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## Bend the Curve CIP-News - January, 2009

Bend the Curve Continuous Improvement Practitioners

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## News from Paradise



I got a call in early December from the Associated Press asking about "Kaizen" in Maine State government.

I had a long conversation with the reporter about what we all were doing in Maine, the successes and challenges, and the timeliness of BTC in these difficult financial times.

The following article describes the national interest in Lean and what different states are trying to do to change how government works. I think it came out quite well.

My oldest daughter went on vacation to Hawaii and when she got off the plane and bought a paper, she said, it was on the front page.

She was more excited about that than the 85 degrees and soft winds of paradise. Smart kid! She's bringing home a copy as a souvenir.

If you get a chance, Google the title and you will see that it appeared all over the world. The article is reprinted here for those who have not seen it.

— *Walter E. Lowell*

### Ask why: States seek efficiency via Japanese way

By Julie Carr Smyth  
Chicago Tribune. December 26, 2008

COLUMBUS, Ohio -

Maine's death certificates are being issued so quickly these days that an out-of-stater recently confessed to a state government official that he wants to die there.

In Ohio, the time it takes to get a complaint decided at the Bureau of Workers' Compensation has plummeted – from an average of 142 days to 34. Licensing a snowmobile in Iowa involves 90 percent fewer steps today than it did two years ago.

Buoyed by the uncanny effectiveness of the Japanese notion of kaizen, or continuous improvement, a growing number of cash-strapped states are attacking bulky bureaucracies that have been eating up workers' time and frustrating residents and businesses for decades.

"It has taken off like wildfire around the country," said Teresa Hay McMahon, performance results director in Iowa, where kaizen was first used in state government about five years ago.

"If it was a management tool in the '80s or the '90s, my God, we tried it – Total Quality Management, Management by Total Improvement, Management by Walking Around," McMahon said. "We just struggled with finding a really powerful tool that worked."

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#### Inside this issue:

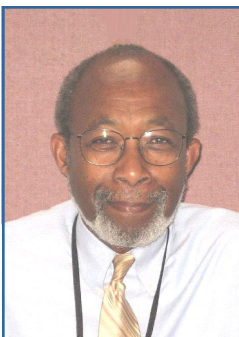
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#### Special points of interest:

- Next Clinicals
  - January 16
  - February 20
  - March 20
  - April 17
- March Miller workshop almost here !



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MAINE  
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LABOR

# My New Year's Prediction

----- Arthur S. Davis

Happy New Year!

The opportunity to apply our craft, helping others (and ourselves), improve processes will be greater than ever this year and henceforth. To those of you who are practicing your craft, it is critical that you continue to invest in the learning opportunities so as to stay on top of your game. Your Continuous Improvement Practitioner (CI-P) skills, talents, and dedication will be needed.

You may have noticed that we, Maine State government, are (and will continue) to be asked to do more, to do it better, to do it to customer requirements, and to do it at less cost. Is this an unreasonable demand? The literature states, and I agree, that no, it isn't.

"Government ...needs to do (what it already does) better. Public expectations are increasing for better schools and better health care, reduced crime, more effective immigration (support), and social services. In addition, there is a need to provide new service to support changing household structures and build new skills in the workplace in the face of globalization. As a result, government will need to improve their effectiveness significantly, which means finding ever-more innovative ways to deliver better public services." <sup>1</sup>

"American government faces a productivity imperative. Growth in program size, new national priorities and citizens' demand for increased choice, convenience, and customer service, will require government to do more and do it better – and all this in an era of, at best, constant levels of spending. Raising productivity will not solve government's most serious long-term fiscal challenges, but it will help; and it is an alternative to a sustained contraction of government or increased taxes." <sup>2</sup>

An organization can radically raise its productivity by adopting 21<sup>st</sup> century management methods, methods developed by the pioneer of these techniques in the 1950s, Toyota Motors, the only consistently profitable volume car manufacturer for 71 years. In the last quarter of 2008, for the first time in all those years Toyota Motors posted its first losses. The 21<sup>st</sup> century management method is of course the Toyota Production System (TPS); nowadays often called Lean, or Lean Manufacturing, or Lean Production.

My new year's prediction is this: the leaders of our "Factories" will seek you out in ever increasing numbers. Be ready for the opportunity!

— Arthur

<sup>1</sup> Barbar, Michael, Alastair Levy, and Lenny Mendonca. "Global Trends Affecting the Public Sector." McKinsey Quarterly Review (McKinsey & Company 2007) 6.

<sup>2</sup> Danker, Tony, Thomas Dohrmann, Nancy Killefer, and Lenny Mendonca. "How Can American Government Meet Its Productivity Challenge?" McKinsey Quarterly Review (McKinsey & Company 2006).

