



LEAN Ohio
BOOT CAMP

Measures of Success
Day 5: Module 2

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Project Goals

1. Eliminate data quality errors in the "application review through grant award" timeframe
2. Reduce the amount of time between receipt of Final Performance Report and Grant close-out
3. Achieve maximum customer understanding of programs and components



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Were they successful?

Major Changes:

- Reduced process lead time by 58% from 297 to 125 days
- Cost Saving to Ohio customers of \$84,000
- Cost Savings to State of \$475,417

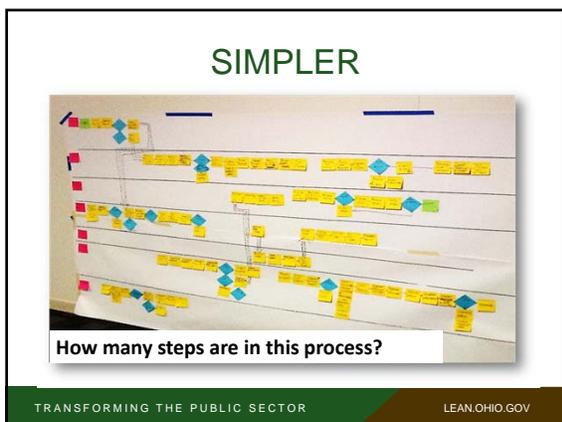
Measure	Before	Projected After	Difference
Process Steps	240	67	72%
Decisions	26	4	85%
Loopbacks	14	3	79%

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Scorecard

Measure	Current Level	NEW	Change
Work Flows	4	1	75%
Process Steps	183	26	86%
Decision Points	39	5	87%
Handoffs	29	6	79%
Loopbacks	10	2	80%
Delays	11	2	82%
Waste Points	54	5	91%
Process Lead Time	19-51 Days	4.5-10 Days	76% - 80%

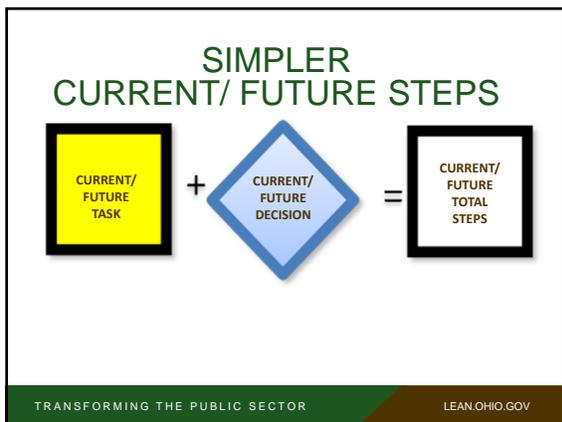
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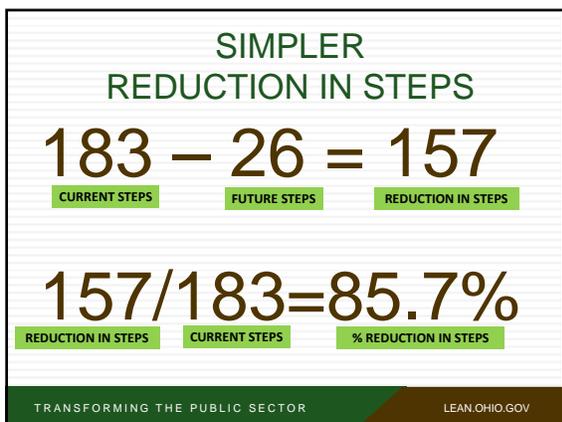


