

KAIZEN

More good news for jobs in Ohio:

Streamlined incentive process already winning over businesses

IN BRIEF: When companies are deciding where to expand and create or retain jobs, they need quick action on the state level. The advantage goes to states that can promptly review and decide on applications for financial incentives, including loans. That's why this Kaizen event was so important. Ohio's process took too long -- but now it's speeding up in a big way. Thanks to a high-priority project involving JobsOhio and the Ohio Development Services Agency, a package of improvements is cutting a full 205 days from the process time.

MAKING IT SIMPLE: The streamlined process will have 68% fewer steps, 59% fewer delay-causing handoffs, and 46% fewer decision points.

SPEEDING IT UP: Once all the improvements are implemented, the process will take just 75 days on average. Compared to the old average of 280 days, that's a 73% reduction in process time.

GETTING IT DONE: The new process is already getting a great response. The team's quick action in producing a far better approach strengthens the case that Ohio is a preferred state for locating and/or expanding a business.



Team members: Tracy Allen, JO, Project Finance Manager; Sharon Anthony, ODSA, Office of Loan Administration/Service (OLAS); Dana Barlow, ODSA, OLAS; Sandy Bovard, ODSA, OLAS; Marlene Chukes, ODSA, OLAS; Kristi Clouse, JO, Project Management Director; Karen Conrad, ODSA, Special Liaison to Jobs Ohio; John Cunningham, ODSA, Chief Financial Officer; Daryl Hennessey, ODSA, Business Services Division; Diane Lease, ODSA, Chief Legal Counsel; John Minor, JO, Managing Director, Financial Services, Agribusiness & Food; Veronica McDaniel, ODSA Office of Strategic Business Investments (OSBI); Vicki Puster, Seaman Corporation; Bill Sheehan, ODSA, OLAS; Kristi Tanner, JO Managing Director, Manufacturing; Nathaniel Trombley, ODSA, Senior Business Analyst; Beth Trombold, ODSA Assistant Director; Kip Wahlers, JobsOhio, General Counsel; Ron Wiley, Deputy Chief, OLAS; David Zak, ODSA, Chief, Business Services Division.



DETAILS

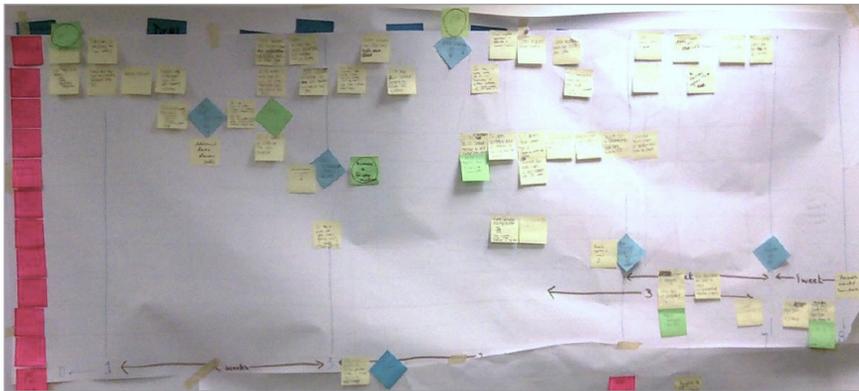
Thanks to Kaizen-powered improvement, an Ohio-based company now plans to put its newest advanced equipment in the Buckeye State. That means another big investment in Ohio – and more jobs for Ohioans..

Seaman Corporation has a manufacturing plant in Wooster, but the technology seemed destined for its other plant in Tennessee. The reason was speed – or rather, the lack of speed. Seaman was dissuaded by Ohio's complex and protracted business-incentive process. The loan portion of the process averaged 280 days from receipt of application to disbursement of funds. Seaman hadn't become a global success by moving slow – and Tennessee showed that its own process could move fast.

Determined to make Ohio the top choice for Seaman and all other companies, Governor Kasich gave clear instructions to JobsOhio and the Ohio Development Services Agency: Fix the process now. Get it right. Make it fast. And let's keep growing more jobs for Ohioans.

On June 12, 20 people took the Governor's charter and got busy applying the tools of Kaizen. Team members began by mapping the current financial-incentive process in all its time-consuming and customer-maddening detail. They met with Controlling Board President Randy Cole to get clear on Board requirements. They picked apart the process to pinpoint delays, rework, over-processing, and other inefficiencies. Then they brainstormed improvement ideas, used the most promising ideas to create three potential redesigns of the

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The streamlined process will have 68% fewer steps, 59% fewer delay-causing handoffs, and 46% fewer decision points. With all the improvements are in place, the process will take 13 days on average -- a 62% improvement over the 34-day average in the past.

Bottom left: Controlling Board President Randy Cole (left) met with a subgroup of the team.

Bottom right: Providing direction and support throughout the Kaizen event were JobsOhio CIO Mark Kvamme (left) and DAS Director Robert Blair.

process, and mixed in plenty of discussion to reach consensus on the best way forward.

The result? Ohio now has a seriously streamlined process that puts the incentive back into the financial-incentive process.

The new process has 68% fewer steps. It has 59% fewer delay-causing handoffs. It has 46% fewer decision points. And it has speed. According to team calculations, once all the improvements are implemented, the process will roll 205 days faster than before. That marks an epic 73% reduction in process time. The streamlined process would get the job done in 75 days – which is four days faster than what customers reported on a customer survey when asked how long the process should take.

John Crum couldn't be happier. As Co-President of Seaman, which manufactures coated industrial fabrics, he's a key person in making the "Ohio or Tennessee" decision. Following the group's final presentation on June 27, Crum told them that "what you did was phenomenal." He underscored the importance of turning the newly designed process into current reality asap. He mentioned the "beautiful machine" that will soon be operating at Seaman. Then he said the words that should be music to every Ohioan's ears: "The good thing is it's coming to the State of Ohio."

What are the changes that will make the process so much faster?

For one, a JobsOhio project manager will now help complete the financial assistance application for companies. All terms and conditions will be made crystal clear up front, to avoid unwelcome surprises after applicant companies have invested considerable time. A JobsOhio project manager will guide each company through the process, ending the problem of a company having multiples contacts among state staff. And a simplified, expedited disbursement process will bring much-needed consistency to the process, allowing companies to plan with confidence.

Part of the reason for the team's big success was the commitment of senior leadership of JobsOhio and the Ohio Development Services Agency. Other leaders made themselves available to the team as its work was under way, including Controlling Board President Randy Cole.

As for John Crum, Lean and Kaizen factor prominently in his leadership role at Seaman Corporation. In his comments to the state government team, he mentioned that as of July 2012, Seaman had conducted 108 big Kaizen events. "This was a first-class report out," he said. "You could tell that everybody was involved, everybody saw what needed to happen in the process. And so, as a taxpayer, I'm very appreciative that that happened." ●