Kaizen (pronounced ky-ZEHN) is a way of thinking that puts workers at the center, gives them a sense of the total process they're involved in, and then frees them to think of ways to best do their jobs. Essentially, the idea is to diagram the work step by step to try to find better ways to do it. To get at the root of problems, kaizen encourages asking "why" five times.

"We're making the work visible by doing the mapping," said Walter Lowell, director of lean management at the Maine Department of Health and Human Services. "Everybody knows they play a role in it, but they don't know the whole thing.

"You start to hear things like 'Why are you doing that? I do it.'"

In five-day kaizen exercises, managers, workers, lawyers, regulators, technicians and end users of a single government process – say, getting a coal mine permit – are assembled in one room, all getting educated about the big picture, and all there to talk about their little piece. The task that's being targeted is meticulously mapped, using colored sticky notes to identify junctures where paperwork must be filed, decisions made, sign-offs obtained.

Stretching sometimes across a conference room wall, the results emerge as an impressive, complex matrix. Participants gaze, admire – and then set to work trying to eliminate most of what's there.

Latasha Phillips, an account clerk with the Ohio Department of Administrative Services, was scared heading into her first kaizen exercise in October. She wound up a true believer.

"For me, it was exciting," said the 12-year state employee. "A lot of times you think that you may not be a part of something, but this teaches you are a part of it – and you get to put your piece into it, to fit your piece into the puzzle."

State environmental regulators around the nation, whose cumbersome processes have long been the targets of business developers, have taken particular interest in using kaizen. According to data from the Environmental Council of the States, only two state environmental agencies – Iowa's and Minnesota's – had tried the technique before 2005.

By 2006, nine states' environmental agencies were on board and, by this year, 29 had either conducted a kaizen session or were planning one.

Steve Wall, quality services director at the Ohio Department of Administrative Services, said dedicating an uninterrupted week to streamlining the process is the key to the technique's success.

"What that does is, if you're into change theory, it unfreezes the situation," Wall said. "You cannot filibuster, you cannot stall. You look at this thing and say, 'OK, justify that.' And even if that's my job, I can't."

Mental light bulbs pop on. Epiphanies are experienced.

In Maine, it occurred to someone during a kaizen session that death certificates could be issued months faster if copies, instead of the originals, were sent to be copied to microfiche. That way, vital records employees, who can't release a death certificate without the original in hand, could speed up the process.

It was an achingly simple solution to what had become a bureaucratic nightmare.

Processing of death certificates – required to access bank accounts and distribute an estate – went from taking 95 days on average to five in the state. Space that had been needed to store copies was saved, and costs for transporting all the paper were slashed.

"We got calls from people saying they want to die in Maine now because they can get the death records so quickly," said Maine's Lowell.

Critics of kaizen say that the downfalls of a process can never be understood so quickly and without well-mapped data that shows where a system is failing. And many argue that kaizen treats the symptom and not the cause of bureaucratic build-up, because it doesn't get at the outside demands a state agency faces because of its own failures to provide proper information or services.

It is made clear at the outset of each kaizen exercise that no one will lose their job as a result of the efficiencies that result. Some state agencies have shrunk their staffs through attrition in the wake of kaizen improvements, however.

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It is made clear at the outset of each kaizen exercise that no one will lose their job as a result of the efficiencies that result. Some state agencies have shrunk their staffs through attrition in the wake of kaizen improvements, however.

Mostly jobs change, like those of Iowa's environmental engineers after the landfill permitting process was broken down. It now takes 30 days on average to renew a permit instead of 187 days, for example, allowing engineers more time to inspect sites for regulatory violations, McMahon said.

Cost savings come in two basic forms: eliminating processes that cost money to operate, and speeding up processes that have money attached to them.

Ohio has saved both ways, Wall said. Through kaizen, a cumbersome complaint system for injured workers was made to work better, eliminating about half the hearings that used to be required at a savings of \$220,000 a year. Speeding up the identification of Medicaid overpayments, the state expects to collect \$44 million this fiscal year instead of the projected \$11 million.

Kaizen has its roots in the flow production of the auto

assembly line pioneered by Henry Ford in 1913. Executives at Toyota adapted Ford's model beginning in the 1940s to add the employee-centered notion of continuous improvement, according to a history of the movement written by the Lean Enterprise Institute.

The now famous Toyota Production System, or Toyota Way, shifted the focus of workers from a specific job to their place in the big picture. Machines were retooled to have more than one function and employees were encouraged to continually rethink how their job could be done better.

Toyota became the largest automaker in the world last year, a success many attribute to its approach to management and production.

