You do WHAT?????
3 Minute Warm-up Exercise
(This list is for your use, not to be turned in)

1. “I would love to spend more time on ____ if only I could spend less time on ____.
2. “Of all the processes in State government _____ are the most challenging/troublesome/aggravating?
3. Sample performance metrics:
   • On average, how long does it take your department to hire someone from vacancy to establishment of start date?
   • On average, how long does it take your department to complete a contract from RFP to establishment of a vendor start date?
Lean is an organizational performance management system characterized by a collaborative approach between employees and managers to identify and minimize or eliminate activities that do not create value for the customers of a business process, or stakeholders.

--- Kavanagh & Krings in Government Finance Review, December 2011, p. 19
Lean is the Solution

Public managers are often asked to “trim the fat” in times of revenue scarcity. Unfortunately, there is no line item in the budget called “fat.”

Source: Government Finance Officers Association
Redeploy Under-utilized Human Capacity
Administering “red tape” is wasteful and demoralizing
Waste is Interwoven in the Process
Mapping Makes the Process Visible
Hierarchy and Control vs. Alignment of Authority and Responsibility

Front line workers as extensions of the machines

Responsibility of front line workers

Toyota’s Andon Cord

http://www.allaboutlean.com/andon/
Results: 100% Compliant Operators’ Licenses renewed before the expiration date of June 30, 2013. Decreased license application reviewing from 7 times to 1 time and eliminated photo copying time altogether.
Governor Hassan and the DRA Team at the Lean Summit 2013
“Management is more important than tools”

---Jim Womack in Gemba Walks
Traditional Management vs. Lean Management – Quiz #1

What number of signatures is required to attend a fully funded, professionally appropriate conference?

A. None – verbal permission from your supervisor
B. One – your supervisor
C. Two to three
D. Four or more
Traditional Management vs. Lean Management – Quiz #2

What level of approval is required for managers to purchase necessary equipment and hire essential personnel in his/her budget?

A. None – consult if you have questions; do all hiring and purchasing with quality and efficiency
B. Administrator and/or Department head
C. A committee appointed by the Department head
D. The Governor’s office
E. B-D
Reasons for Layers of Approval?

Make a check mark next to the top three reasons:

- Due diligence
- The next level up (top management or political leaders) require a trail of accountability
- Fear of bad press
- Risk of embezzlement
- Risk of legal liability
- Lack of trust in subordinates
- Concern about negative audit findings
- Past practice – that’s the way it’s always been done
Concerns, Challenges?

- If employees are empowered to re-design their own work processes, what if they set it up for their own convenience, rather than the public?
- There will be blow-back for requiring bureau chiefs or department heads to work across their silos.
- I’ve lost so many positions, my staff is completely overloaded – we’ll never get the required work done if they stop their daily tasks for Lean training and Kaizen projects.
Lean Management

Both a top-down and a bottom-up system.

- Leaders articulate the mission and identify the priorities
- Responsibility and authority is placed at the lowest possible level, where work is taking place (Gemba)
No thanks!

We are too busy
A Model for Continuous Improvement

Leaders set goals

Lean Training
For all employees, for facilitators

Managers
Prepare charters, appoint teams and schedule Kaizen events

Projects
Implement, Communicate

Culture of continuous improvement
Apply tools & concepts for daily use
Leaders

1. Identify strategic priorities, articulate goals
2. Implement: Assign process owners, set timelines, assure access to training
3. Build Lean culture: communicate results, praise progress, align responsibility and authority at the lowest possible level
Leaders confirm: Lean is *not* about cutting staff

“Drive out fear, so that everyone may work effectively for the company”

-- W. Edwards Deming

Example:

At the Department of Safety jobs may change due to a Lean project, but staff will not lose their livelihoods.

DOS Commissioner Barthelmes addressing the Lean Summit
Shifting the Role of Managers

“The primary role of managers must shift from fire fighting to designing, aligning, and improving systems.”

--- Shigeo Shingo
1909-1990
Industrial Engineer, Toyota
Managers

1. Sponsor Kaizen events: work with Lean practitioners on charters with measurable goals, assign the right teams.
2. Authorize and assure implementation
3. Document improvement metrics
Lean Practitioners

1. Work with Managers to prepare Charters with measurable goals, scheduling Kaizen events, and assigning the right teams
2. Facilitate Kaizen events
3. Build Lean culture by identifying opportunities to use Kaizen and other Lean tools, and to mentor new Lean practitioners
Employees

1. Participate in Kaizen event project teams
2. Identify other opportunities for Kaizen events
3. Build Lean culture by spreading the word about successful projects, using continuous improvement in daily work, consider becoming Lean practitioners
Enterprises are Organized Vertically

