

OFFICE OF LEAN OHIO

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Overview

The mission of Lean Ohio is to make state government services simpler, faster, better and less costly. That mission is accomplished by helping state agencies learn and use the principles of Lean and Six Sigma to focus on priorities, identify and remove waste, and create processes that flow efficiently and meet customer needs.

Lean Ohio offers a variety of services to assist state agencies, which include:

- Developing strategic plans, prioritizing needs and aligning goals;
- Discovering the “voice of the customer” through surveys and focus groups and facilitating constituent meetings;
- Collecting, analyzing and tracking data, and the creation of balanced scorecards and dashboards;
- Conducting systems assessments and providing improvement recommendations through analysis and value-stream mapping;
- Training, mentoring and coaching Lean Six Sigma boot camp participants and yellow, green and black belt students;
- Facilitating process improvement efforts such as week-long Kaizen events to improve existing processes, Production Process Preparation (3P) events to create new efficient processes, “Lean Routines” to improve less complex processes, 5S (Sort, Straighten, Shine, Standardize and Sustain) efforts to organize the workplace and Six Sigma projects that improve services through statistical process control; and
- Developing, supporting and coordinating a network of Lean practitioners throughout state government, local governments and the private sector.

LEAN Ohio

Accomplishments

Lean Ohio consultants double output

Complete more than 300 requests for services

During Fiscal Year 2014, the Office of Lean Ohio worked with every cabinet-level state agency and a variety of boards, commissions and offices of statewide-elected officials. The office conducted 19 major week-long improvement events. In addition, the demand and output increased dramatically in all of the other services the staff provides.

The office fielded more than twice as many requests over the previous fiscal year to help agencies organize, plan and diagnose system problems. Lean Ohio also helped facilitate nine strategic planning retreats. For the first time the office also was asked to use Lean strategies to create new processes, such as designing the method for approving “Straight A” grant applications to improve education in Ohio, creating a process for conducting newly required background checks for Medicaid and collecting customer feedback to redesign the state’s Ohio Business Gateway.

There also were more requests to share Ohio's success with Lean. The office provided training at dozens of programs and events, helping thousands of people understand how to identify and remove waste from their systems. Those programs and events included the new leadership program at the John Glenn School of Public Affairs at Ohio State University, the International Association of Law Enforcement Planners annual conference, the OSU Fisher College of Business' Lean Educators conference, the Ohio Public Safety Leadership Academy and the International Association of Workforce Professionals annual conference.

Local Government Efficiency Program initiated

New program brings Lean to cities, counties and school districts throughout Ohio

Due to the successes achieved by state government using Lean, legislation (House Bill 59 of the 129th General Assembly) was created to support similar cost savings and improvements for cities, counties and school districts. As a result, the Local Government Efficiency Program began during Fiscal Year 2014.

The program, which is a partnership between the Ohio Development Services Agency (DSA) and DAS, encompasses the following three components:

- Providing grant money for political entities to use Lean experts to conduct process improvement events;
- Providing scholarships for local government employees to receive standardized Lean training focused on government-sector issues and examples; and
- Coordinating a network of coaches and mentors to ensure newly trained employees can gain experience and be successful implementing Lean in their agencies.



Lean Ohio's Meghan Altier leads a session of green belt training, a two-week training that equips people with skills and tools to achieve major improvement. (Photo by Trace Hull.)

Lean Ohio worked with DSA to create grant evaluation rubrics, the evaluation process and the system for tracking results. The staff also created the curriculum and material for a one-week course called "Lean Ohio Boot Camp: Transforming the Public Sector." Most of Fiscal Year 2014 was spent creating the training, recruiting learning institutions throughout the state to deliver the class and training their trainers. A total of 160 local government employees were trained in nine classes held during Fiscal Year 2014. The number of trained local government employees will increase dramatically during Fiscal Year 2015, with 13 learning institutions participating.

With more than 60 major Kaizen events completed since January 2011, Ohio can not only project more than \$160 million in annual savings from those efforts, but also document actual results that were achieved and sustained over time.

Progress and Results

Lean goals exceeded

Great strides made on state-wide implementation plan

During Fiscal Year 2014, state government exceeded every annual goal regarding the Lean Ohio program, and significant progress was made in completing the following seven-step plan for implementing Lean Six Sigma strategies statewide:

Step 1: *Learn and test the effectiveness of “Lean Manufacturing” to improve government systems.*

Completed: It was critical that Ohio not invest in fads so the state formed a public-private partnership with organizations such as Parker Hannifin, Cintas Corporation and Honda to learn and use Lean Six Sigma tools effectively. Lean Ohio also benchmarked with many other organizations, both public and private, to learn better ways of making government more efficient and effective. It is now clear that with minor adjustments, Lean works as well for government as it does for manufacturing;

Step 2: *Focus preliminary Lean efforts on major “Kaizen events” to ensure significant results.*

With more than 60 major Kaizen events completed since January 2011, Ohio can not only project more than \$160 million in annual savings from those efforts, but also document actual results that were achieved and sustained over time. The three major goals for Kaizen events are to:

- Save a million dollars a month (on average): During 36 months, approximately \$160 million was saved;

- Cut waste in half (on average): Steps eliminated during Fiscal Year 2014 – 72 percent; and
- Respond twice as fast (on average): Lead time reduced during Fiscal Year 2014 – 55 percent.

