

LEAN GOVERNMENT

OPTIMIZING SERVICES FOR
SOUTH DAKOTA CITIZENS

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What is LEAN Government?

LEAN is a collaborative team-focused methodology that emphasizes disciplined data driven methods and continuous improvements to provide the highest levels of value and speed of team members.

LEAN is helping to make government services simpler, faster, better and less costly. State agencies using continuous improvement methods such as Lean Six Sigma are cutting red tape, removing inefficiencies, increasing capacity, improving customer service and employee engagement while achieving measureable results.

"LEAN Government is a systematic method to identify and then implement the most efficient, value added way to provide government services."

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WHY LEAN?

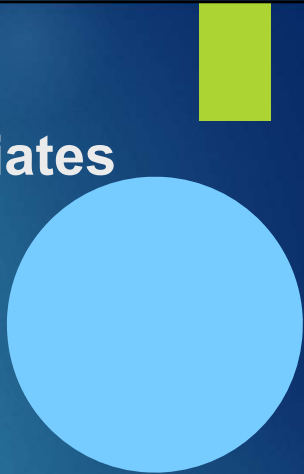
- ▶ Waiting for the capacity to do improvement will never happen, it's better just to start.
- ▶ An overworked workforce can provide quick relief. Identify who's responsible for tracking down issues can energize workers by providing them with real agency control over their work.
- ▶ It can help managers support their teams more effectively by providing transparency and real-time information on progress.

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Example of other States that have Implemented LEAN

- ▶ Arizona
- ▶ Nebraska
- ▶ Ohio
- ▶ Wisconsin

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Appropriations Committee initiates LEAN through the LRC budget through letters of intent which started in 2016.

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LEAN Methodology Results in South Dakota to date:

- ▶ Bureau of Information and Telecommunications (BIT) 2016
- ▶ Department of Revenue 2016
- ▶ Department of Labor & Regulations (DLR) 2017
- ▶ Bureau of Administration (BOA) 2018
- ▶ Department of Corrections (DOC) 2018
- ▶ Department of Administration 2019
- ▶ Department of Transportation 2019
- ▶ Department of Social Services 2020
- ▶ Board of Regents 2020

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LEAN Six Sigma

LEAN Government promotes the idea that government should cut out waste and inefficiency, which will result in providing better services and more value for tax supported necessities...

LEAN SIX SIXMA helps government processes faster, simpler, and less expensive.

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Leadership is the Key –

Lean Leaders make successful, sustainable, organization-wide implementations possible.

Effective leaders recognize the possibilities and devote their precious time and resources to solving the right problems.

- ▶ Respect for people
- ▶ Humility and willingness to recognize problems as opportunities.
- ▶ Focus on what is wrong, not who is wrong – on fixing problems and processes, not blaming people
- ▶ Willingness to personally participate in Lean.
- ▶ Ability to model lean thinking and behaviors for others.

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Looking for leaders who display these characteristics is the best way to get started with Lean.

Keep in mind that there are leaders at multiple levels in organizations, not just at the very top.

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LEAN Training

- ▶ Provide training to the top management team first so they are able to model LEAN behaviors for others and participate directly in LEAN.
- ▶ Another approach is to do a demonstration project first.

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Identifying and Selecting LEAN Projects

- ▶ Once LEAN training has been provided, the next step is to identify and select work areas or processes as candidates for Kaizen event.
- ▶ A Kaizen event is a dedicated period of time, up to five full-time days, when a small team identifies (and, ideally, begins to implement) opportunities for improvement.

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The questions now is not why we should implement **LEAN**,
but how we will integrate **LEAN** fully into public management.

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Kaizen Project Factors

- ▶ **Customer Impact** - Lean is about creating value for the customer, so close processes that have the most potential to improve the customer experience.
- ▶ **Financial Leverage** – Some projects may offer clear financial returns. In state governments.
- ▶ **Pain** – Where is the greatest area of client/customer pain? What has the media been focusing on?
- ▶ **Upset Employees** – Where does the organization have poor morale, customer service problems, etc?
- ▶ **Greatest Concerns** – What's keeping leadership up late at night, worrying?

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Kaizen should always result in ideas that will generate cost savings or significant service improvements by reducing response times or increasing capacity. Keeping this in mind, assess Lean projects to determine whether the time spent on Lean is having its intended effect.

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What is Customer Satisfaction?

- ▶ **Timeliness** – Satisfaction with the amount of time it took to get the service
- ▶ **Knowledge** – Staff was knowledgeable
- ▶ **Extra Mile** – Staff went the extra mile to help me get what I wanted
- ▶ **Fairness** – I was treated fairly
- ▶ **Outcome** – I got what I needed

A government can use these points to frame a conversation about what the customers of its processes might value and how well the government is currently delivering that value!

