



# Working Smart

Teresa Hay McMahan

State of Iowa

# Iowa's Journey Begins - 2003

- ❑ Approached by the Iowa Coalition for Innovation & Growth
  - ❑ *Hot Team* on Business Development Processes
    - ❑ Improve key business development processes that are viewed as barriers to a business's ability to develop and/or grow in Iowa
- ❑ Public-private partnership proposed
- ❑ Facilitator offered to run event

# The Issue

- ❑ Air Quality new source construction permits
  - ❑ Issue ~ 2,000 permits per year
  - ❑ Average lead time: 62 days
- ❑ 62 days was one of the fastest permit times in the country so what was the problem?

# The Results

- ❑ Lead time reduced to 12 days
- ❑ Steps cut by 70%
- ❑ Handoffs (permit moving from person to person) cut from 18 to 4
- ❑ 600 permit application backlog eliminated in six months
- ❑ Process became more customer friendly
  - ❑ 800 number installed for questions

# What Did We Learn?

- ❑ We could improve customer service without sacrificing the environment
- ❑ We could sustain the gains and continue to improve: Lead time down to **six** days within six months
- ❑ Change could occur in one week - unheard of speed in government

# WHAT NOW?

- ❑ ICIG Hot Team asks for a commitment
- ❑ DNR agrees to implement Lean
- ❑ Facilitator returns for a “drive by” kaizen
- ❑ 2004: Six DNR events, one at another state agency

# LEADING THE CHARGE

- ❑ 2005 Governor Vilsack asks all agencies to conduct at least one kaizen event
- ❑ ***Office of Lean Enterprise*** established within Department of Management  
July 1, 2006

# MOVING FORWARD

- ❑ 2005: 24 events – multiple agencies
- ❑ 2006: 29 events – more agencies
- ❑ 75+ events to date
  - ❑ Kaizen, Design for Lean Sigma, 5S, Value Stream Mapping.  
Coming soon...Policy Deployment



# What Haven't We Tried?

- Environmental permits / Air Quality / Wastewater / Floodplains / Landfills / Manure management
- Corrections - Offender Re-entry / Procurement
- Public Safety - Criminal Intelligence / Private Investigators
- Board of Medical Examiners Investigatory process
- Veterans Home Admissions / Medical Appointments / Medication Administration / Pharmacy
- Unemployment Insurance monetary determinations
- Health facility and Fire Safety inspections
- Child Abuse Appeals / Foster Child placement across state lines
- Museum collection management and exhibits

# What is Lean?

- Lean
  - Lean is a collection of principles and tools that improve the speed of any process by eliminating waste.
  - Waste is most prevalent in information flows
  
- “Common sense uncommonly applied”
  - Tools include Kaizen, Value Stream Mapping, Design for Lean Sigma and 5S

# Business Process Givens

- ❑ All business processes are invisible
- ❑ All business process typically start with incomplete and/or inaccurate information
- ❑ All business processes are NOT synchronized
- ❑ All business processes have institutionalized & formalized wasteful practices because of the above

# Kaizen Does Not...

- ❑ Affect regulatory stringency
- ❑ Force hasty, inadequate work
- ❑ Cut corners
- ❑ Work against the agency mission
- ❑ Seek to fault staff

# Kaizen Does...

- ❑ Document that many processes are “tribal” – unwritten and undocumented
- ❑ Increase awareness of the function and value of all roles
- ❑ Break down “silos” within and between departments and divisions
- ❑ Challenge the prevailing winds

# What Does It Take?

- ❑ Successful process improvement requires organizational commitment over the long term
  - ❑ You must DRIVE change from the top down
- ❑ Communication
  - ❑ Proactive
  - ❑ Frequent
  - ❑ Consistent
- ❑ External stakeholders at the table

# Leadership

- ❑ Senior management engagement and commitment are the most important factors in long-term success
- ❑ Top-down drive to change the culture to one of continuous improvement
- ❑ Successful change comes from developing leaders, not completing projects

# Overcoming History

- ❑ Every other “flavor-of-the-month” that didn’t meet expectations
  - ❑ TQM
  - ❑ CQI
  - ❑ MBWA
- ❑ Nothing speaks louder than results
- ❑ Don’t feed the CAVE people



# Changing Expectations

- ❑ For staff:
  - ❑ Overcoming the “whip-smart” mindset
  - ❑ Fear of lay-offs, placing blame
  - ❑ Negative impacts on regulatory stringency
  - ❑ No time for a week away from work
  
- ❑ For customers:
  - ❑ Government ≠ Bureaucracy

# Follow-up

- ❑ Critical component
  - ❑ 30, 60 and 90-days
- ❑ Completing the homework for full implementation
- ❑ Sustain the Gains
  - ❑ 6-month and 1-year audits

# Why Try Lean?

- ❑ Eliminate or dramatically reduce **backlogs**
- ❑ Reduce **lead times** by more than 50%
- ❑ Decrease the **complexity** of processes
- ❑ Improve the **quality** of applications and the **consistency** of reviews
- ❑ Allocate more staff time to “**mission critical**” work
- ❑ Improve staff **morale** and process **transparency**



# Questions?

**WORKING FOR WORLD CLASS  
GOVERNMENT**

**Office of Lean Enterprise**

**<http://lean.iowa.gov>**

**Guidon**