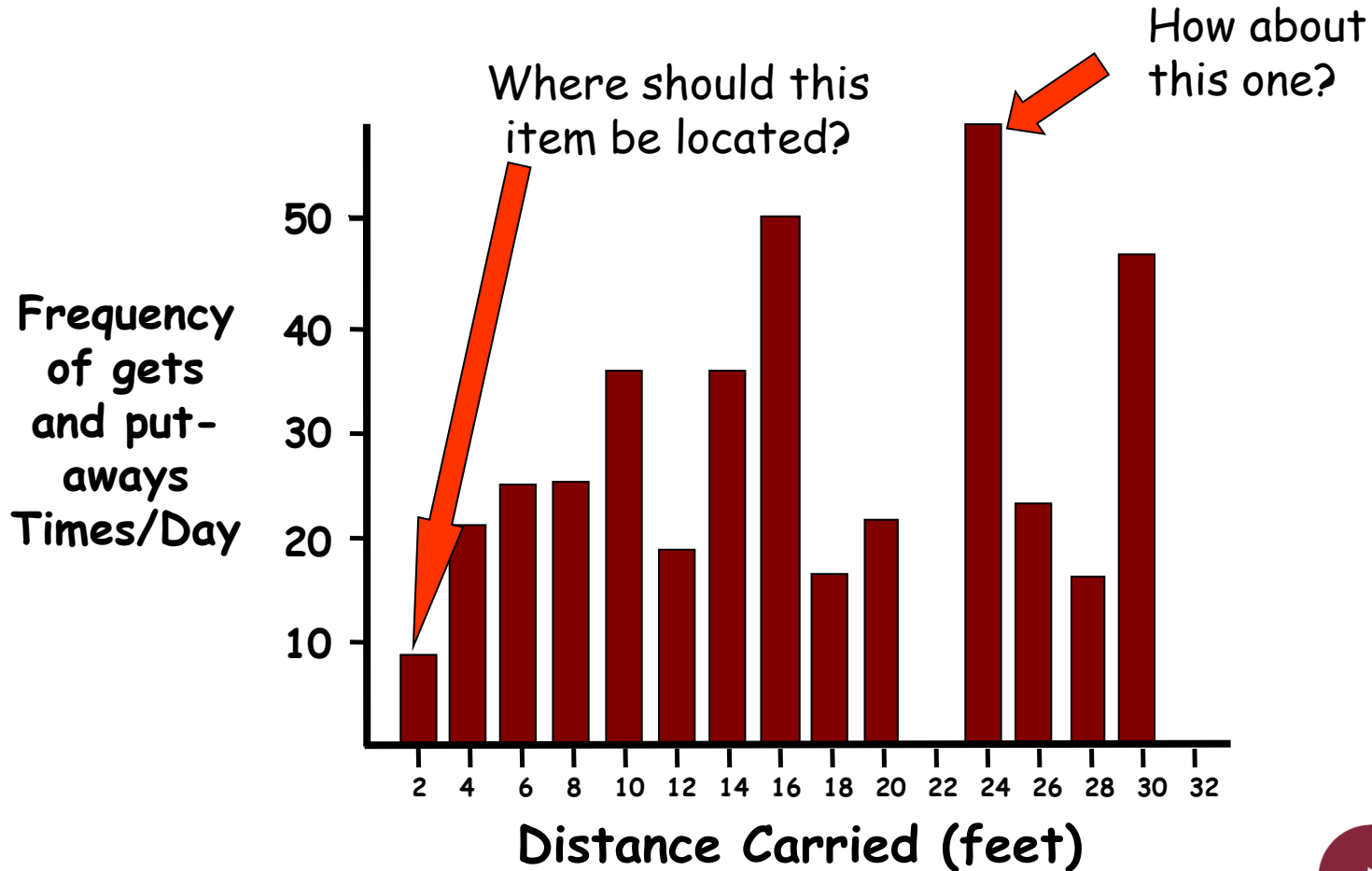


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Frequency of Use Analysis

Physical Files

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Inventory Waste

Causes

- Purchasing excessive supply of material
- Unbalanced workload
- Existence of irrelevant data
- Reward system
- Inconsistent work speed
- Just-in-case logic

Examples

- Bulk purchasing, quantity discounts
- Files pile up between work desks
- Documents are waiting to be matched or signed
- Storage space filled with items we don't need or use
- Saving files forever
- Emails

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Motion

Causes

- Poor workplace organization
- Poor scheduling of work
- Non-standard work method
- Redundant approval

