LEAN FOR QUALITY MANAGEMENT

NH Government Finance Officers Association
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Lean is:

- A set of techniques to identify and eliminate waste
- An operating principle to simplify and standardize
- A perspective - a way of thinking
Lean as a Management Trifecta

- Improve quality for customers
- Boost employee morale
- Enhance capacity for mission
Warm-up Exercise
(This list is for your use, not to be turned in)

- “At work, I would love to spend more time on ____ if only I could spend less time on ____.

- Of all the processes in my organization, the most troublesome/aggravating are:
You do WHAT????

WHY do you do that?
Program

- Intro to Lean
- Process mapping
- Lean managers
- Tool box
- Checklist
THE MACHINE THAT CHANGED THE WORLD

JAMES P. WOMACK, DANIEL T. JONES, and DANIEL ROOS
Alignment of Authority and Responsibility

Toyota’s Andon Cord

http://www.allaboutlean.com/andon/
Lean Program

- Lean is not an acronym
- Low tech
- User friendly
- Enhances teamwork
- Encourages innovation
**Kaizen**, A combination of two Japanese symbols for “change” and “good,” most commonly translated as “change for the better.”
Get the fat out of government

...Unfortunately, there is no line item in the budget called “fat.”

Waste is Interwoven in the Process
PROCESS MAPPING

A CORE LEAN TOOL
The Waste of Excess Processing
The Waste of Waiting

Typically, 90% of process time is waiting. Handoffs increase wait time.
**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.
MANAGERS’ RESPONSIBILITIES IN A LEAN ORGANIZATION
Managers Charter Kaizen Events

- Convening a team of people who do the work
- Authorizing them to redesign the process
Set Measurable Goals for the Kaizen

Example:

Decrease the time to issue a permit to a qualified applicant from _____ to _____. 
Kaizen team lead by a Lean facilitator
Value for your customers

- Applicants for building permits
- Callers for emergency assistance
- Parents enrolling children in school
- Residents registering cars, paying taxes
Lean Risk Management

• Designing Lean business processes with control considerations does not mean ‘putting up with fat.’”
• Seek “the right balance of efficiency, effectiveness, and minimal enterprise risk.”

Lean Project Team on Travel for the Insurance Department
Yellow Belt class September 28-October 4, 2016
LEAN TOOL BOX

A Quick Glimpse
Mistake-Proofing

"Are you sure you want to DELETE?"
5S

SORT
Clearly distinguish needed items from unneeded and eliminate the latter

STRAIGHTEN
Keep needed items in the correct place to allow for easy and immediate retrieval

SUSTAIN
Maintain established procedures

STANDARDIZE
The method by which “Sort,” “Straighten” and “Shine” are made habitual

SHINE
Keep the workplace neat and clean
Analyze the Data

The 5 Whys Worksheet

What is the abnormal condition?

<table>
<thead>
<tr>
<th>Confirmation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required?</td>
</tr>
<tr>
<td>Method</td>
</tr>
</tbody>
</table>

Why did this occur (1)?

- Yes
- No

Why did this occur (2)?

- Yes
- No

Why did this occur (3)?

- Yes
- No

Why did this occur (4)?

- Yes
- No

Why did this occur (5)?

- Yes
- No

Root Cause

Pareto Chart

Cause

- Equipment
- Process
- People

Effect

- Materials
- Environment
- Management

Problem
Visual management
Develop Standard Work

• Do all the department heads have a different process for signing off on purchase orders?

• Does every town try to figure out what software to use to conduct common business practices?

• Are developers faced with as many as 200 different procedures to obtain building permits in New Hampshire?
Lean is *not* about cutting staff

DOS Commissioner Barthelmes addressing the 2013 Lean Summit
Consider the Morale and Mission Impact of Under-utilized Human Capacity

HEY!! I'VE GOT WORK TO DO!!
Lean First

Automation applied to an efficient process will magnify the efficiency...

Automation applied to an inefficient operation will magnify the inefficiency.

- Bill Gates
Your Project Wish List

What’s most important or most troublesome to you, your staff, your customers?
A Model for Continuous Improvement

Leaders
Set goals
Provide resources

Lean Training
For all employees, for facilitators

Managers
Prepare charters, appoint teams and schedule Kaizen events

Lean practitioners

Projects
Implement
Communicate

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

--- Shayne Kavanagh & David Krings in Government Finance Review, December 2011, p. 19
Checklist

- Confirm management commitment
- Train staff
- Conduct projects
- Assure follow-through
- Document gains
- Celebrate success
- Develop broad expertise in a range of tools
- Promote change agents
- Link projects to organizational strategy
- Network
- Build a cultural of continuous improvement
Resources

NH Bureau of Education
Lean training at the Yellow, Green and Black Belt levels. The Yellow Belt credential is now part of the Certified Public Supervisor program. [https://das.nh.gov/hr/trdev.html](https://das.nh.gov/hr/trdev.html)

NH Lean Network
A Community of Practice with open quarterly meetings and annual summits. Resources links including a blog at [http://Lean.nh.gov](http://Lean.nh.gov)

Continuous Improvement
Lean New Hampshire
Sources

• *A Public Sector Journey to Lean: Fighting Muda in Times of Muri* (Kate McGovern, 2018)

• 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 W. E. Deming, Shayne Kavanagh, David Krings, Anthony Manos, Ken Miller, Mike Rother, John Shook, Natalie J. Sayer, Chad Vincent, Bruce Williams, and Jim Womack.