That means well over half the red tape is eliminated from operations during Kaizen events, and citizens and businesses spend less than half the time waiting for those government services;

Step 3: *Communicate and celebrate those first tangible results to increase interest and demand for Lean.*

By promoting these results on the Web page (Lean.ohio.gov experienced a 62 percent increase in hits during Fiscal Year 2014), in webinars, at cabinet meetings, in the press and at trainings, demand for services from Lean Ohio more than doubled each of the last two years;

Step 4: *Develop a network of additional practitioners to meet the increased demand for Lean efforts.*

During Fiscal Year 2014, Lean Ohio tripled the number of state employees to 294 it trained as Lean Six Sigma yellow, camouflage, green and black belts. These new black and green belts are now saving millions of dollars through smaller process improvements within their agencies. Lean Ohio also created a three-hour white belt course for senior management teams.

In addition, every state agency appointed a Lean liaison to coordinate and prioritize Lean efforts;

Step 5: *Ensure major improvement efforts are prioritized, aligned and managed with appropriate visual metrics.*

Requests for assistance with strategic planning, goal-setting and measuring



Among the people bringing Lean to state government is Brandi Crowley, a systems improvement consultant and Lean Six Sigma black belt with Lean Ohio. (Photo by Trace Hull.)

results increased dramatically during Fiscal Year 2014. Lean Ohio facilitated major strategic planning efforts for many organizations, including the Ohio Department of Medicaid, Ohio Department of Transportation, Ohio Department of Veterans Services, Ohio Development Services Agency, Ohio Third Frontier Commission, Ohio Turnpike and Infrastructure Commission, and DAS. Dashboards to measure results are now a part of every improvement event, and system-wide value stream maps are helping to identify and prioritize future improvement events;

Step 6: *Support opportunities for greater use of Lean tools by everyone.*

During Fiscal Year 2014 Lean Ohio worked with the state's largest employee union, the Ohio Civil Service Employees Association, to develop a Lean Six Sigma tool kit that is given away in every training session or improvement event to encourage daily use. The office also partnered with the union to provide quarterly training to front-line employees to promote using basic Lean skills on the job. The team also created and has facilitated a new "Lean Routine" process to improve everyday, less complex issues.

Black belts and green belts were embedded in about half of the state's agencies during the fiscal year to drive the use of Lean tools and strategies everywhere by everyone. The goal for Fiscal Year 2015 is for every state agency to have at least one black belt driving mass waste reduction efforts; and

Step 7: *Lean thinking becomes the normal routine rather than something done just during an event.*

State agencies are recognizing that Lean tools and principles are not just for the week of a Kaizen event – but for all situations. Leaders are using strategic planning and value stream maps to anticipate, align and prioritize improvement efforts rather than just respond to problems. Each agency has a Lean liaison to coordinate continuous improvements and employees are being trained to use Lean Six Sigma strategies every day. More and more Kaizen events are being aimed at major systems and enterprise-wide solutions. People now just expect to streamline processes before they are automated. The value and use of Lean Six Sigma is being imbedded into state government's DNA.

Updated Results

Moving from projections to actual results

Since January 2011, Lean Ohio has completed more than 60 major events. Now the state can look back over the last three years and see actual results that have been sustained and not just projected savings.

Simpler – Kaizen event teams rip through red tape with a goal to at least cut waste in half. During Fiscal Year 2014, Kaizen event teams averaged a 72 percent reduction in process steps, which means fewer delays, decision points, loop backs, handoffs and aggravation for the users of government services. For example:

- The State of Ohio's Minority Business Enterprise (MBE) program is designed to assist minority businesses to obtain state government contracts through a set-aside procurement program for goods and services. By increasing opportunities for minority businesses to do business with the state, the MBE certification program facilitates economic growth and development within the minority business community. A Kaizen team chopped the certification process from 84 steps to just 27 steps, a 68 percent reduction in red tape. This included eliminating multiple reviews, creating an easier path for less complex applications and designing simpler, user-friendly forms. Today it takes an average of 19 days to be certified instead of the previous average of more than 60 days.