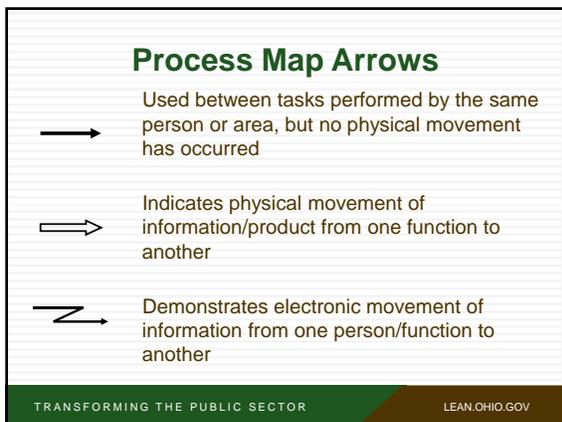
Process Map Key

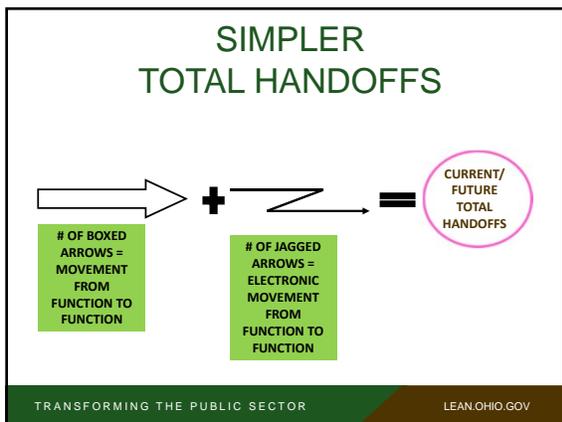
- Function**
Different functions of the process
- Beginning & End Points**
Beginning and end points of the process
- Task**
Any task / activity where work is performed
- Inspect & Decision**
Places where information is checked against established criteria (standards) & decision made on what to do next
- Delay**
Any time information is waiting before the next process or decision (i.e. in-baskets, out-baskets, waiting to be batched)

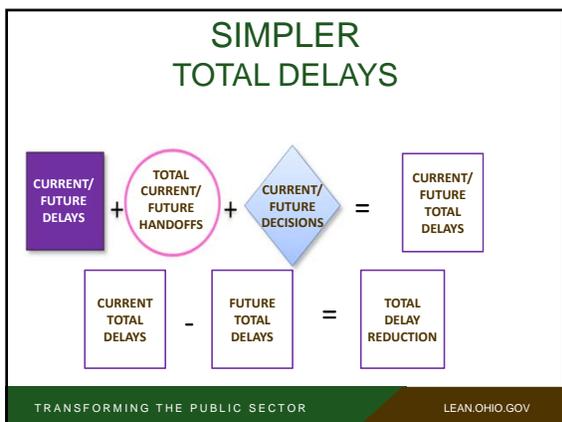
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Lead Time

The time gap between when a customer request is placed for a product/service and when it is delivered. Lead times vary by process and may even vary for the same process in different situations, such as during renewal periods, seasonal demand, etc.

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Cycle Time

The time elapsed from the start to the end (one cycle) of an operation. It is the time taken to complete processing of a single unit of a product/transaction and includes the time consumed by all activities within the process area including product/service creation or transformation, wait time, transportation, and rework.

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FASTER LEAD/CYCLE TIME REDUCTION



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FASTER % LEAD/CYCLE TIME REDUCTION

LEAD/CYCLE TIME REDUCTION / CURRENT STATE LEAD/CYCLE TIME = % LEAD/CYCLE TIME REDUCTION

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BETTER COMMUNICATING IN ENGLISH

- Ohio's state agencies will process purchase orders 77% faster, resulting in quicker delivery of commodities used for daily operations
- Energy Assistance Clients will receive credits for utility bills up to 12 weeks faster – keeping the lights on!
- Ohio mental health clients will now have better access to Health Home services to improve their care and quality of life

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LESS COSTLY CAUTION

It is imperative that you document how cost savings were calculated. Also, share your findings with the leadership team and/or finance area before you report-out.