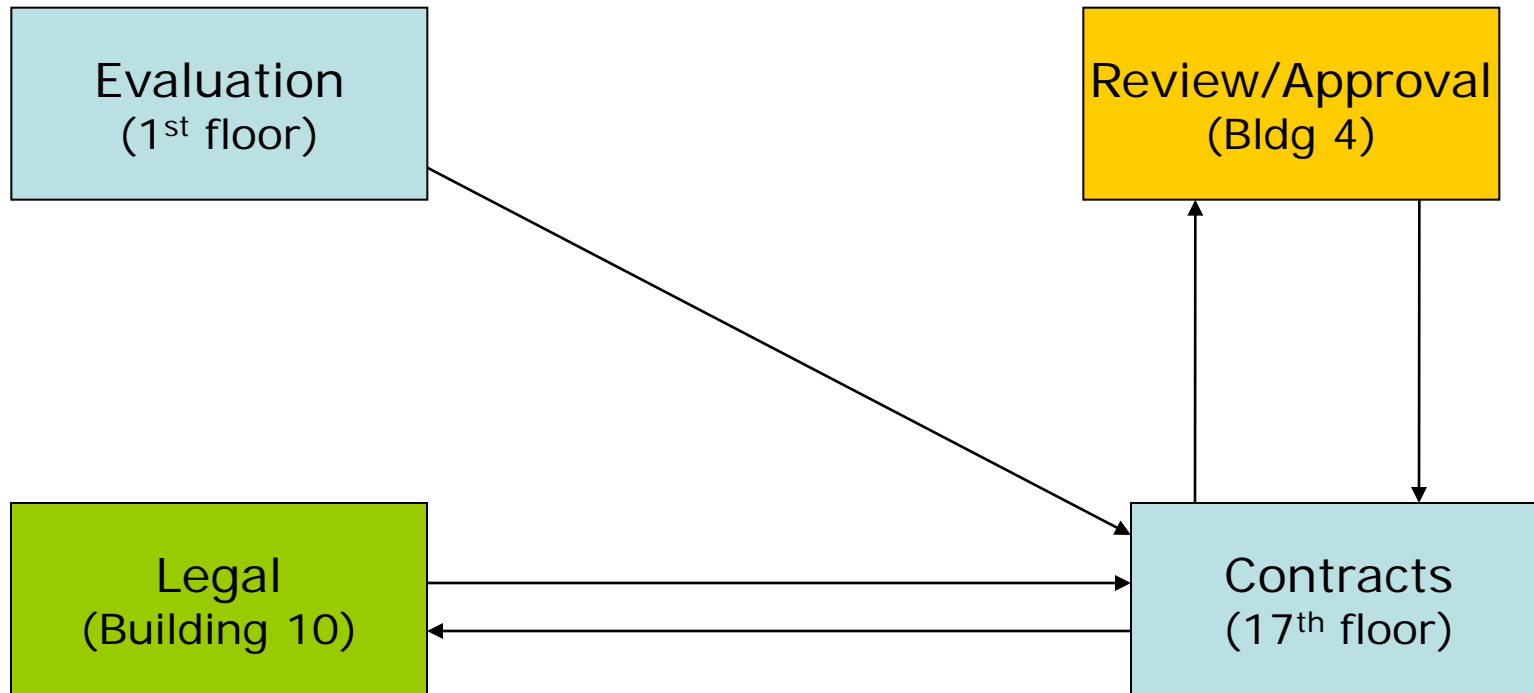
Examples

- Keeping forms far from reach of employee
- Looking for items because they do not have a defined place
- Un-filed papers
- Loop backs, Walking to/from copier

