Enterprise Continuous Improvement - Lean

Improving organizational performance in Minnesota state government

Commission on Service Innovation
Sheila Reger, Commissioner of Administration
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Challenges we face…

- Customers' expectations around the quality and timeliness of services continue to rise

- Meeting customers' demands with fewer budget dollars

- Increased pressures to be more accountable and transparent to citizens

- Aging workforce with an unprecedented number of retirements in the next few years

What is Lean?

LEAN is a <u>set of tools</u> that identify and reduce waste and defects within processes by engaging employees to improve productivity, reliability, staff morale and customer service

Eliminating waste

- Eliminating waste is the _greatest potential source of improvement_ in process performance and customer service.
- Once waste has been identified, processes are redesigned to
  - allow services (child support, veterans care),
  - information (financial reports, demographics) or
  - products (drivers licenses, work permits)

  to flow through a _new, improved process._
- Kaizen - Japanese for Improvement

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Kaizen Event Results
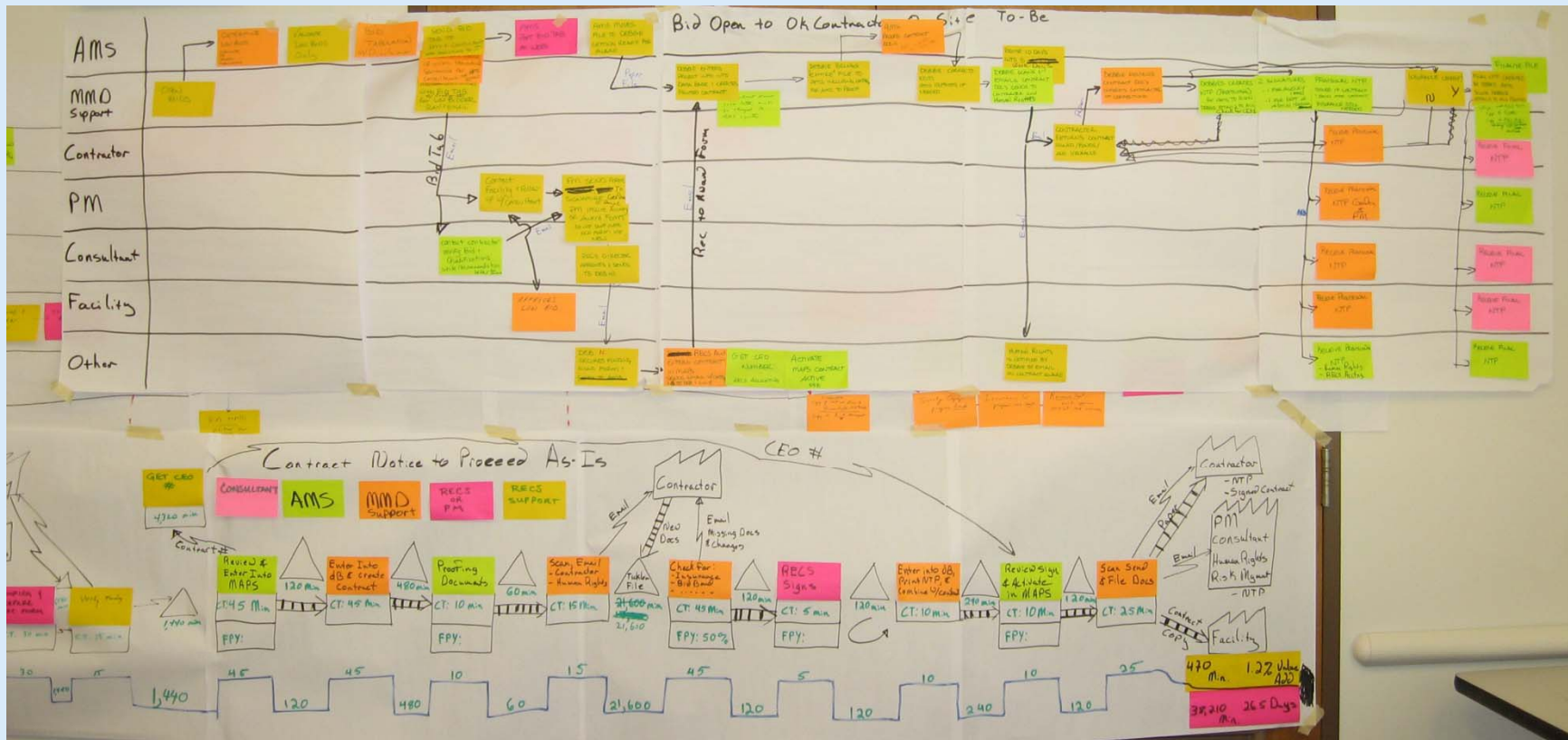
"A bad process will beat a good person every time"