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Many decisions around making improvements in government are based on opinions, but the foundation for improvement must be based on data and facts.

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Exhibit I: A Sample Project Charter

Project Name:		Location:	
Business Case:		Problem Statement:	
<p>Why is this project important to the organization's strategy, and what is the potential financial impact?</p>		<p>What is wrong, when/where does the problem occur, and what is the size and impact of the problem?</p>	
Project Scope:	IN:	Goal:	
<p>Define the boundaries, constraints, and resources available to the team. Beware of creeping scope during the project.</p>		<p>Indicate the quantified results you expect to achieve by a stated date.</p>	
	OUT:	Expected Direct Benefits:	Target
		<p>Projected cost savings.</p>	
		Expected Indirect Benefits:	Target
		<p>Other benefits — cycle time, error rates, reductions, etc.</p>	
		Total Benefits:	
TEAM: Sponsor/Champion:		SPECIAL NOTES:	
Leader:			
Facilitator:			
Member:			
Member:			
Member:			

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Example 2: A Sample General Selection Grid

Request Projects	Strategic Importance/ Impact on Department Objectives	Financial Impact	Source of Customer Dissatisfaction	Visibility of Positive Results	Time to Implement	Resources Needed	Probability of Creating New Problems	Sum Across the Ratings
	5 Major	5 Major	5 Major	5 Very Clear	5 Almost Immediate	5 Almost Nil	5 Very Low	
	4 Significant	4 Significant	4 Significant	4 Clear	4 < 1 Month	4 Few	4 Low Risk	
	3 High	3 High	3 High	3 Some Indications	3 1-2 Months	3 Modest	3 Some Possibility	
	2 Moderate	2 Moderate	2 Moderate	2 Few Indications	2 3-4 Months	2 Moderate	2 Moderate Possibility	
	1 Low	1 Low	1 Low	1 Hard to See	1 5-6 Months	1 Considerable	1 Probable	
	0 Very Little	0 Very Little	0 Very Little	0 Intangible	0 > 6 Months	0 Major	0 Almost Certain	

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Barriers to Lean in Government

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We just don't have the time or resources to apply lean.

- ▶ For most government agencies, the volume of work and expectations of citizens have increased while the number of employees has stayed constant or decreased.
- ▶ **Solution** – Removing non-value added time from processes is the essential work that helps government agencies handle capacity crisis.

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Corporate Vs Government

Government processes are more difficult and complex, processes are difficult and cumbersome. Common problems include overly complicated instructions, and poor coordination across agencies.

Solution – LEAN is not a cookie cutter solution! It does, however, provide a set of principles and practices that will help leaders and teams discover where hidden waste resides, align diverse workgroups on needed changes, and develop effective solutions that lead to consistently better outcomes.

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Corporate Vs Government

Solution – Value stream mapping, for instance, helps experts involved in a process that could take months or even years to better the needs and requirements of groups upstream and downstream and learn how work can be better coordinated to eliminate bottlenecks and rework. Developing standardize work for important parts of the process, rather than being restrictive and controlling.

Value Stream Mapping (VSM) – Refers to the development of a high-level visual representation of a process flow that is involved in delivering a product or service (called a “value stream” to customers. VSM focuses on identifying the sources of non-value added activity and prioritizing possible improvement activities

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- ▶ ... it is important that to ensure that employees talk and coordinate and accept responsibility while nonetheless being left the power to manage the nuances and unpredictability's the best they know how.
- ▶ While complex processes can never be scripted and managers, supervisors will always need to good judgement, smart leaders create the conditions that lead to better outcomes.

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Delivering change in government does not have its special challenges. Resources are often constrained. Processes as well as customer relationships are complex. Leadership and policy objectives do frequently change. But the situation is far from Hopeless. LEAN management is one of the most practical and effective ways for leaders to create positive change.

Government agencies need to pick an area that needs improving and experiment with lean approaches. Other agencies have open the door, if you need help, ask for it. Start small, see if you can make a noticeable and impressive difference, and build from there!

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Keys to Success

- ▶ **Support** from Legislative Branch to allow time for process to work effectively for maximized impact
- ▶ **Active involvement** and support by Senior State Government Leadership of the Lean Six Sigma Initiative.
- ▶ **Follow through** from leadership within departments/agencies.
- ▶ **Consistent and continuous communications** on the Lean Six Sigma's goals, activities and successes.
- ▶ **NO personal layoffs** due to the LEAN Six Sigma Implementation. Personnel savings will come from attrition, more effective use of personnel's time and abilities, the opportunity to provide more services, and the reduction of overtime.

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