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LESS COSTLY POTENTIAL SAVINGS

PAPER
REDUCTION

×

.04

=

\$

OVER-
TIME
HOURS

×

COST PER
HOUR

=

\$

STORAGE
of SQ. FT. or
BOXES

×

COST PER
SQ. FT. or BOX

=

\$

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LESS COSTLY ADDITIONAL COST SAVINGS

Travel time for employees or customers

- 2012 Recruitment Kaizen Event saved each customer an average of \$762 due to reduction in travel to main office
- 2014 Field Review Kaizen Event saved the agency over \$20,000 a year

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LESS COSTLY

Redirected hours - Reduction in CYCLE time contributes to hours being redirected to do mission critical work

- In 2012, Ohio Department of Transportation employees redesigned their process so they could spend more time working on fixing roads and other critical needs
 - Redirected 475,000 staff hours to more productive maintenance work
 - Reduced duplication of paperwork by 60%

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SIMPLER. FASTER. BETTER. LESS COSTLY

LEAN Ohio results from January 2011 - October 2013:

- More than 160 improvement projects
- More than 50 week-long Kaizen events
- On average, process time and process steps reduced by more than 50%
- Certified over 350 people with Yellow, Camo, Green and Black Belts
- Reduced by millions of hours the cumulative time that citizens and businesses spend waiting on government
- More than \$150 million projected annual savings to date

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Measure what matters!

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Voice of the Customer

- Easier access – less time dealing with government bureaucracy
- Reduction in wait time – getting their service sooner
- Meeting customer needs and expectations
- Increased satisfaction

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Voice of the Employee

- Redirect staff time to other projects
- The work process becomes more efficient – saving staff time
- Better morale
- Better use of staff skills

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Voice of the Process

- Reduction of tasks, decisions, functions
- Direct savings – reduction in overtime, office supplies, rent, travel costs, postage, equipment
- Fewer handoffs, loop backs, defects
- Reduction in cycle time, lead time

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Voice of the Business

- Cost avoidance – won't need to hire additional staff/ won't need layoffs (unemployment costs)
- Direct savings – reduction in overtime, office supplies, rent, travel costs, postage, equipment
- Redirect staff time to other projects
- Benchmark best practices

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Think Basketball: Do You Know the Score!

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A Dashboard is....

- A concise visual indicator that displays: clear, measureable and valid metrics for each objective, targets for each metric, and the status of each metric
- Uses charts to tell stories, evaluate alternatives, understand trends or find-out if everything is normal

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LEAN Ohio Dashboard

SIMPLER • FASTER • BETTER • LESS COSTLY

Topic	This Month (Sept.)	2013 to Date	2013 Annual Goals	Status	Total Since 1/1/11
Major Kaizen Events/ 3P's facilitated by DAS:	3	34	12	ahead	41
Average percent of process steps eliminated:	N/A	73.7%	50%	ahead	58%
Percent lead time in processes reduced:	N/A	80.3%	50%	ahead	52%
Paper reduction / office supply cost savings:	N/A	New	N/A		
Total projected cost savings:	N/A	\$125M	\$10M	ahead	\$151M
Kaizen events follow-up meetings facilitated:	3	23	25	on target	57
Total requests for services completed by Lean Ohio:	38	217	150	ahead	337
Other improvement events using Lean tools:	7	23	40	on target	53
Number of miscellaneous meetings facilitated:	6	37	20	ahead	51
Number of Lean Ohio presentations given:	2	13	6	ahead	20
Customer Satisfaction Ratings (1-10 scale)	N/A	9.45	8/10	ahead	9.4
Lean Six Sigma training courses completed:	1	18	8	on target	33
Number of employees attending:	137	337	250	ahead	527
Number Y/G/B Belts or Lean Certified graduates:	43	85	75	ahead	153
Kaizen events in agencies completed by graduates:	0	5	6	on target	7
Other internal improvement efforts by graduates:	13	43	80	behind	89
Total major Lean Events completed state-wide:	2	19	18	on target	52
Total improvement efforts completed state-wide:	31	93	130	on target	181
Total hours eliminated from state processes:			NEW	N/A	
Time no longer spent waiting on government:	Hours:	4,767,965,126	(544,288 years)		