Lowell said kaizen may not have taken off so forcefully in the public sector without the pressure of economic hard times.

"When times are good, you don't worry whether you produce a lot of non-value-added work, but when times are tough and resources get scarce, you want to make sure you're using resources wisely," he said. \* \* \* \* \*

## The Ins & Outs of CI-Ps

★ James (Chip) Fussell retired December 19, 2008 from the DHHS Dorothea Dix Psychiatric Center. This decision, he said, was a combination of being retirement age and having a five-year old entering the school system — with the challenge of school schedules and vacations (and a wife who works full-time). He enthusiastically plans to stay involved with *Bend the Curve* and participate in its activities.

# Ken Miller 12/16/08 Workshops: 12/19 Clinical Discussion

## How did the event go?

### Content

Did not cover “process” enough.  
“Process” not well explained—relationship  
To “system”.  
Right amount of content & time (yes & no)  
Miller facilitated well: humor, skill, not  
dense, not selling  
Hank MacIntyre’s intro & “mill” good.  
Participants got it.  
Participants motivated.  
Appropriate content.  
Content not prescriptive.  
Good graphics.  
Recognition of CI-Ps good (CI-Ps stand up)  
Reconsider format (length)  
KM used good examples.  
Table exercises unclear.  
Next steps unclear.  
Workshop too short for the material.  
Exercise helped unite co-workers.  
Completing the form was a turn-off.  
KM integrated lean — very good.  
Concepts of process/system not linked /  
explained for P’s.

### Logistics

Pre-meeting good & bad.  
Layout of tables & work at tables —some folks  
had back to speaker.  
Tablecloths got in way.  
Specific entrance to BPOE not clear.  
No evaluation form.  
Portable “ear” microphone very good.  
Sort out getting input from P’s.  
Liked electronic tablet.  
Need laugh track.  
Clarify roles in event.  
Organize participants future activity.  
Monetary issues.  
ADA accommodations (blind P)  
Chart/handout control  
Participants self-selected?  
Reception issues.  
Exercise form not understood - why column blue?  
Exercise forms—training & follow-up.

## What was KM's impact on group?

Poor economy creates sense of urgency.  
Need feedback from P’s.  
“Gushing” comments—right time, right thing, etc.  
Not typical to get useful improvement feedback from eval. forms at event.  
At workshops, many verbal acknowledgments that P’s “got it”.  
Requests for when he might return.  
Some participants didn’t know their own process(es).

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## Miller 12/16/08 Workshops: 12/19 Clinical Discussion (cont'd.)

### Did we meet our goals?

Learned that State has customers, etc.  
- & not different from the private sector.  
- & lean is a good intervention.

Started to familiarize w/ lean concepts.

Build mass at a point of changing.

Build recognition that we are in processes  
& ways to identify them.

Explained the myths—aid in overcoming.

Get P's to use Lean at a higher level.

“To know and not do is to not know.”  
(Walk the talk.)

Bridged language gap between manufacturing  
(widget) and government (services).

We have tools for process improvement.

Not different from factories.

Clear that KM is not into jargon or labeling.

It is OK to use Lean tools.

Group goals vs. personal goals.

Engaged people in workshop process.

KM convinced people about the myths.

Advertising BTC.

Opened people to thinking all work is a process.

Recognition that each manger is a “plant”  
manger.

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### Original Overall Purpose for Ken Miller Workshops:

- Create an opportunity for selected “Widget concept friendly” Maine State Government Leaders to begin the process of “Overcoming the Myths That Keeps Government from Radically Improving”
- Demonstrate practical applications of the “Widget concept” theory.
- Continue the development of internal capacity by reinforcing CI-P's knowledge of the contents of the “Widgets” book.

### Desired Results:

- Participants are beginning to understand or have a better understanding and acceptance that the concepts illustrated in “We Don't Make Widgets” can aid them in doing “more with less.”
- Establishment of the role of leaders, managers, and supervisors in their “Maine State Government Factories” (i. e. in their respective Agencies).
- Participants will have an actionable, practical next steps plan and a schedule for application.
- Participants have an understanding of the “Factory Improvement Tools” (aka Lean Tools) and their application in the “Best Factories” and the results being achieved in State government using these tools.
- Enable the participants to be able to introduce others to the concepts illustrated in “We Don't Make Widgets.”
- Re-enforce their role as Change Agents in the “State Government Factory.”
- Demonstrate the link between the “Factory Improvement Tools” (aka *Lean tools*) in creating the “Best Factories” and share the quantitative results achieved in MDOL, MDOT and MDHHS using these tools.
- Develop a ‘forecast’ of likely “Lean Events Opportunities” for them to lead given the events over the past three days.

