

# ***Employee Driven Performance Excellence; Managing the Hearts and Minds***



**Washington State Government  
Lean Transformation Conference  
October 15-16, 2013**


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# QPIC, LLC [www.leangovcenter.com](http://www.leangovcenter.com)

## Lean Government information clearinghouse

### LEAN Government Center


**Q68<sup>Lean</sup>** Quality and Productivity Improvement Center  
**PIC© LLC**



*Implementing & Sustaining Government Lean Initiatives to Increase Capacity and Service, while Reducing Costs.*

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#### Home Page



QPIC, LLC LEAN Government Center is the premier resource center for LEAN Government and a globally based consulting organization that focuses on LEAN, Six Sigma, Change Management (ACE), Business Metrics (MWM – Measure What Matters), Supply Chain Management, and Executive Coaching. Our client base has spanned LEAN Government, Manufacturing, Healthcare, and non-profit organizations for over 25 years. We are one of the foremost groups consulting on LEAN Government. Our approach is unique in that we start with the top management team and ensure the necessary cultural changes are instituted for LEAN Government to be successful and sustainable.

LEAN Government focuses on what are the key processes in all departments/agencies, what services are they delivering, and how much of what is being done is value-added (what the taxpayer truly needs and is willing to pay for) vs. non-value added. It's not unusual to find improvement opportunities on the order of magnitude of 50%+ when LEAN Government is applied to Municipal, State and Federal processes/spending. QPIC, LLC has been working many years with State and Municipal Governments to focus on projects that reduce wastes and save money to close budget gaps.

We focus on delivering sustainable results. We do this by educating people about LEAN Government concepts so they understand the benefits to themselves and their organization. This understanding helps them take ownership of the transformation. When there is ownership of the LEAN Government transformation, the entire organization can improve by driving performance towards an ideal state and increase employee acceptance of change.

LEAN has evolved over the years, mainly fostered by the work of Toyota and the Toyota Production System (TPS). With the advent of the 2008-2009 financial crisis, the opportunity and demand for LEAN Government to help close budget gaps has exploded.

***The Case for LEAN Government:***

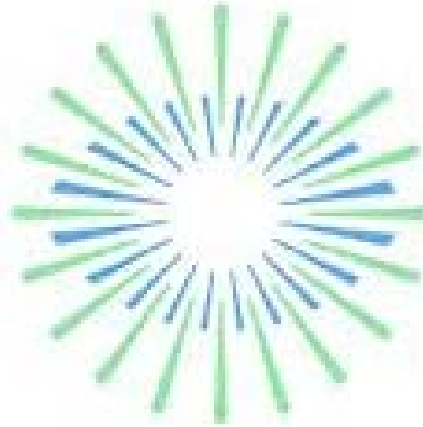
- LEAN Government Increases internal capacity to do more, without adding people.
- LEAN Government Reduces the costs of Government services (via attrition).
- LEAN Government Increases customer (taxpayers, etc.) satisfaction.
- LEAN Government Substantially shrinks the time to get things done.
- LEAN Government Provides a means to fundamentally rethink what is done and how it is done.
- LEAN Government Applies a more enhanced systems thinking approach.
- LEAN Government Can be implemented and sustained with smaller cost than alternative approaches.
- LEAN Government Easily yields returns-on-investment (ROI) of 20X+.
- LEAN Government Doesn't depend on costly IT solutions.

It is clear that continuing the old paradigm of only cutting positions and across-the-board spending reductions will not be successful. Too many previous short sighted strategies have now created dire financial consequences for most Government sectors that must be addressed with a high sense of urgency. LEAN Government is a major means to address the financial crisis and close budget gaps.

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# Boston Foundation For Sight





**Culture**  
  
**Organization**  
**Leaders**  
**Managers**  
**Supervisors**



# The Leader “Commandments”



1. **Has a high respect for people:**
  - a) **Not blaming people – virtually everyone wants to do a good job**
  - a) **Taking responsibility for the systems issues**
  - b) **Focuses on the process**
  - c) **Treats everyone with dignity and respect - ensures clear responsibility is assigned for every process and problem.**
  - d) **Shows confidence in her/his people**
2. **Sets the example for others to follow – “on stage at all times” - high humility and high will**

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# The Leader “Commandments”



3. Has high honesty & integrity and develops high *TRUST*
4. Has taken Lean training and is competent to use the tools, including training others
5. Is an active coach and visits the work areas (GEMBA = actual work area) – reinforces the need to “learn to see”, high visibility to staff
6. Is a continuous learner
7. Is a servant leader
  - a) Realizes the job is to train and help all staff to identify, improve, & solve problems