Governor & Council

DHHS
- Disability Services Programs

DAS
- Contract Unit
- Business Supervisors

AG
- Contract Review Attys
The flow of value to the customer is horizontal across the organization

--- Womack, 2011, p. 77.
Building Lean Capacity

- Conduct projects
- Assure follow-through
- Identify change agents
- Train facilitators
- Document gains
- Celebrate success
NH Bureau of Education’s Lean Training

- **Lean for Leaders**: The core concepts and critical steps for leading a Lean initiative. (1 hour)
- **White Belt**: Introduction to Lean and basic overview. (3 hours) Soon to be available online in Moodle.
- **Yellow Belt**: A hands-on training to learn Lean principles while applying Lean tools to a Kaizen project. (3 days)
- **Green Belt**: Training for facilitation of Kaizen events and other Lean tools (3 days, plus a practicum)
- **Black Belt**: Advanced program for Lean practitioners (10 days, including a capstone project)
## Agency Representation on the Lean Executive Committee, 2017

<table>
<thead>
<tr>
<th>Agency</th>
<th>Representative(s)</th>
</tr>
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<tbody>
<tr>
<td>Health &amp; Human Services</td>
<td>John MacPhee (Chair), Heather Barto</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>Bill Armstrong, Kate McGovern</td>
</tr>
<tr>
<td>Banking</td>
<td>Michelle Kelleher, Nancy Burke</td>
</tr>
<tr>
<td>Environmental Services</td>
<td>Dan Hrobek</td>
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<tr>
<td>Information Technology</td>
<td>Candice Weingartener</td>
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<tr>
<td>Lottery</td>
<td>Edith Chaisson</td>
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<tr>
<td>Public Utilities Commission</td>
<td>Jan Gugliotti</td>
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<tr>
<td>Revenue</td>
<td>Diane Dawson</td>
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<tr>
<td>Safety</td>
<td>Roberta Witham</td>
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<tr>
<td>Transportation</td>
<td>Angela Linke, Michelle Marshall</td>
</tr>
<tr>
<td>Treasury</td>
<td>Richard Bowen</td>
</tr>
<tr>
<td>University System</td>
<td>Dagmar Vlahos</td>
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NH Lean Network
A Community of Practice –
All are welcome!

Quarterly Network Meetings
The third Friday of March, June, September and December, 1:30-3:30pm
Host agency to be announced on the website:
http://Lean.nh.gov
How do you align appropriate authority with responsibility?

• How can you articulate your values for excellence in public service?
• How can you develop trust in your managers, supervisors and employees to carry out the organization’s mission?
• What is the optimal process of checks and balances for efficient fiduciary stewardship?
Moving Forward with Lean

1. Revisit your list of processes
2. To get at the big stuff, we need a coordinated effort to cross the silos
3. If you had 5 minutes with the Governor, what would you say?
Rhode Island Governor Gina Raimondo (2015)

Whereas, empowering State employees to step back from their daily work and apply Lean methodology to review existing processes will lead to …improving the work… Therefore…All executive branch departments and agencies in the Governor’s Cabinet shall integrate Lean process improvement efforts…

• Therefore…All executive branch departments and agencies in the Governor’s Cabinet shall integrate Lean process improvement efforts…

a. Departments with the most public-facing functions are required to complete initial Lean training and at least two process improvement reviews by February 2016.
  • DCYF, Health, Human Services, Labor & Training, Revenue, DMV
Vermont Governor Phil Scott (2017)

- The Governor's Government Modernization and Efficiency Team (GMET) … is charged with facilitating…efficiency audits; strengthening strategic IT planning; and developing a digital government strategy… identifying and advising on opportunities to increase operational efficiency; consolidate, streamline and automate services; account for the true cost of IT projects; eliminate waste; prevent fraud and abuse; and develop metrics to be used in the development of an outcomes-based budgeting process.

- The Program to Improve Vermonter Outcomes Together (PIVOT). Accompanying the creation of the GMET, PIVOT will support the implementation of GMET's recommendations, and assessment of results.
Sources

• Lean materials and programs produced by:
  • Government Finance Officers Association, Lean Enterprise Institute, University of New Hampshire, Community Health Action Network, U.S. Air Force, U.S. Environmental Protection Agency
  • States of Connecticut, New Hampshire, Minnesota, Rhode Island and Vermont.
  • Books and articles by Shayne Kavanagh, David Krings, Anthony Manos, Ken Miller, Mike Rother, John Shook, Natalie J. Sayer, Chad Vincent, Bruce Williams, and Jim Womack.
  • Dr. Deming’s 14 Points
    https://deming.org/management-system/fourteenpoints