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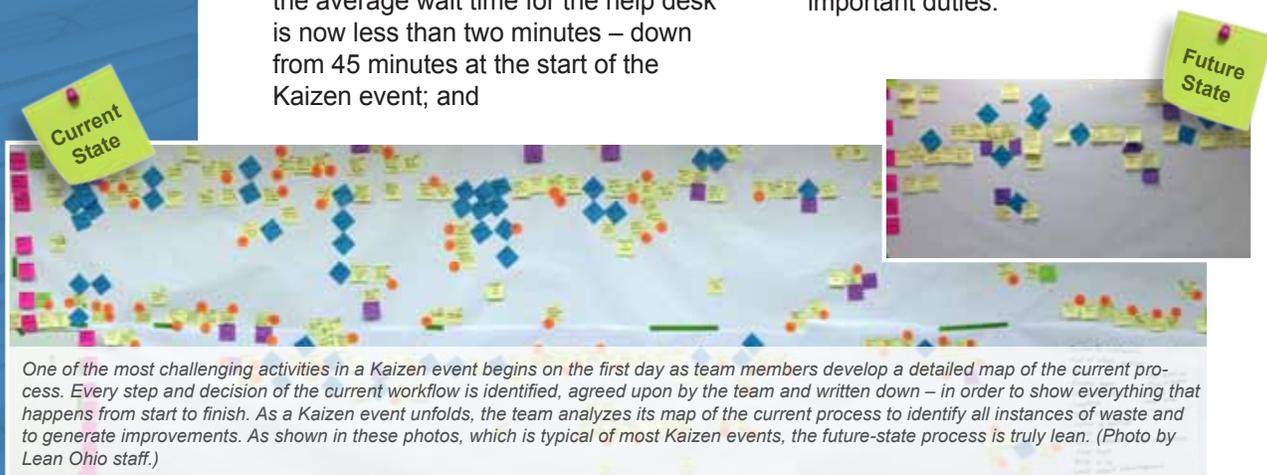
Kaizen teams have been able to eliminate overtime and redirect significant staff hours to higher priority efforts that improve customer service.

Faster – Lean is about speed, and the goal of each event team’s new process is to be able to respond twice as fast. During Fiscal Year 2014, events were projected to average a 55 percent increase in speed, which means thousands of backlogged items are no longer waiting days, weeks or months to receive attention. For example:

- As of February 2014, people who apply for vocational rehabilitation services through the Opportunities for Ohioans with Disabilities are learning if they are eligible 77 days faster on average. As a result, they are getting help that much faster – and returning to work or applying for a job more than two months sooner; and
- The current time savings record (for completed projects sustained for more than a year) is the Ohio Department of Transportation’s Office of Aviation’s process for the annual registration of Ohio aircraft. The Office of Aviation eliminated a backlog of more than 12,000 applications. Aircraft owners now complete this registration process in a week – an average of 97 percent faster than the old process.

Better – Lean is about far more than just cutting waste and increasing speed – providing improved services to customers is a key element. By eliminating non-value added activities, Kaizen teams have been able to eliminate overtime and redirect significant staff hours to higher priority efforts that improve customer service. For example:

- The Ohio Department of Insurance significantly reduced the cost and time required to respond to customer complaints. They have eliminated a backlog of approximately 1,100 complaints and eliminated all overtime costs. They were able to redirect significant work hours no longer needed due to efficiency gains to the help desk. As a result, the average wait time for the help desk is now less than two minutes – down from 45 minutes at the start of the Kaizen event; and
- The Treasurer of State is processing 130,000 fewer sheets of paper than last year by eliminating back-up documents that used to be sent to its accounting office and the Ohio Office of Budget and Management. This is currently saving more than \$6,000 per year. More importantly, 2,080 staff hours have been reallocated to more important duties.



One of the most challenging activities in a Kaizen event begins on the first day as team members develop a detailed map of the current process. Every step and decision of the current workflow is identified, agreed upon by the team and written down – in order to show everything that happens from start to finish. As a Kaizen event unfolds, the team analyzes its map of the current process to identify all instances of waste and to generate improvements. As shown in these photos, which is typical of most Kaizen events, the future-state process is truly lean. (Photo by Lean Ohio staff.)

Less Costly – Saving or making better use of taxpayer dollars is a critical component of the state’s Lean Six Sigma efforts. During Fiscal Year 2014, the state passed a projected annual savings of \$160 million.

- An example is the savings obtained by the Ohio Board of Tax Appeals, which completed a Kaizen event to redesign the decision-writing process for home appraisals. Since then the actual cost per decision has fallen dramatically. In 2010, each tax-appeal decision cost \$520 in processing time and other expenses. As of October 2013, the cost-per-appeal decision was just \$118 – a 77 percent reduction. During the first 10 months of 2013, savings totaled nearly \$500,000 for 1,200 tax-appeal decisions.