# Dr. W. Edwards Deming



**“You either change  
Management...**

**or you change  
Management.”**



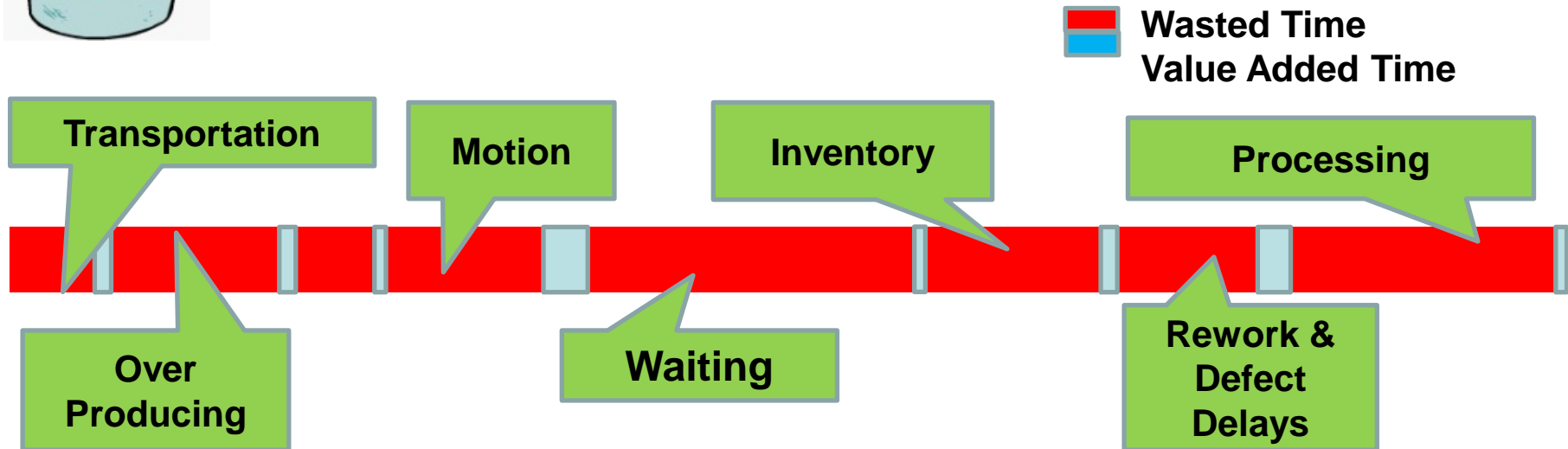




# Teach Everyone to See Waste Every Day!

