HEAP is making the leap to higher levels of efficiency

**IN BRIEF:** The Home Energy Assistance Program (HEAP) provides eligible low-income Ohioans with a one-time credit applied directly to their energy bill. It's federally funded and administered by the Ohio Department of Development. Some 220,000 households send in applications every year. Staff at Development do the review, determine eligibility, and send a letter of notification. It's a great program, but the process was taking too long, and the delays were causing frustration among citizens and agencies. Staff knew the situation could be improved — and that's exactly what they did, teaming up for five work-packed days to analyze and overhaul the process.

**SIMPLICITY AT WORK:** The new process would cut 43 steps — a 50% reduction. Delay points would fall from 7 with the old process to 0 with the new. Decision points would go from 9 to 3. Loopbacks from 6 to 1.

**SWIFT TURNDOWN:** The team estimates that full implementation would reduce process time to 21-26 days — and a fast-track option would speed through in 8-10 days. That's 42% to 96% faster compared to times for the “current state” process.

**SAVING AT PEAK TIMES:** According to team calculations, these gains in efficiency will eliminate the need for 20 temporary staff during peak times — which adds up to an estimated yearly savings of $348,816 in labor expense.

**SAVING THROUGH AUTOMATION:** As the application goes online, estimated annual savings will accrue through reduced printing ($19,200), reduced mailing ($103,500), and reduced record storage ($8,160).

**REDIRECTING RESOURCES:** Saved staff time will become available for other work that adds greater value. The team estimates that the number of these “redeployable” hours could run as high as 1,870 hours per year.

### DETAILS

If you're a low-income Ohioan who's struggling to pay winter heating bills, HEAP can help, which is good news in its own right. The great news is that the process for delivering that help is getting faster, simpler, and more cost-effective.

HEAP stands for Home Energy Assistance Program. It's a federally funded program administered by the Ohio Department of Development. It provides eligible low-income Ohioans with a one-time credit applied directly to a household’s energy bill.

For staff at Development, HEAP is an important priority. It’s also a big undertaking, with the agency circulating one million applications and receiving back some 220,000 completed applications each year. About half of the applications are mailed to individuals, and the other half are sent in bulk and then circulated by local agencies throughout Ohio.

The huge volume was straining the system for reviewing the applications, determining eligibility, and notifying applicants. Internal reviews for quality control showed that screening errors were occurring with 12% of the applications. Also, about 12% of incoming applications were incomplete, so staff had to contact applicants to get the necessary information. It all added up to a very long processing time — from 36 days all the way to 275 days in a few cases, to go from receipt of application to eligibility notification.

Determined to make a good program better, staff engaged in five straight days of intense improvement. They used the tools and techniques of Kaizen to analyze the current process, uncover the biggest improvement opportunities, design a new high-efficiency process, and build a series of action plans that spell out who does what and when in order to make the changes happen.

*Team projections based on all improvements being in place*
One of these changes is a major revision of the application. The team mocked up a new application form during the Kaizen event, making it simpler and clearer for everyone. This will increase the number of incoming applications that are complete and correctly filled out the first time around – reducing the amount of time staff has to spend contacting citizens for missing information. And the simpler application will make it easier to enter info into the system – reducing screening errors and other problems that can add time and frustration. Also, plans call for development of an online application, to be rolled out in early 2013.

Another change is the expanded use of a screener activity log and error log, in order to find and fix common problems as soon as they surface. Meanwhile, the number of bulk application shipments to agencies will be planfully reduced, so that the supplied quantity meets demand and minimizes waste. And a comprehensive communication plan will keep everyone informed and involved – through staff meetings, training sessions, and informational briefings with agencies and others.

But the biggest change has to do with work flow. The team's major redesign of the process chops the number of steps from 87 steps to 43, for a 50% reduction. Delay points would fall from 7 with the old process to 0 with the new. Decision points would go from 9 to 3. Loopbacks would drop from 6 to 1.

According to team calculations, full implementation of the new process and all other improvements would reduce process time to 21-26 days – while a team-designed fast-track option would speed through in 8-10 days. That's a huge improvement over the original process, reducing the process time by 42% to 96%.

There are big cost savings as well. Team projections estimate that these gains in efficiency will reduce the need for temporary staff during peak weeks – from the current level of 55 temporary staffers to about 35. That adds up to a yearly savings of $348,816 in labor expense. Additional annual savings projected by the team include $19,200 from reduced printing, $103,500 from reduced mailing, and $8,160 from reductions in record storage.

Last but not least, the gains in process efficiency will allow saved staff time to be redirected to other activities – activities where staff can fully use their skills and add greater value for customers. The team estimates that the number of these "re部署able" hours could run as high as 1,870 hours per year.

The differences between the complex current state and the team's streamlined future-state process are "mind-boggling," said Teresa Ragsland during the team's end-of-week presentation. Attending the briefing was a full house of agency leaders and colleagues. They could see the proof on the wall in the form of two starkly different process maps.

Team member Lori Tilson told attendees about her perception of Kaizen before the week-long improvement event. "I was thinking, what are we going to talk about for five days? But really, the week went by very quickly. It was very inspiring, and I think it's going to be really good for our office."

For Mike Doss and others on the team, Kaizen in general and the Kaizen event in particular are all about practical improvement. "This is not just a think tank, it's an action tank," he said.

Development Director Christine Schmenk congratulated the team for getting so much accomplished in such a compressed time frame. "This is huge," she said. "Saving money is good, but what's more important is the reduction in the number of days (in the process). That's what counts. That's huge for people who need our help."

THE POWER OF KAIZEN:

At the team's report-out presentation, team member Jesse Hines (left in the photo) made clear that Kaizen is more powerful than previous improvement approaches.

"In the 1990s, we went through QSTP quality training -- three days of my life I'll never get back. (When I heard about the Kaizen effort), I thought, More QSTP. But then you start going through the process, you put things on paper, and you realize, Wow, we're a mess. Then ideas start to flow. It was a sharing of ideas and appreciating other peoples' thoughts and points of view. I hope this (Kaizen) process goes through the entire state of Ohio. It would help every agency."