An efficiency breakthrough for internal customers:

EMPLOYEE EDUCATION REIMBURSEMENTS IN LESS THAN HALF THE TIME

IN BRIEF: When an office was given added responsibilities, the workload doubled and a backlog began to grow. So the group spent five intense days in a Kaizen event, analyzing its process from top to bottom – and then building a new process from the bottom up. The improvements are generating significant results.

FASTER PROCESSING: Reimbursements now take one-tenth as long to process, with many done the same day – compared to 20-30 days previously, some even 6-10 weeks

BACKLOG RESOLUTION: A 270 volume backlog of outstanding reimbursements eliminated

COST SAVINGS: Projected savings of $23,000 annually in overtime costs

The difference is enormously positive, and it’s all because of nine improvement-minded people, one team, five days, and three months.

But first, some background:

Staff from the Employee Development Funds (EDF) program had been handling applications and reimbursement for exempt state employees who attend professional development programs. Things were going fine – until February 2010. That’s when a statewide consolidation gave EDF staff an added responsibility. They would now be administering reimbursement programs for four unions (FOP, SEIU, SCOPE, OSTA) in addition to its regular work for exempt employees.

Boxes of files were brought to the EDF office, and another database was added to computer desktops, and the workload pretty much doubled overnight. Office staff worked hard to process all the extra applications for reimbursement, but their best efforts and some improvised improvements couldn’t prevent a growing backlog. At one point, the team had 270 customers waiting six or more weeks to receive their reimbursements.

Then came January 2011. That’s when the nine people stepped away from their regular work to spend five days analyzing every step of their process – and to build an entirely new process to neutralize the backlog and keep ahead of the future inflow of applications. The group’s frustration turned into determination as they worked hard the entire week. By Friday, when the team reported its plan and projected results, their determination turned into pride and confidence.

Their confidence was well placed. Following the weeklong Kaizen event, the results are spectacular. At the time of this writing, the oldest application currently in the file arrived just two days ago. Most applications now fly through in a day or two. As for the backlog, there is no backlog. Those 270 pending reimbursements have long since been processed.

What ideas did staff come up with to bring about such a dramatic turnaround? The answer can be found in the name of their improvement team: “Take One, Make One.”

Now when applications arrive, each one is worked on and finalized in one pass: you take one and you make one. Before, the typical application was worked on six to eight separate times before being finalized. The old start-stop-start-stop-start approach has given way to a smooth flow that eliminates batching and keeps the backlog at a customer-pleasing zero.

The impressive reduction of processing time resulted in the elimination of what had been constant overtime hours.
Team members also reduced four applications to one, and they took steps to make the process as paperless as possible. For example, staff now have access to a shared drive, and nearly all applications go straight to a dedicated electronic mailbox. Applications that arrive by fax are converted into electronic format. More improvements are in store, including a redesigned Web site to making things even better for customers.

Sonja Hunter, an EDF customer and team member from the Ohio Department of Education, gives sky-high marks to the team. “I’m thrilled with how much was accomplished through this process. I’ve been on teams that had good ideas that weren’t implemented, and I found that very frustrating. I’m proud to be a member of this team and share in its accomplishments.”

EDF Manager Diane Luff agrees, highlighting the week of focused improvement as the source of the team’s breakthrough. “This is an unbelievably effective tool to help get work done more efficiently and effectively. I’m also a taxpayer, so I’m thrilled we have reduced program costs without spending any additional state dollars.”

The team was able to reduce processing time for reimbursements from an average of 25 days down to 1 day. As a result, EDF staff eliminated the reimbursement backlog and are now able to maintain fast processing with no backlog.