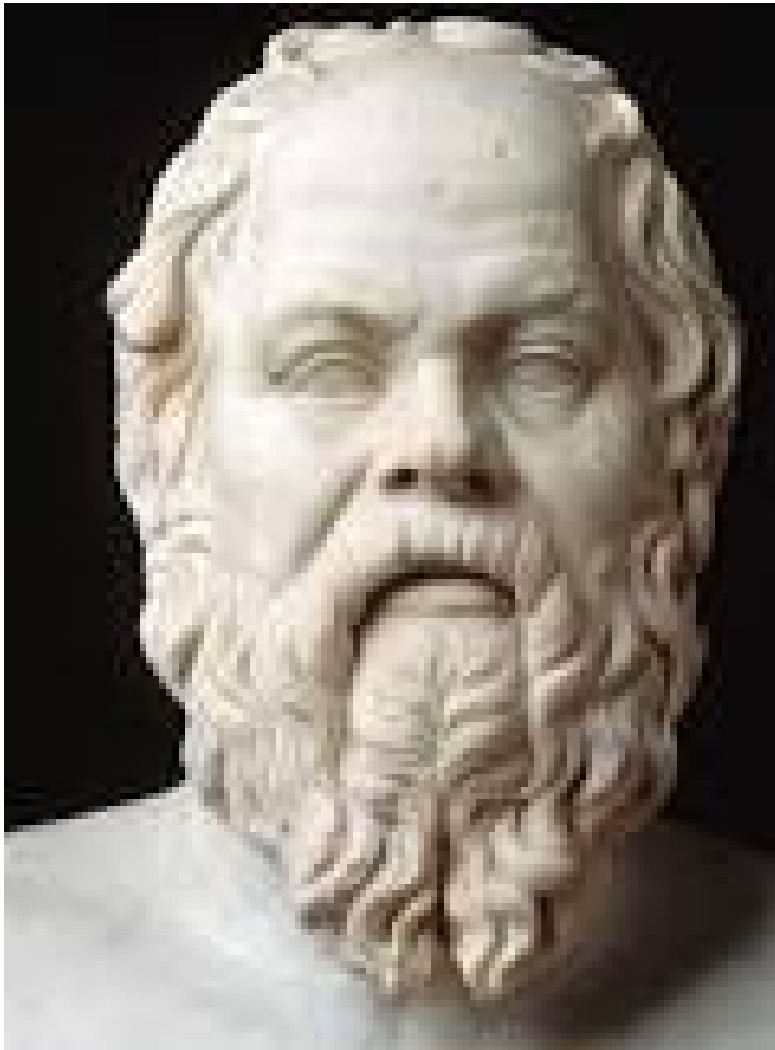


## Types of Waste



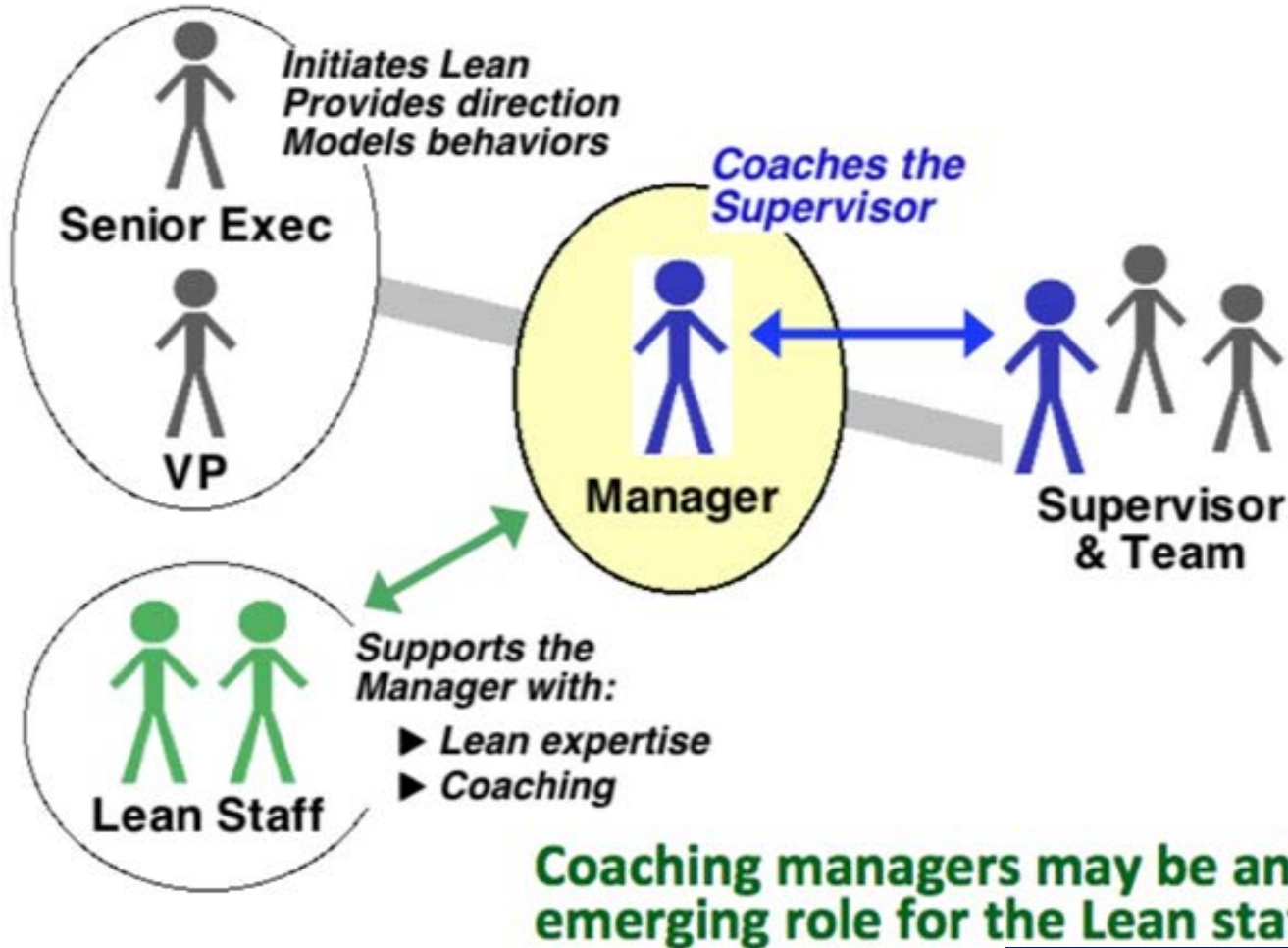
**Underutilized People – The Greatest Waste of All!**