### What are our next steps?

#### Next Workshop:

- Planned vs. suggested. Miller has 3 major presentations: Keynote (which had a variation of), Customer/Measures/Outcomes, and Implementation..
- 6-9 KM visits over 18-24 months, rather than the 10 originally planned.
- Next workshop(s) tentatively set for March 2009; no specific dates yet. Need to check for dates ASAP for 2nd or 3rd week in March.

#### Market:

- Agreement that \$150 seems to be an “affordability” benchmark.
- Need to broaden distribution list for workshop announcement — the one used did not include all managers and supervisors. (Did get 100 Ps out of list of 800.)

#### Workshop Costs:

Presenters — \$10,000 first day; \$8,000 following days. (Cost the same for Ken or Blake alone or for both)

+ plus room, setup, & refreshments.

So, for 2 half-day workshops w/ 50 participants each @ \$150 (100 x \$150 = \$15,000)

OR – 1 full day workshop with 50 participants each @ \$300 (50 x 300 = \$15,000)

OR — 5-hr. session discussed and rejected because then would have to deal with and/or pay for lunch. 4-hr. session deemed best.

- What are our goals for having him come to Maine?
  1. Work with CI-Ps to increase internal capacity.
  2. Can KM use a model we can employ?
  3. Put electricity into group.
- Can we do more for less?
- Explore creating opportunity for county & municipal governments, as well as State of Maine vendors (private sector)?

#### Using the Miller/Lawton Model:

Walter described an intervention with 8 managers in which he used worksheets developed from the Miller/Lawton/Deming system models (Inputs, Process/Steps, Product, Customer, Attributes / Requirements, Outcomes/System — the How, What, Who, When, Where, Why). Discussed widgets, customer, etc. Did breakouts for assigned processes. & then their work. Then in larger group, reports out from each. + learnings.

— Continued on p. 8



## Miller 12/16/08 Workshops: 12/19 Clinical Discussion (cont'd.)

*\*\*\* It was agreed by the CI Practitioners present to use the term “improvement opportunity” rather than “intervention” because “intervention” to some may feel as though something is being done to them rather than they themselves deciding to take advantage of an opportunity to make improvements. \*\*\**

### **Improvement Opportunity Form & Follow-up:**

- Question re: needing to know how participants filled out their process improvement forms.
- Intent was to have participants do something “physical”, to right off capture and start to integrate the learnings from the workshop. Participants would then go back to their regular work and contact BTC if they wanted to pursue any improvements.

### **How will we manage the ensuing interventions?**

- Question re: BTC / CI-PS interested in pursuing the listed improvement opportunities any further.
  - Managing BTC response will depend and vary greatly based on the number of requests received.
- ✓ To Do:
- Send CEU certificates to participants.
  - Return original forms with next steps, suggesting that they call BTC if they want further information or assistance.

## ***BTC Lean Events***

Date	Time	Topic	Location	Contact
Jan 16	8:15-4:30	Clinical Supervision	221 State St, 1 <sup>st</sup> Flr	ASD / WEL
Feb 20	8:15-4:30	Clinical Supervision	221 State St, 1 <sup>st</sup> Flr	ASD / WEL
March 20	8:15-4:30	Clinical Supervision	221 State St, 1 <sup>st</sup> Flr	ASD / WEL
March	TBD	Ken Miller Workshops	TBD	ASD / WEL
April 17	8:15-4:30	Clinical Supervision	221 State St, 1 <sup>st</sup> Flr	ASD / WEL

*\* To add or see more events or detail, go to the Bend the Curve Calendar in Outlook's Public Folders.*

### Overcoming the Myths That Keep Government from Radically Improving

The next **Leading Change in State Government's** *We Don't Make Widgets: Overcoming the Myths That Keep Government from Radically Improving* workshop is being scheduled for the middle of March 2009. From all reports, the December 16<sup>th</sup> session was very successful.

The final design for the March 2009 Workshop is not complete. However, the current thinking is this: there will be two days of 4 four-hour workshops that will cost around for each \$150.00 participant.

The first day would be a repeat of the December 16<sup>th</sup> Workshops (called the Keynote Presentation), i.e. two four-hour workshops designed to dispel the myth that we, Maine State Government, don't make widgets. This segment would also include an opportunity for participants to put into practice the concepts learned at the workshop.

The second day, if there is sufficient interest to warrant a second day, could provide participants the opportunity to follow up on their learnings from the first session, identify how they can implement what they've learned, and understand their business processes and how to respond effectively to competing customer interests.

