LeanOhio is about working smart and achieving results

Efficiency is taking on new meaning in Ohio state government. People are teaming up to streamline and simplify their work processes, cut red tape, save money, and deliver quality services in a cost-effective way. They’re getting it done with the tools of Lean, Kaizen, and Six Sigma. These are the same tools that top companies are using to increase efficiency, cut costs, and strengthen customer satisfaction.

With Lean, agencies focus on their critical priorities and core processes. And when it comes to improvement, the Lean approach involves and engages the workforce, so change is done by employees and not to them.

Putting Kaizen to work

Kaizen is among the most powerful tools in the Lean tool kit. In a Kaizen event, team members spend five intensive days analyzing and then redesigning a core process. They make it simpler, faster, better, and less costly – and they get the changes under way immediately.

The results are significant

To date in Ohio state government, more than 40 Kaizen events have produced big results that benefit employees, customers, and the agency bottom line. Just in the first eight months of 2011, teams have reduced process time by 67% to 96%. Substantial money is being saved too – up to $4 million over five years for one project alone.

It adds up to better service for citizens. For example, tax-appeal customers are getting resolutions in one-tenth the time because of improvements that were developed during a Kaizen event. See the right side of this page for details.

Lean and Kaizen in action:
Taxpayers getting resolutions in one-tenth the time

For years, the tax appeals process had been based on a first in, first out approach, with incoming taxpayer petitions and claims all moving through the system at the same pace. Then came Kaizen. During a week-long Kaizen event, staff from the Ohio Department of Taxation analyzed the old way of doing things – and developed a much simpler process that steers cases to the right work unit right away. Now, straightforward cases are fast-tracked while complex cases go to legal staff. The results are impressive:

FASTER RESPONSE: The waiting time for taxpayers has been sharply reduced – by 92% for most issues and claims. What used to take 100 days now takes about 8 days.

BACKLOG REDUCTION: The backlog is down 68% just six months after the Kaizen event. That’s 12,000 tax appeal cases that have moved from the files to finalization.

BETTER USE OF RESOURCES: Improvements have reduced labor costs per case from $105 to $7 in some instances. This applies to about 5,400 cases, for a labor-cost equivalent of $529,200. Also, there are projected savings of $63,000 due to automation improvements that reduce mail processing time, certified mail, and related expenses.
A sample of Kaizen results:

Law enforcement agencies to get faster findings in drug investigations

At the State Highway Patrol Crime Lab, staff conduct forensic analyses to identify and determine if submitted evidence contains controlled substances or cannabis. They’ve always done good work, but now they’re achieving big gains in efficiency thanks to Kaizen-driven improvements.

RESULTS: The streamlined approach will eliminate the backlog, save $67,300 per year, and slash processing time by 83% – from an average turnaround time of 83 days to approximately 14 days once the improvements are fully implemented. See the chart on the right.

Employee education reimbursements arriving in one-tenth the time

When a DAS office was given added responsibilities, the workload doubled and a backlog grew. So the group used Kaizen to achieve major improvement. The new process is faster and simpler for customers – and free of frustration for employees.

RESULTS: Using their new process, staff quickly eliminated a big backlog. Overtime has become a thing of the past, with a projected savings of $23,000 annually in overtime that’s no longer needed. Reimbursements now take one-tenth the time to process. Many are done the same day, compared to 20-30 days previously.

Aircraft owners set to fly through faster registration process

Annual aircraft registration has long been a manual paper-and-postage process. Now it’s being replaced by an online system that will save time and money. Scheduled for rollout in early 2012, it was developed by a Kaizen team at ODOT.

RESULTS: Registration processing will take 80% to 96% less time with the changes, speeding along at 11 days in some cases. The new process has 60% fewer steps and 25% fewer handoffs. A backlog that grew to 12,000 in-process registrations will be eliminated in three months. See photo on the right.

About the Office of Efficiency & Results

True to its name, this team of internal experts is all about helping agencies increase efficiency and achieve significant results. Team members work directly with State agencies, bringing specialized expertise relating to Lean, Kaizen, and Six Sigma. Services include:

- Kaizen planning, facilitation, and follow-up
- Agency strategic planning and priority-setting
- Lean training and capacity-building
- Guidance and facilitation in using other Lean tools

The Office includes a nationally recognized leader in public-sector improvement (Steve Wall, who leads the team), a strategic planning expert with deep experience in HR and labor relations (Bill Demidovich), a data wizard whose analytical strengths come with great people skills (Gloria Calcara), the author of a book on employee engagement (Tom Terez), and a loaned executive from ODOT who has Lean/Six Sigma Black Belt certification and years of experience in the private sector and higher education (Rich Martinski).

There is an extended team as well, made up of the hundreds of State employees who have been involved in Kaizen events, attended training sessions, earned certifications, and now put their improvement know-how to work on a regular basis.

For detailed information, go to lean.ohio.gov
A Kaizen team typically involves 12-18 people. This includes staff who work the process, managers or supervisors of the process, one or more customers or other stakeholders, and even an outsider with no knowledge of the process who can bring a fresh perspective.