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*and in knowing  
that you know  
nothing, that  
makes you the  
smartest of all*

# The Supervisor's Role (at any level) in Lean is to be a coach



Mike Rother – Toyota Kata

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# Teaching/coaching to develop the ability for employees to identify and solve problems

COACHING KATA

## The Five Questions

- 1) What is the target condition?
- 2) What is the actual condition now?
- 3) What obstacles are now preventing you from reaching the target condition?  
Which *\*one\** are you addressing now?  
-----*(Turn Card Over)*----->
- 4) What is your next step? (next PDCA / experiment) What do you expect?
- 5) When can we go and see what we have learned from taking that step?

Card is turned over to reflect on the last step



*P-D-C-A*  
*Plan-Do-Check-Act*

*Back of card - Reflection Section*

## Reflect on the Last Step Taken

Because you don't actually know what the result of a step will be!

- 1) What was your last step?
- 2) What actually happened?
- 3) What did you learn?

----->  
Return

**Mike Rother – Toyota Kata**

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# So how do we manage the hearts and minds?



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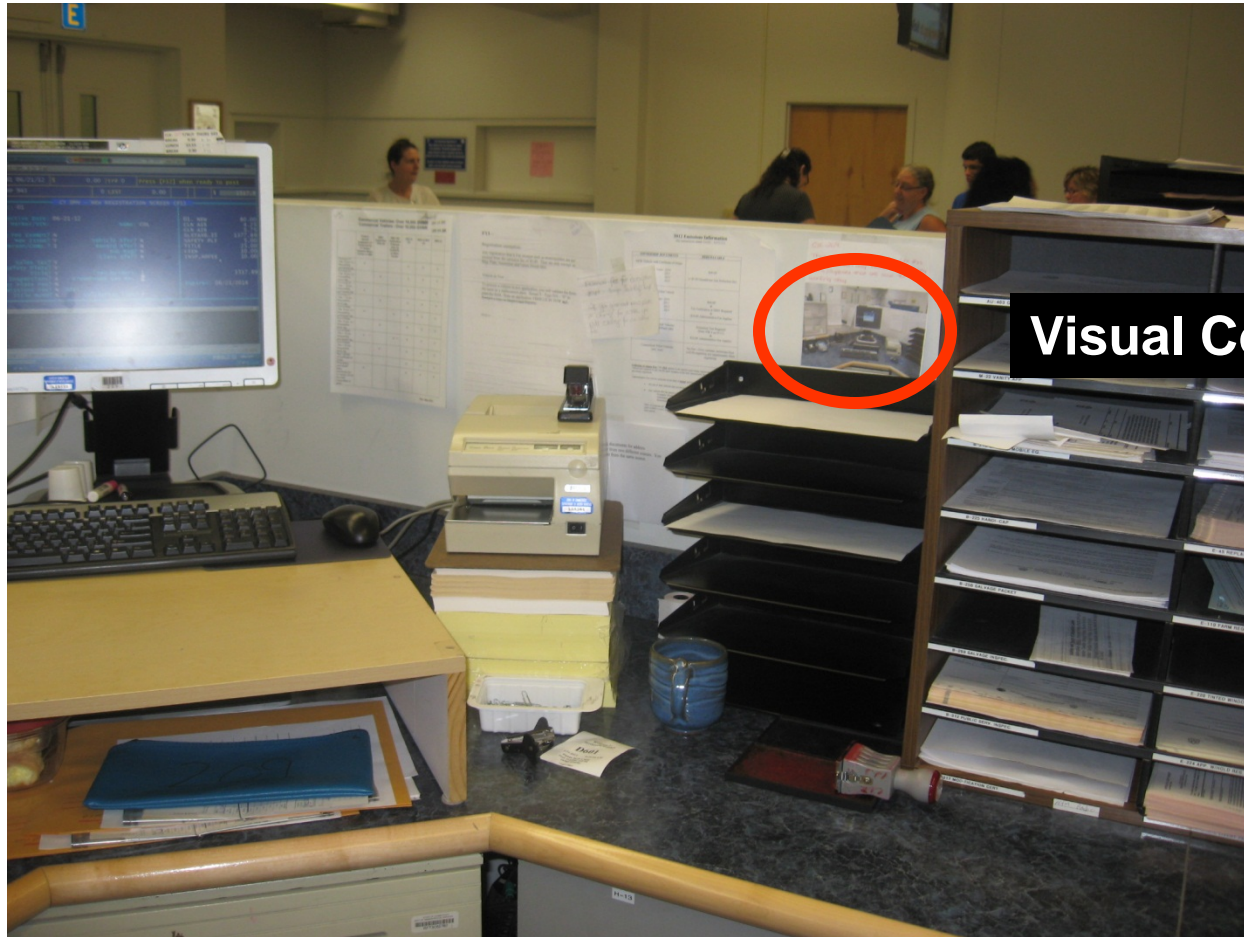
# Is this transferring ownership?