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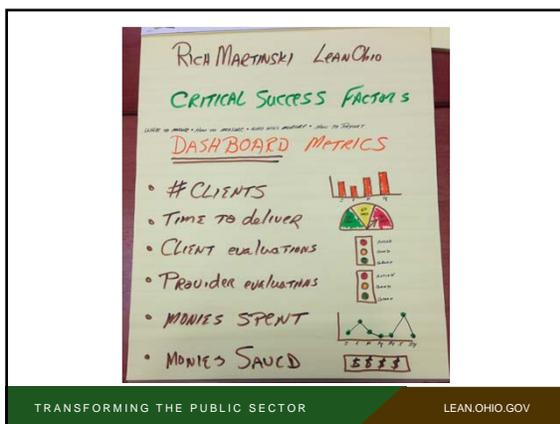
Why Create a Dashboard

- Why Create a Dashboard?
 - Dashboards show a high-level overview of the organization to give a status and make informed decisions
 - Dashboards provide analysis, insight and alert issues or positives in a timely manner
 - Dashboard is an excellent communication tool

Excel is an excellent tool to make dashboards

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Dashboard



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"A Picture is Worth a Thousand Words"

- A complex idea can be conveyed with just a single still image
- Visualization makes it possible to absorb large amounts of data quickly

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Tell Your Story



Tom Mello
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BLACK BELT
Black Belt Gov Wave IA

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Click here for Tom Mello's Black Belt Project Presentation: [Medical Contractor Pay Process](#)

Tom Mello is a manager in RSC's Division of Disability Determination. He has been employed by RSC since 1992 and has worked in Case Operations, IT, and Medical Operations. He also oversees the Cooperative Disability Investigations Unit, which works in partnership with SSA and OIG.

<http://leanohionetwork.org/join/>

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Tell Your Story

Kaizen Event Dates: 10/16-18/13
Ohio Department of Commerce
Unclaimed Funds Case Process
August 20-30, 2013



your lean.ohio.gov
Ohio Department of Commerce
Unclaimed Funds Case Process
August 20-30, 2013

KAIZEN RESULTS

Ohio citizens who have unclaimed funds will receive their money up to 160 days faster

IN BRIEF: The Unclaimed Funds unit leveraged a quarter of a century of money that sits unclaimed in Ohio's banks, credit unions, insurance policies, retirement portfolios, and elsewhere. The office discloses the funds when people show that they are the rightful owner. A kaizen event gathered information to prove their claims, so it's the kind of information-heavy process that can get complicated. That's why members were taken during an intensive week of rapid improvement. They were given an opportunity to transform the claims process to make it simple, faster, and better for everyone.

MAJOR STREAMLINED: The number of steps in the process will be reduced by 82% once the improvements are in place.

FAST PAYS SERVICE: People will receive their funds within 14-22 days of submitting a claim - compared to a range of 100-200 days in the past.

DIRECT SUBSIDIES: Reduced printing and postage expense will produce savings estimated at \$200,000 per year.

KPI	CURRENT STATE		PROPOSED IMPROVEMENTS	
	Count	Days	Count	Days
CLAIMS	154	28	36	3
CLAIMS PER HOUR	36	3	82%	82%
CLAIMS PER DAY	55	1	82%	82%
CLAIMS PER WEEK	385	7	14-22	14-22

Reduction in processing time per case from 28 to 3 days

WHAT: When an individual or organization discovers that the state is holding funds that are rightly theirs, they can submit a claim form to the Department of Commerce to receive the funds. These claims are then processed to verify ownership and to determine what amount. In cases where the claim is approved, checks are then sent to the claimant.

The process has been in place for years, so it shouldn't come as a surprise that things had gotten complicated. The number of steps had grown to nearly 100, many steps, duplicate prints, and errors. The new thinking to streamline it around among customers and staff alike.

That's what propelled a Commerce team to apply the tools and methods of Kaizen - in order to transform the process to a



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Questions on Measures of Success?

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