W. Edward Deming

Our approach…

- Creation of the Enterprise Lean Program (1 staff person and a student)

- Used outside consultants to get started (develop and provide training materials, do training, Kaizen event facilitation)

- Engage the willing. There was no mandate that any agency do this; we had to sell the concept

- Use Kaizen events as a selling tool…the results do the selling

Our approach…

- Provide free training

- Have a small (very small) central staff, but help agencies build their own infrastructure

- Interagency LEAN Steering Team

- Communicate continuously

- Create a continuous improvement culture

Engage willing partners….

- Invite other public sector entities to participate in our training and events (counties, cities, and the University of Minnesota have been in our training)

- Reach out to the private sector; ask them for advice, materials, and other support (e.g. General Mills -a great partner)

Status of efforts to-date….

- 9 agencies have instituted a formal CPI effort

- 18 agencies - at least one LEAN kaizen event (DOC - 26 events)

- 19 agencies - trained kaizen facilitators (307 total)

- 22 agencies - staff who have receive Lean 101 training (900+ total)

- Nearly 1400 staff - participated in 145 kaizen events since Nov. 2007

- Nearly 300 senior leaders - participated in Leadership Symposium

Summary of results

- Average reduction in elapsed/lead time per event: 66% (high of 99.7%, low of 37%)

- Average reduction in task time: 45%

- Average cost avoidance per event: $90,000

- Estimated implementation and sustainment level is about 80%

Process Improvement Examples

MN Department of Health

Duplicate Birth Certificate Process Improvement Kaizen

January 22 - 25, 2008

Before

	Quantity	Time
Tasks	18	14 hours
Waits	5	32 hours
Handoffs	8	
File/Store	3	
Decisions	4	
Totals		46 hours 5.75 days

This represents the time needed to process 45 applications.

After

	Quantity before/after		Time before / after	
Tasks	18	11	**14 hours**	5.25 hours
Waits	5	1	**32 hours**	2 hours
Handoffs	8	6		
File/Store	3	1		
Decisions	4	4		
Totals			**46 hours** **5.75 days**	7.25 hours 1 day

This represents the time needed to process 45 applications.

MN Department of Human Services
Health Care Operations

Personal Care Attendant Enrollment

December 1 – 5, 2008

Business Issues

- Approx. 40,000 individual Personal Care Attendants (PCAs) enrolled in Minnesota Health Care Programs (MHCP).

- Turn around time for enrollment: 3 to 6 weeks.

- Average volume of the queue is approx. 3,000 applications on any given day with roughly 150 new applications each day.

Jenny

Current Metrics

	Mailed		Faxed	
	Qty.	Time	Qty.	Time
Tasks	30	12.03 hrs	27	7.5 hrs
Waits	7	451.75 hrs	5	441.5 hrs
Handoffs	4		4	
File/Store	0		0	
Decisions	5		5	
Totals		463 hrs = 58 days		449 hrs = 56 days

Greg
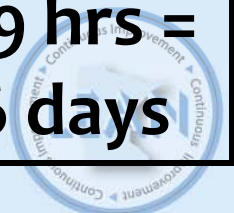
Future Metrics

	Future	
	Qty.	Time
Tasks	7	.6 hrs
Waits	1	10 hrs
Handoffs	1	
File/Store	0	
Decisions	1	
Totals		10.6 hrs = 1.5 days

97.8% Improvement!!!

Situation today

- There are still approx. 40,000 individual Personal Care Attendants (PCAs) enrolled

- Turn around time for enrollment: 2 to 3 days

- Average volume of the queue is approx. 400 on any given day with roughly 150 new applications each day.

Jenny