On the right is a snapshot of a Kaizen event on its fourth day. Here’s what’s happening:

A. A subgroup fine-tunes plans to develop informational materials and training to support the improvements. The team leader has a flipchart on the floor as she documents input.

B. Kaizen facilitator Bill Demidovich, from the LeanOhio Program Office, fine-tunes the new process map based on input from team members.

C. One of the Kaizen participants consults with a subgroup for clarification.

D. The group on the right is working on details of an especially complex part of the new process. They will report their findings to the whole group in order to build consensus.

E. Stretching from the wall on the right and continuing on the left is a complex map of the current process. On the facing wall (B) is a map of the new approach – with 101 fewer steps!

“This is powerful stuff,” said Ohio Tax Commissioner Joe Testa, speaking at a Kaizen team’s concluding presentation. “I can’t believe how much you accomplished in a week.” The team reduced its overall process time by 92% – and crushed its backlog 68% within six months of the Kaizen event.

Here’s how Kaizen is different...and better

Improvement has always been a priority in state government, but Kaizen takes it to a new level. Here’s how:

INTENSITY
A Kaizen team does all its work during one nonstop stretch from Monday through Friday. This compressed time frame ensures day-to-day continuity and efficiency.

IMMEDIACY
Too often in the past, teams generated recommendations that never got implemented. With Kaizen, implementation is more immediate. While some improvements may need to be phased in, many changes are put in place during the Kaizen week. Agency directors, assistant directors, team sponsors, and other key leaders visit with the team as the week unfolds to get updates, provide input, make decisions, and clear the way for immediate implementation.

IMPORTANCE
Kaizen has its biggest measurable impact when used to improve major processes. The best candidate for a Kaizen event is a costly, complex, delay-ridden process that is crucial to customers and integral to the agency’s strategic priorities.

Here’s what happens during a Kaizen event

A Kaizen event begins with just-in-time learning on Monday...and ends with a celebration and presentation of plans and results on Friday. In between, team members dive deeply into their work process. They question their assumptions, apply their experience, exercise their creativity, analyze the data, and ultimately build a process that’s simpler, faster, better, and less costly.

<table>
<thead>
<tr>
<th>DAY 1</th>
<th>DAY 2</th>
<th>DAY 3</th>
<th>DAY 4</th>
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<tr>
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<td>DISCOVERY</td>
<td>IMPROVEMENT</td>
<td>IMPLEMENTATION</td>
<td>RESULTS</td>
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<tr>
<td>Learn Kaizen methodology</td>
<td>Finish mapping current process</td>
<td>Design new process</td>
<td>Review and re-fine changes</td>
<td>Present results and changes</td>
</tr>
<tr>
<td>Begin mapping current process</td>
<td>Develop ideas for improvement</td>
<td>Calculate measurable impact</td>
<td>Develop implementation plans</td>
<td>Schedule follow-ups</td>
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SEE THE NEXT PAGE TO LEARN MORE ABOUT WHAT HAPPENS BEFORE, DURING, AND AFTER A KAIZEN EVENT
Putting Lean and Kaizen to work

The Office of Efficiency & Results can provide your agency with guidance and facilitation at every step of the Kaizen process.

BEFORE KAIZEN EVENT

1. Present an overview of Lean and Kaizen events to management. optional
2. Conduct a “pre-scope” on potential issues, core processes, and opportunities. optional
3. Meet with management for scoping session (at least 4 weeks before Kaizen event).
4. Collect and analyze baseline data (after scoping session).
5. Conduct customer satisfaction survey (after scoping session).
6. Conduct “voice of the customer” focus group(s). optional

DURING KAIZEN EVENT

1. Present statistical analysis of current process data.
2. Present results of customer satisfaction survey.
3. Provide just-in-time training on Lean and Six Sigma principles and tools.
4. Identify and document all steps in the current process, mapping it in detail.
5. Analyze the current process to uncover value-added steps and waste.
6. Identify, evaluate, and reach consensus on best ideas for improvement.
7. Create and reach consensus on a new ideal process based on a pull system and proper flow.
8. Use Lean tools as needed to increase speed and reduce waste in the process.
9. Create implementation plans with action registers for communication, training, IT, etc.
10. Develop a scorecard to track implementation progress and results.
11. Prepare a presentation on results and plans that’s delivered to leadership and staff.

AFTER KAIZEN EVENT

1. Write an article that highlights results, posting it to lean.ohio.gov in Web and PDF form.
2. Conduct follow-up meetings to review progress – at 30-day, 60-day, 90-day, 120-day, 6-month, and 1-year intervals.
4. Conduct customer survey 6-9 months after Kaizen to identify progress and needs.
5. Promote recognition opportunities for successful teams.

Kaizen gives people the tools they need to streamline and simplify the most complex of processes. This photo shows one such process that met its match during a Kaizen event. The team eliminated 103 steps, reducing the process time by as much as 70%.

Go to lean.ohio.gov for more information about this success story and many others.