All of this recognizing that for all the reasons we use to the contrary, government is no different — that we can use standard business models, re-enforcing the concepts of the System of Work (aka Process Mind-set).

There will be an opportunity for Practicing CI-P's to selectively participate.

Speaking of "Practicing CI-P's", it's not too late for you to join them. Give Walter (287-4307) or Arthur (621-5091) a call.

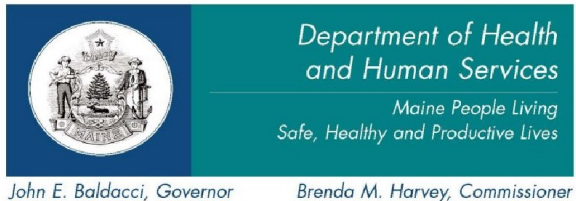
— Arthur

The DAFS Office of State Training and Organizational Development will coordinate the March workshops, as it did the 12/16/08 ones, issuing the announcement and registering participants.

As you may remember from the December Clinical discussion, we have realized that the Maine Management Service distribution list does not contain all State managers and supervisors and will try to broaden the distribution to assure that they indeed are all notified and are aware of this upcoming opportunity.

### ***FYI....***

*A "practicing" CI-P is defined as a CI-P who attends ~80% of their Clinical Supervisions and Observes, Co-leads and/or Leads the requisite number of Lean interventions. Of the 53 CI-Ps trained, there are currently 18 practicing CI-Ps. If you are not currently a 'practicing CI-P' and you begin attending Clinical Supervisions sessions regularly starting with the **next** Clinical, as well as Observe, Co-lead or Lead Lean interventions, you could qualify as a practicing CI-P by May/June, in time for the Miller CI-P workshop.*



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The primary purpose of the *Bend the Curve* Team is to provide support, consultation, assistance, and leadership in process and other improvement approaches and activities for State staff and work teams as they seek to continually improve their work culture, procedures, processes, and environments – in order to meet the mission of the department and the expectations of Maine citizens.

**We're on the net!**

<http://www.maine.gov/dhhs/btc>

<http://www.maine.gov/labor/bendthecurve/>

**Bend  
the Curve**

**Continuous Improvement Practitioners:  
BTC Intervention Facilitation Status**

**DOP 1-5 re-scheduled / Miller workshops planned for 3/09**

*The intensive introductory CI-P Bronze first level training (DOP 1-5) is being rescheduled to the middle of 2009, with planning and design for the ability to provide this training to smaller groups, if needed.*

*Planning has started for the March 2009 Ken Miller set of workshops.*

*Check the BTC Calendar in Outlook's Public Folders & come to the planning meetings.*

DHHS		DOL		DAFS	
Kate D. Carnes	L	Jorge A. Acero	O	Rae-Ann Brann	L
Nancy Cronin	O	Michael T. Brooker	IA-O	Wendy Christian	IA-O
Nancy Desisto	L	Deidre A. Coleman	IA-O	Rebecca S. Greene	IA-L
Jane French	L	Joan A. Cook	CL	Lyndon R. Hamm	IA-CL
James Fussell*	L	Stephen C. Crate	IA-O	Alicia Kellogg	C-O
Marcel Gagne	O	Arthur S. Davis	L	Billy J. Ladd	CL
Julita Klavins	L	Merle A. Davis	L	Michaela T. Loisel	IA-L
Don Lemieux	C-O	Eric Dibner	O		
Muriel Littlefield	C-L	Peter D. Diplock	O	<b>DOT</b>	
Walter E. Lowell	L	Brenda G. Drummond	IA-O	Michael Burns	C-O
Jack Nicholas*	IA-O	Anita C. Dunham	IA-CL	Jessica Glidden	O
Ann O'Brien	L	Karen D. Fraser	L	Rick Jeselskis	IA-O
Cheryl Ring	C-CL	Timothy J. Griffin	L	Robert McFerren	IA-O
Terry Sandusky	L	Gaetane S. Johnson	IA-O	Sam McKeeman	C-O
Clough Toppan*	CL	James J. McManus	IA-CL	Jeffrey Naum	IA-O
Helen Wieczorek*	IA-O	Scott R. Neumeyer	IA-O		
		Bruce H. Prindall	IA-L	<b>DEP</b>	
OPEGA, Legislature		John L. Rioux	L	Carmel A. Rubin	IA-O
Matthew K. Kruk	IA-O	Sheryl J. Smith	O		
<b>* Community CI-P</b>		<b>IA - Inactive</b>	<b>C - "Champion for Lean" -not facilitating</b>		
<b>L - Lead</b>		<b>CL - Learning Co-Lead</b>		<b>O - Learning Observer</b>	