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# The Work Area



**Visual Control**

## Standardized Work Area

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# Exercise



**In the actual case study:**

- ☐ Which employees do you meet with?
- ☐ When do you do this?
- ☐ How do you do this?



# Engagement Tool: The Elevator Speech

Describe the need and the vision of the new change or state, as one might respond to the questions like:

- ☐ What are we doing?
- ☐ Why are we doing it?
- ☐ What do you expect from me?
- ☐ How is it going to benefit me?  
(WIIFM)



***Communication of clear purpose helps overcome resistance and increases buy-in.***



# *The Foundation for Improvement is Built on Facts/Data*

How  
are we  
doing?



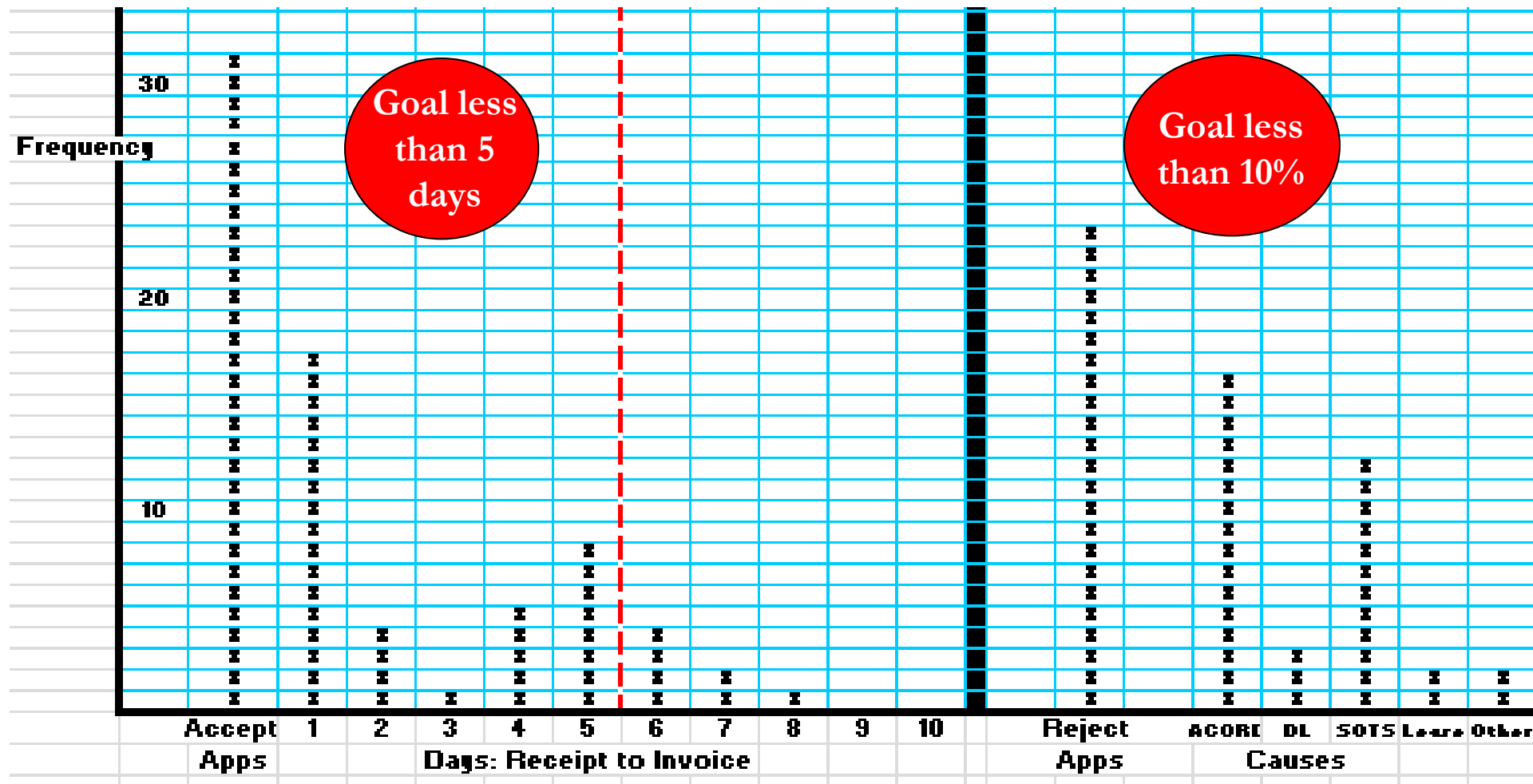
**“In God We Trust”  
everybody else,  
please bring data.”**

# The Power of Simple Data Collection to engage your associates

1. See What is Happening, which generates clues for:
2. What Ideas/Corrective Actions can be taken to solve the problem and
3. Move the expectation for "right the first time" as close to the source as possible

# Individual Workstation Metrics

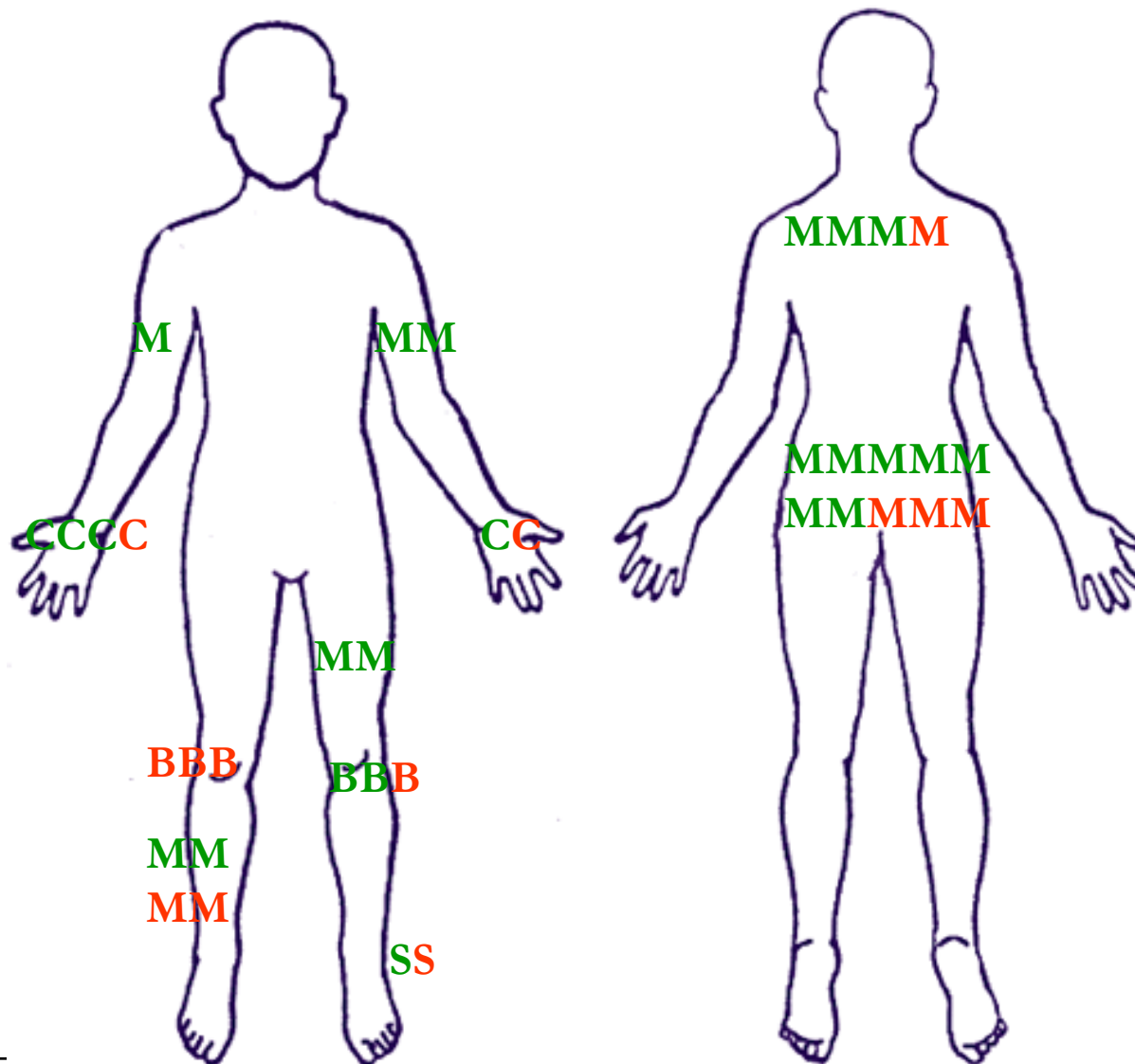
“How are things going today?”



# Simple Data Collection at the Process Site

Action	>1 min	1-3 min.	3-5 min	5-8 min	8-12 min	12+ min
Form A						
Form B						
Form C					 	 
Form D						
Reject						
Rework						

# Safety Concentration Diagrams



B = bruise  
C = cut  
M = muscle  
strain  
S = sprain

Days = **GREEN**  
Nights = **RED**

You can:

- Code by Dept.
- Code by Geography
- Etc.



# Food Stamps Example

May. 10. 2013 5:40PM  
W-1FOOD (Rev. 10/11)

May. 10. 2013 5:40PM  
2013 Total Firms 49 correct 158 incorrect  
No. 6967 P. 2

W-1FOOD (Rev. 10/12) 000 correct Department of Social Services

77% incorrect

You Might Be Eligible To Receive Help From  
The Supplemental Nutrition Assistance Program (SNAP) Within 7 Days!

If you are applying for any other assistance, such as cash or Medicaid, or if there are more than 4 people in your household including yourself, then you must complete a different application form.

Please write down the following information:

Amount you pay each month for rent or mortgage:  
MOST CLIENTS ADDED 668 to the UTILITY COST  
OR JUST PUT THEIR COST VERY LOW PUT 668 ON

Amount you pay each month for utilities: line 2 668 2)\$

NOTE: This note should be above line 2

NOTE: If you pay at least \$1 for either rent or utilities, add \$668.00 on line #2 above. If you pay nothing for rent or utilities, add \$0.

Add #1 and #2 79 \$ (Total for lines #1 and #2)

Total monthly income before deductions (FICA, Medicare premiums): People with earned income did not list it here 60 3)\$

Liquid assets  
Liquid assets include: bank accounts, cash, and certificates of deposit, IRAs, Keogh plans, stocks or bonds. 14 4)\$

Add #3 and #4 60 (Total for lines #3 and #4)

Now please answer the following questions:

1. Is the amount you pay every month for rent/mortgage and utilities (total of lines 1 and 2) more than the amount of money you make every month before you deduct deductions and liquid assets (Total of #3 and #4)?  
(Check One) 11 ☐ Yes ☐ No 9 NOTE - If these were left blank, I did not count error

2. Is your household's total monthly income before deductions less than \$150 and your liquid assets \$100 or less? (Check One) 12 ☐ Yes ☐ No 10

3. Are you a migrant or seasonal farm worker and are your assets less than \$100? (Check One) 2 ☐ Yes ☐ No 1

If you answered "Yes" to any of the 3 questions on this page, you may be able to get your SNAP benefits (formerly called Food Stamps) within 7 days of the day you file your application at the regional office. Please fill out the attached application form and go to your local DSS office immediately to apply. If you did not answer "Yes" to any of the 3 questions on this page, we still have to tell you if you are eligible for SNAP within 30 days of...

# Are any Manuals Missing? Make things easy to be “right”.



# ***DIG* - Dynamic Idea Generation**



**Alan Robertson & Dean Schroeder**  
**"Ideas are Free"**

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# DIG – Dynamic Idea Generation

## The Supervisor's Role

1. To create an environment that encourages Ideas.
2. To help employees develop their knowledge and improve their problem solving skills, in order to increase the quality and impact of their ideas
3. To champion ideas and look for larger possible implications in them.



*Robinson & Schroeder, Ideas Are Free*

# Client Idea Form Example

## Dynamic Idea Generation (DIG)

What is the Problem?:

My idea is:

How does this help? (The Business Case):

Implementation Sequence:

Benefit/Savings (\$, Time, etc.):

Owner:

Date:

# Lean Ideas Posted for Weekly Review



# Lean Idea Example

## Lean Idea form in use at Virginia Mason Hospital.

**My Everyday Lean Idea**

My Name: Nancy Boone - Hill Date: 8 / 2 / 2006

Where I Work: Hematology / Oncology

**When should I write down my ideas?**

1. When I see a mistake being made in my work area
2. When the problem happens.
3. When something you do every day makes you think there is a better way to get the job done.
4. When you see ways to make Virginia Mason safer for patients in your work area.
5. When you see ways to make Virginia Mason better for you and your work team

**How can I use this tool?**

1. Complete an Everyday Lean Idea and get feedback from your team members if the idea will impact other processes. Who knows? Their input might make your idea better!
2. Try your Everyday Lean idea. Implement it if logical and then pick an idea coach to review how it went (see back). This could be a teammate or your supervisor.
3. Don't be discouraged if one idea doesn't work. Many times, several ideas are needed to find the right solution.

**Waste**

**Processing**  
Unnecessary processes and operations that are not necessary

**Motion**  
Unnecessary movement or movement that does not add value  
- Movement that is done too quickly or slowly

**Defects**  
Work performed, not done for inspection of  
- Defects in materials and processes  
- Customer complaints, repairs

**Transportation**  
Conveying, transferring, picking up and otherwise moving unnecessary items.

**Inventory**  
Maintaining excessive amounts of parts, materials, or information for any length of time.  
- Having more on hand than what is needed and used

**Overproduction**  
Producing what is unnecessary, what is unnecessary, and in unnecessary amounts

**Time**  
Waiting for services to be provided.  
- Time when your processes, people and machines are idle.

**Do you have this flow?**

**Do you happen to have any flows?**

**1. Here's the situation and problem it is causing**

- Remember, a picture is worth 1,000 words!
- Circle the types of waste involved
- What happens if you ask "why" 5 times?

- lost flows = lost chemo orders  
- can't find flows  
- different people looking for same flow throughout day  
- flows filed in wrong MD's file section  
- frustration by all

**Problems it causes:** NO flow for MD apply nurse needs to initiate new chemo orders; many people + many minutes spent looking for flows. Frustration for all

**2. Here's a description of my idea**

Make flow chart (laminated) of places flows hide for Reception, Business - keep in file room. (See enclosed)  
This provides a quick flow to follow which most staff learn by trial error over many months of searching.

**3. Here's how I tested my idea**

Make flow chart / flow diagrams for support staff to use. Diagram placed in flow file room + discussed at support staff meetings

**4. Here's the effect from trying the idea**

New staff members now have a tool depicting where flow could be so more flows found. Also used as a reference for established staff when flow missing.



# Expectations

***We get what we  
EXPECT, INSPECT,  
and RE-INFORCE.***

**All three are required for  
organizational discipline and high  
performance.**

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# ***Session Summary***

- 1. Employees want to do a good job and know how they are doing.**
- 2. Employees must have the training and knowledge to identify and solve problems in a fear free environment.**
- 3. The supervisor's role (at any level) is to be a coach to achieve #1 & #2.**

# TWI – Training Within Industry – WWII

## *Chris Lindstrom on Wednesday PM*

### • TWI Job Instruction

#### Prepare to Instruct

1. Have a Time Table
2. Break Down the Job
3. Have Everything Ready
4. Have Workplace Arranged

#### How to Instruct

1. Prepare the Worker
2. Present the Operation
3. Try Out Performance
4. Follow-Up

#### HOW TO GET READY TO INSTRUCT

##### *Have a Time Table –*

How much skill you expect the worker to have, and by what date.

##### *Break Down the Job –*

List important steps.  
Pick out the key points. (Safety is always a key point)

##### *Have Everything Ready –*

The right equipment, materials, and supplies.

##### *Have Workplace Properly Arranged –*

Just as the worker will be expected to keep it.

#### JOB INSTRUCTION TRAINING



[www.ceptara.com](http://www.ceptara.com)

KEEP THIS CARD HANDY

#### HOW TO INSTRUCT

##### *Step 1 – Prepare the Worker*

Put the worker at ease.  
State the job and find out what he/she already knows.  
Get worker interested in learning the job.  
Place in correct position.

##### *Step 2 – Present the Operation*

Tell, show and illustrate one IMPORTANT step at a time.  
Stress each KEY POINT.  
Instruct clearly, completely, and patiently, but no more than can be mastered.

##### *Step 3 – Try Out Performance*

Have worker do the job, correct errors.  
Have worker explain each KEY POINT to you as he/she does the job again.  
Make sure the worker understands.  
CONTINUE until you know, he/she knows.

##### *Step 4 – Follow Up*

Put worker on their own. Designate to whom he/she goes for help.  
Check frequently. Encourage questions.  
Taper off extra coaching and close follow-ups.

*If Worker Hasn't Learned,  
The Instructor Hasn't Taught.*

# Questions?



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