



Local Government
CENTER

Financial Management Series Number 16

Implementing “Lean Government”

Alan Probst
Local Government Specialist
UW-Extension Local Government Center
(608) 262-5103



Lean Government

The Lean philosophy is fundamentally about creating value for the customer/client while using the fewest resources possible. It's about getting the right service in the right amount to the right person at the right time, while minimizing waste and being flexible and open to change and improvement.



Lean Government

It is the application of Lean production principles and methods, borrowed from industry and manufacturing, to identify and implement the most efficient, value added approach to provide government services.



Lean Government

There are several key principles that are at the core of Lean philosophy:

- **Know your customer/client – who they are and what they want and when.**
- **The customer defines value.**
- **Keep the process simple (and eliminate waste).**
- **Do “it” right the first time.**
- **Involve and empower employees.**
- **Continually improve in pursuit of perfection.**



“Lean vs. Traditional”

- **Traditional government is inefficient by nature**
- **“Lean” moves government toward and industrial or business mindset**
- **At its roots, the movement to “Lean” entails a major cultural change.**



Key Lean Characteristics

- Pull service delivery:

Services are “pulled” by the consumer, not pushed from the service delivery end.

- First-time quality:

Striving for excellence/perfection, for zero defects/redoing work. Identifying & solving problems at their source; achieving higher quality and performance at the same time; teamwork & worker empowerment.



Key Lean Characteristics

- Waste minimization:
Minimizing/eliminating activities that do not add value; maximizing use of resources (capital, people, and space), efficient use of just-in-time inventory.
- Continuous improvement:
Continually improving quality, increasing productivity/ performance, reducing costs (resources), and sharing information.



Key Lean Characteristics

- **Flexibility:**

Being open to change; providing different mixes and/or greater diversity of services quickly, without sacrificing efficiency.

- **Long-Term Relationships:**

Building and maintaining effective long-term relationships with providers/contractors through collaborative risk-sharing, cost-sharing, and information-sharing arrangements.



In Plain Language?

- Use as many good “business” ideas as possible
- Borrows many concepts from “Total Quality Management (TQM)”
- Eliminate that which is unnecessary
- Concentrate on what the customer wants
- Get everyone involved
- Minimize bureaucracy



Blunt Questions

If it doesn't add value, why are you doing it?

Will anything really bad happen if you stop doing it?



Common Approaches

To identify non-value added activities
(waste):

- Value Stream Mapping
- Kaizen
- 5S
- Lean Six Sigma



Value Stream Mapping

- **Manufacturing technique used to analyze the flow of materials and information required to bring a product or service to a customer**
- **Originated with Toyota**



Value Stream Mapping

Value Stream Mapping (VSM) is a visual mapping tool that outlines all the steps in a process and helps to identify ineffective procedures and waste, as well as to develop implementation action plans for making continuous improvements.



Value Stream Mapping

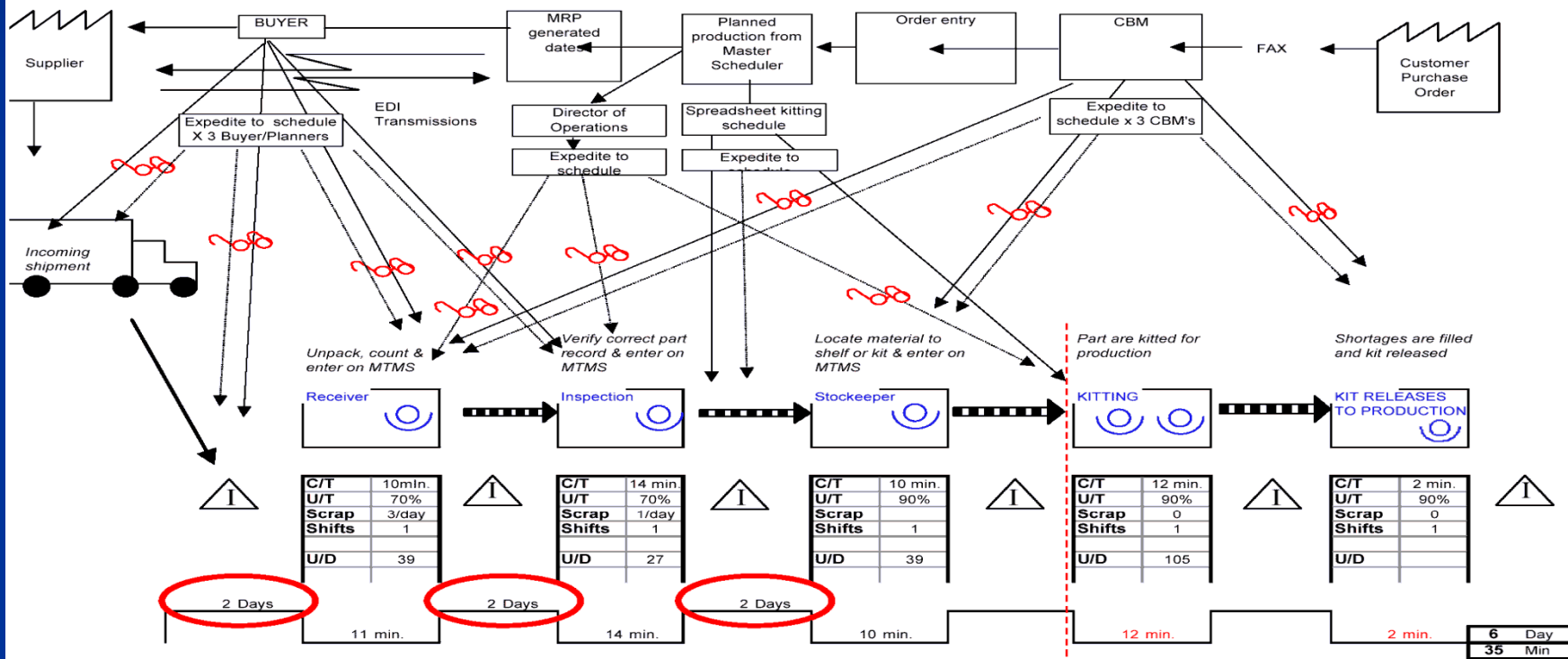
Steps:

1. **Identify the target product, process, or service**
2. **Draw a current situation value map which shows the current steps, delays, and information flows**
3. **Assess or evaluate the current state stream map for waste and bottlenecks**
4. **Draw an improved future state value stream map**
5. **Work toward the improved future condition**



Value Stream Mapping

Lean Map of existing Process



C/T: defined as cycle time, in minutes
 U/T: defined as utilization time, in % of total time available
 Scrap: defined as number of "GR's" which necessitate an investigation and/or return
 U/D: defined as average number of "GR's" processed per day



Value Stream Mapping

- While the approach can be applied to government services, it requires a different perspective
- Approach might be more focused on speeding up services and eliminating roadblocks
- Example: Time and steps required to issue a building permit



Value Stream Mapping

At it's very essence, with Value Stream Mapping, you identify steps or actions that do not add value or are not really necessary and YOU STOP DOING THEM!



Kaizen

- **“Kaizen” is Japanese for “improvement” or “change for the better”**
- **Refers to a philosophy or practices that focus on continuous improvement of processes**
- **Very similar to “Total Quality Management”**



Kaizen

- **Daily process**
- **Humanizes the workplace**
- **Teaches people how to use experiments in their work using scientific methods to learn to spot and eliminate waste**
- **In government, requires a currently uncommon level of trust in employees by elected officials**



Iowa Lean Government “Kaizen” Event

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Conceptual Training on: Business Process Kaizen Standard Operations 5S Kaizen Methodology Tools & Techniques	Project specific training Measure and analyze current work process Formulate process improvements	Create and map new process	Evaluate improvements Establish new standard process Operate using new standard process Finalize new standard process	Present results and celebrate!



5S

5S is a workplace methodology based on the five Japanese words:

- 1. Seiri** **sorting**
- 2. Seiton** **straightening or setting in order**
- 3. Seiso** **systematic cleaning**
- 4. Seiketsu** **standardizing**
- 5. Shitsuke** **sustaining discipline**



Phases of 5S

- ***Seiri* (sorting)** is intended to eliminate unnecessary tools, parts and instructions. Store or discard that which is not necessary
- ***Seiton* (setting in order)** places an emphasis on everything being in its proper place, properly marked, and easily accessible when needed.



Phases of 5S

- ***Seiso* (sweeping/systematic cleaning)** Ensuring you know where everything is where it belongs and cleaning is part of daily work
- ***Seiketsu* (consistency & standardization)** Everyone knows how to do the required tasks the same way with the same tools



Phases of 5S

- ***Shitzuki* (sustaining discipline/self-discipline)** This is about maintaining and reviewing standards. Once you've made the changes required with the first four "S's" this is to keep you from sliding back into the old methods and bad habits.



Phases of 5S

There are two more phases that are sometimes added:

- **Safety:** As an enhancement to efficiency
- **Security:** Security for intellectual property, IT, human capital, etc.



Lean Six Sigma

Lean is a production approach and set of methods that seeks to eliminate all non-value added activity or “waste” from a process

Six Sigma is a collection of statistical tools designed to reduce defects and other forms of process variation.



Lean Six Sigma

Lean and Six Sigma efforts identify and eliminate unnecessary and non-valued added process steps and activities that have built up over time

In non-manufacturing settings, waste is most prevalent in the information flows associated with processes



Lean Six Sigma

By getting routine activities and mechanisms of a process to function smoothly and consistently, staff time can be freed to focus on higher value activities



Performance Measurement

Performance measurement programs and benchmarking are useful in helping to identify those programs or actions within programs that all little or no value

(See Financial Management Series #7 and handbook)



City of Cape Coral

Used “Lean Thinking” principles as basis:

1. Specify the value desired by the customer
2. Identify the value stream for each product to challenge all the wasted steps currently necessary to provide it



Principles (cont.)

- 3. Make the product flow continuously through the remaining, value-added steps**
- 4. Introduce pull between all stops where continuous flow is possible**
- 5. Manage toward perfection.**



Team of employees

- **Mapped and dissected the existing processes**
- **Eliminated the unnecessary steps (waste)**
- **Redesigned the process to allow service or information to flow more efficiently**
- **Focused on delivering “the right service in the right amount at the right time.”**



Results

- **The Building Division reduced the time to obtain a permit for construction from 21 days to eight days**
- **The Fire Department reduced the time to hire a firefighter from 66 days to 30 days**
- **Code Enforcement reduced ordinance violation grass mowing time from 52 days to 19 days**
- **Site Development reduced cycle time for first reviews from 28 days to 5 days.**



References

- **“Lean Thinking”, Womack and Jones, 1996**