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Transportation Waste



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Excess Processing Waste

Causes

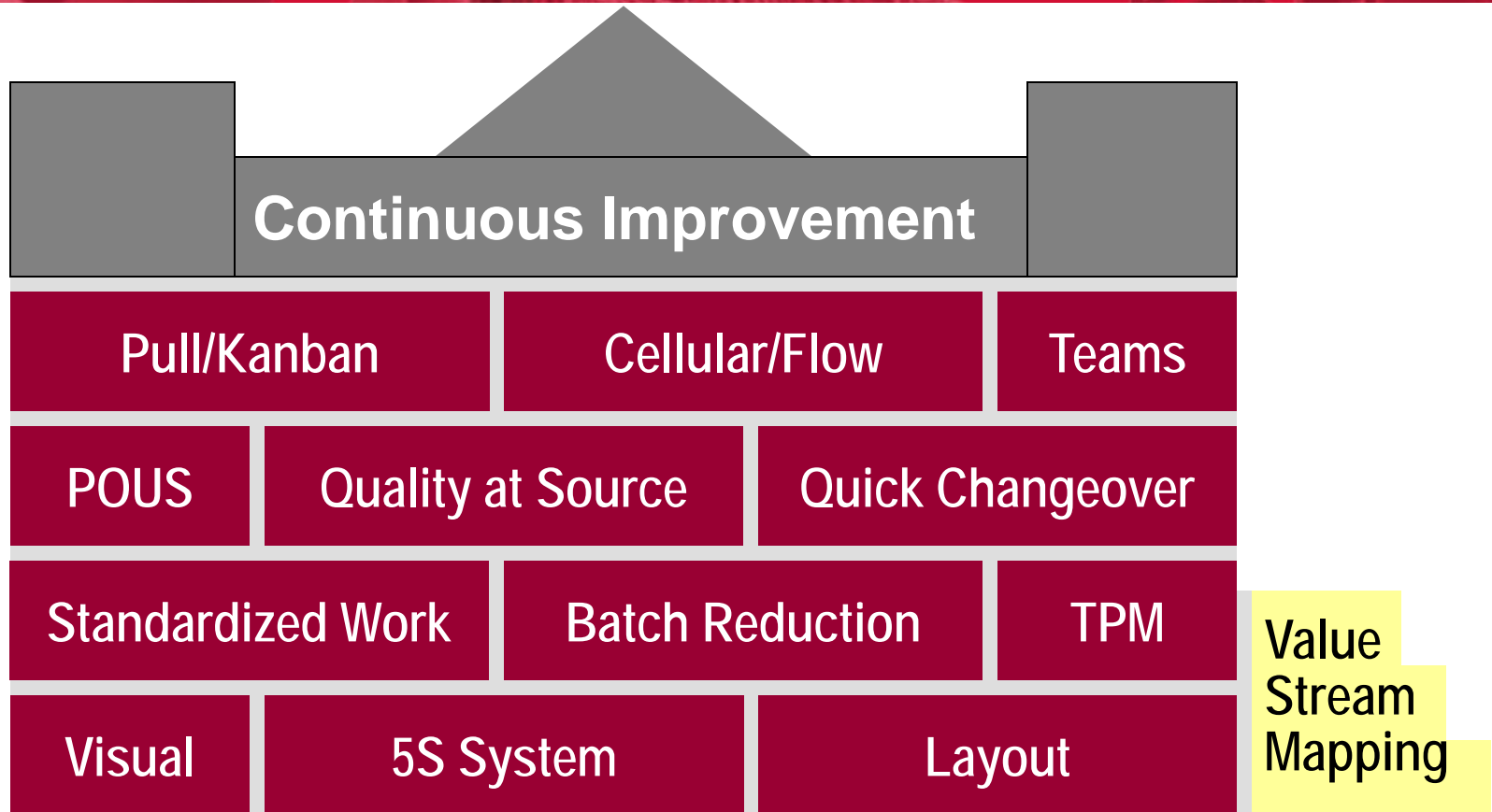
- True requirements undefined
- Lack of communication and/or information
- Redundant approval/inspection
- Non-standardized business process
- Just in case

Examples

- Printing & mailing, faxing, overnight mailing and emailing the same memo
- Lack of proper instruction for filling out form
- Repetition of same information in different forms
- Use of different software in different departments when processing an order
- Re-entering data

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DAMIC

- **Define** – what is the problem, what is the scope (inputs, outputs), who is the customer, who is the supplier?
- **Measure** – collect data about the process/problem
- **Analyze** – turn the data into information, identify sources of variation and waste, find the root causes
- **Improve** – design and implement solutions to solve the problem
- **Control** – design a system for controlling the improved process

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Fix the Systems

- Edwards Deming said in any organization, 96% of the problems are due to the system, 4% are due to the people.
- Government, Manufacturing, Health Care etc. are made up of hundreds/thousands of systems.
- To improve an organization, you have to improve the systems (processes)

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Lean Philosophy

- Creating value for the customer while using the fewest resources possible. It is about getting the right service in the right amount to the right person at the right time.
- It is a way of thinking to adapt to change, eliminate waste, and continuously improve.

From State of Maine Lean Website



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3 Myths

1. We don't make widgets.
2. We don't have customers
3. We're not here to make a profit

From: We Don't Make Widgets, by Ken Miller



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Reality

Widgets - reports, permits, events, tax credits, refunds, food stamps, licenses etc.

Customer - applicant, parolee, permittee, candidate, driver, claimant, violator, case, recipient, citizen

Profit (Outcomes) - new jobs created, increase in affordable housing, reduced instances of crime

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Reality

Business

- Investors
- Board of Directors
- CEO
- Business Unit
- Products or Services

Government

- Taxpayers
- Government board or legislature
- County Manager or State Governor
- Department or Division
- Products or Services

From: We Don't Make Widgets, by Ken Miller

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Suggested Reading

- *We Don't Make Widgets*, by Ken Miller
- *Performance is the best Politics*, by Graham Richard
- *Lean Six Sigma for Service*, by Michael George

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More Info

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