

# Lessons Learned from Arizona Lean Transformation – a Honsha Perspective

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# Agenda

- Honsha Introduction
- Arizona Lean Transformation – A successful example
- Arizona Department of Transportation transformation - Key Success Factors
- Q & A –
  - Kismet Weiss, Administrator - ADOT Office of Continuous Improvement



honsha™  
kaizen@work®

## Lean Business & Development

Lean Assessment  
Coaching for Implementation  
Trainer & Agent Certification  
Training & Workshops

"HONSHA's explanation is proof of Lean's  
simplicity & effectiveness."

- Carlos Roberto Lopes / BOSCH

"The HONSHA seminar revolutionized my thinking  
and approach to process improvement."

- Sarah Merkey / JP Morgan Chase



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Darril Wilburn  
Written by HONSHA Associates

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# Honsha Serves a Diverse Array of Industries



## Honsha - Our Mission

*“To develop capabilities within organizations so they can achieve excellence while utilizing their own resources”*



## State-wide Lean Transformation

- 2012 – Governor Brewer – Executive Order to create Government Transformation Office
- 2013 – 2014 - Project based lean work only
  - 8 agencies
  - 4 Lean coaches statewide
- 2015 – Governor Ducey – Kicked-off Lean Management System work in GTO
  - Executive Mission Measure workshops
  - Permit Project blitz
  - 2 waves of Permit projects
  - 23 agencies, 120 employees trained, 40 processes improved by about 60%

# State-wide Lean Transformation

- Arizona Management System title adopted
- **Mid – 2015** - 8 key agencies selected to receive focused consulting support
- