

State of Washington embraces lean

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Wouldn't you like to find a better way to foster customer-focused excellence, cull continuous improvement suggestions from the brightest minds (for free), engage people in lean progress and celebrate success with them as you build an increasingly agile organization?

Well, folks in the state of Washington are learning how to rack up remarkable results in all of these areas. More significant than today's impressive cost and service results, however, is their commitment to develop an ongoing lean culture. Initial results are impressive: paperwork slashed, raw materials costs decreased, faster child-abuse investigations, reduced energy costs and more.

Similar to many manufacturing organizations, Washington's government targets efficient, good service to customers. Doing more with less, thanks to economic challenges during the past several years, is another shared concern. Add competing priorities to the list plus the realization that meeting today's challenges is



Capitol Legislative Building in Olympia, Washington

simply the beginning of a lengthy transformation.

Drive, link lean initiatives

Washington's drive for customer-focused lean improvement starts (and continues) at the top, with the strong support of Gov. Jay Inslee. In September 2013, he established the Results Washington program, noting "immense opportunity exists to create a legacy of performance and accountability for the future."

This passion for change dovetails with earlier performance improvement initiatives. In the 1990s, the state looked to Malcolm Baldrige Award criteria and Total Quality Management (TQM) concepts to spark needed changes. The Priorities of Government (PoG) efforts under Gov. Gary Locke (2005) and the 2011 introduction of lean concepts during the tenure of Gov. Chris Gregoire set the stage for current lean efforts.



Washington state's annual Lean Transformation Conference draws more than 2,000 attendees, most of whom are state employees, to learn about lean principles and techniques.

Ensuring that these initiatives are heading in the right direction, in all areas of state government, is a tall order. Results Washington's performance management success reflects the establishment of a state-wide strategic plan. It's supported by state councils, agency directors and staff, with various objectives linked to the state plan, said Darrell Damron, enterprise lean consultant for Results Washington. Damron was a presenter during the recent AME annual conference in Jacksonville, Florida.

"Results Washington is an effort to grow out of the tools/techniques/project/initiative stage and make lean how the state does business at all levels, starting with onboarding new employees," said Damron. "We're trying to build a customer-focused culture of continuous improvement." Noting that many past improvement efforts were siloed in individual agencies or divisions, he added, "We're broadening our focus to multi-agency

goals and beyond."

The state government set five major goals, plus dozens of sub-goals and objectives, to achieve these targets. Results Washington works with 53 state agencies through appropriate agency directors. For example, the world-class education goal engages the Office of the State Superintendent of Instruction, the Department of Early Learning, the higher education community and others. Goals also include a prosperous economy; effective and efficient government; sustainable energy and a clean environment; and healthy and safe communities.

For each of the state's major improvement goals/value streams, there's a goal council (members represent operations, budget and policy staff leadership) that meets at least monthly to review progress and related metrics, and to flag any initiatives needing added attention. Every month, the governor meets with one of the councils, helping to advance progress envisioned for each value stream.

Governor Inslee also frequently visits various agencies to see what's happening with lean projects. "Employees see his interest and involvement, and he gets to see the improvement outcomes. This adds to employee morale and involvement in using lean tools," Damron said.

Transparent accountability

Hearing directly from customers, and from people expected to make customer service improvements, is a key element in Results Washington initiatives.

"We want the right people in the room, to receive their feedback and to celebrate our successes," Damron said. "We bring in customers of government service and ground-level people in those areas, and ask for their comments."

At each meeting, the governor asks questions, looks at performance metrics and asks what could be done to improve service/results; he also may drill into a council's action plans. The meetings, including customer input, are live-streamed and broadcast by the state's public affairs TV network.

Through such transparency, state government shares its success stories and opens itself to criticism when more progress is needed. It's an effective way to recognize performance improvement, ensure accountability and spur renewed progress.

By discovering what Washingtonians value and how state government measures up in its customers' eyes, government employees in diverse areas such as education, corrections and

social services set meaningful, measurable goals at all levels. Employees are engaged in creating value for their customers, equipped with process understanding and scientific thinking. Damron said the state continues to build government-wide improvement capabilities through increased training and improvement process participation. "We want to provide what customers need, seek perfection, lead with humility and respect every individual," he said. Effective ways to engage employees' hearts and minds, according to Damron, include change expectations, provide support, walk the talk and share information.



Results Washington recruits five fellows including Eden Teachout, from state agencies. Fellows spend a year deepening their learning about lean processes and honing skills for meeting challenges facing the state, then return to their home agencies to work on lean initiatives.

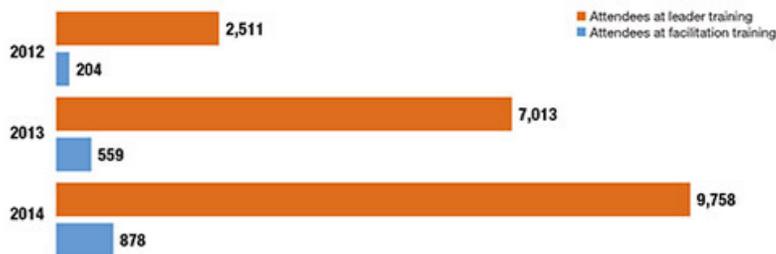
Levels of change, doing things no one else is doing

Supporting these initiatives, Results Washington advocates seven levels of change:

- Doing the right things (effectiveness, focus, etc.)
- Doing things right (such as efficiency and standards)
- Doing things better (improving and thinking logically)
- Doing away with things (simplifying and eliminating activities that don't matter)
- Doing things other people are doing (observing and seeking best practices)
- Doing things no one else is doing (being different, combining concepts)
- Doing things that cannot be done (breaking the rules).

INDICATORS OF ENGAGEMENT

- Revenue is committed to continuous improvement and innovation.
- Launched Live Chat in January 2014; 1,400 chats the first month.
- Continuing website and self-service tools improvement.
- Increased participation on leader and facilitation training.



"Our lean transformation journey, in the broadest sense, is an example of doing things that no one else is doing," said Damron. "In some people's minds, we're doing something that cannot be done."

The state's results model emphasizes leadership behaviors and management systems (essential for sustained results), supported by value-driven purpose, process improvement, people development and mindset/culture initiatives.

"We're not mandating a one-size-fits-all solution," Damron said. "Agency missions, cultures, lean understanding, leaders and customers vary greatly. That's why we were careful with our results model to say, 'You can start anywhere in the model.' It's most important to work first on closing gaps that prevent you from delivering the value Washingtonians expect. Ultimately, every agency needs to be making improvements in each component of the results model."

Leader and facilitation training

Increased investment in leader and facilitation training supports greater continuous improvement understanding and practice. State employees have participated in more than 34,000 opportunities for training, coaching and learning about lean; the goal is to have virtually all 58,000 state employees introduced to lean principles and tools by 2015.

Continuous improvement projects resulting from these training sessions have netted achievements ranging from decreased audit appeals completion and transportation permit processing times to a two-thirds cut in the steps needed to take a student from admission to sitting in classroom. So far, 600 process improvement projects have been completed since 2012.

Engagement: problem-solvers and coaches

While top leaders set the vision for achieving customer service, cost and other goals, supervisors and managers set expectations and coach front-line staff.

"In most cases, front-line staff knows how to improve their work," Damron said. "It's important to hear them. Nothing will increase engagement as much as workers seeing that their ideas have improved their work and reduced pain points. That's where you get real buy-in."

"It's important to engage leaders at every level of the organization, and to make it clear that it's OK to surface problems and try new things," Damron said, adding that government agencies tend to be risk-averse. "But it's better to fail, learn and adapt your strategies than to simply avoid the risk of trying to improve. Leaders need to reinforce that message early and often."

True cultural change is more than a few experts leading improvement projects. "Every employee is a problem-solver, every leader is a coach creates a mindset that helps us transform, so we can deliver more value to generations of Washingtonians to come," said Damron. "It's a way of working that will live on, as leaders or other employees move from one agency to another."

Ask for help from your friends

Gaining expertise and counsel from experts within and outside state agencies also helps to buoy a deeper, lasting lean/continuous improvement way of thinking. Many experts are willing to help, according to Damron. Organizations/individuals lending their lean expertise include Alaska Airlines, Genie/Terex, Boeing, Liberty Mutual, Starbucks, John Shook of Lean Enterprise Institute (LEI), Virginia Mason, Seattle Children's Hospital, Seattle Children's Research Institute, Premera Blue Cross, Philips Healthcare Ultrasound and others. "We have partnered with 232 people not in government, who donate their time to help state government," Damron said.

Key strategies: engage, partner and grow

Engage leaders at all levels: the key to sustained results. Change expectations, provide support, walk the talk and share information.

Partner with experts; they're out there and willing to help.

Grow informal networks to accelerate culture change.

Keys to effective partnering, according to Damron:

- Talk with lean experts
- Share your story
- Ask for help
- Match passion to need

Communities of practice (CoPs) involve lean practitioners meeting regularly in 60 state agencies, with 53 supporting lean advisers. Informal networks accelerate culture change as they promote learning, build trust and create opportunities to challenge one another and have fun.

Steps to growing informal networks:

- Establish a common endeavor
- Meet regularly
- Share stories/learning.

Crafting evergreen cultural change

Asked about initiatives for long-term transformation, Damron said, "We are keeping the momentum going for cultural change, although we are just a few years on our journey. One of our strategies is learning from those who went ahead of us — listening to folks in manufacturing and other organizations who have greater experience using lean/continuous improvement tools and techniques. One of the key lessons we've learned is not to stop with process improvement, but to go beyond that and create a culture in which improvement effort is the way we do business." He added that counsel from LEI's John Shook contributed to understanding about connecting these efforts to business and leadership systems.

"We are elevating the idea that all value is created through process, and our processes cross agency lines," Damron said. "At a leadership level, we are starting to embrace the idea that we need to improve an entire value stream."

Finding better ways to share strategies and results will help to build momentum for change. The state has refined online accessibility to lean tools and improvement project data. Agencies plug in data for a twice-yearly rollup of their improvements, posted on the Results Washington website; contributors can add text and illustrations.

The state's lean adviser and lean practitioner CoPs share training and project data. They offer counsel about what works and advise when to abandon strategies that don't work well. An annual Results Washington operational excellence conference offers attendees the opportunity to deepen their understanding of lean principles and tools, also spotlighting successful improvement projects.

Future challenges

"One of our main challenges to focus on in 2015 is to go deep and wide in capabilities expansion," Damron said. "We need to help every employee understand basic problem solving, and the mindset, 'What are we improving today, and what are our next steps?' We want to engage the entire workforce in solving problems."

Another goal: working more effectively with various government branches (such as legislative) to connect processes in various operations. "We need to drive in the right direction, through a coordinated effort, on the same sheet of music," said Damron. "It's exciting, because we're pioneering ways to use lean in government, delivering value that Washingtonians want."

Damron foresees a time when more levels of government will adopt lean/continuous improvement thinking and strategies. Although many such initiatives are already under way, the potential for future progress is huge. The National Governors Association (nga.org), for example, shares innovative solutions for solving policy challenges and information on improvement initiatives such as industrial energy efficiency.

"We're happy to share what we've learned with others," Damron said. Results Washington hosted a webinar, "Introduction to the Lean Journey States Community of Practice," with participants from 14 other states.

"It's about innovation, the heart of our efforts," said Damron. "It's not just cutting costs. We are continuing to learn how well lean really works."

Lean results: Speedier processing times, reduced costs and more

Results Washington improvements keep rolling in. Following are examples from lean process and efficiencies reports for the past two years, provided by Darrell Damron. In each improvement project, customers/stakeholders were involved to gain information on problems or issues and improvement suggestions, and then to share results of implemented changes.

Driver licensing wait times: Washingtonians' time spent waiting in line decreased by more than 1 million hours, compared to 2012. The Department of Licensing reduced lines at drivers' licensing offices by increasing online and mail transactions, plus business partnerships with private driver training schools.

Tool room efficiency: The Department of Corrections used 5S techniques to clean, organize and reduce tool room inventory. Achievements included improved safety and security, faster tool cart check-in/check-out, clutter elimination and more efficient location of needed parts.

Energy costs: Energy efficiency measures at Department of Social and Health Services facilities helped avoid costs of \$3.5 million in 2013. The improvements, such as targeted upgrades to heating and cooling systems and how they're used, are financed by energy savings in the first 10 years.

Resource planning process: The Department of Health improved its quarterly resource planning process, reducing the number of tasks associated with two critical process steps by 63 percent and decreasing total process cycle time by half. Among related changes: tasks identified for Excel technology solutions, creation of a checklist for staff and supervisors when entering/reviewing resource plans and development of a standard quarterly resource planning schedule.

WorkFirst client participation in job search activities: The Department of Social and Health Services and the Employment Security Department increased WorkFirst clients' participation in job search activities by as much as 45 percent. In turn, the state anticipates that it will avoid an estimated \$20.8 million federal penalty and save \$1.14 million in reduced WorkFirst grants and saved staff time.

Processing times: The Department of Health reduced the processing time for death certificates from 99 days to 16 days.

Workers' compensation costs: The Department of Labor and Industries improved its process for collecting overpayments made to injured workers. By creating uniform work standards and focusing on larger overpayments, the agency increased recoveries by \$1.36 million.

Raw materials costs: Correctional Industries consolidated its textile distribution locations to one, helping saving \$250,000 a year in materials costs.

Staff time: The Department of Labor and Industries was printing, distributing, filing and storing 60,000 pages of phone records each year so supervisors could audit employees' long-distance phone use. An L&I team developed an electronic filing system instead, saving 7,368 hours of administrative and supervisor time each year.

Business renewals: The Washington State Gambling Commission shrank its commercial business license renewal application from seven pages to two. Instead of spending 30 minutes filling it out, businesses now spend five minutes. The agency's average cost to process each application has dropped from \$60.55 to \$20.11.

Electronic toll transactions: For the Tacoma Narrows Bridge electronic tolling process, a multifunctional team increased image processing capacity to allow all transaction images to be stored; it also installed additional optical character recognition engines to handle the additional images.

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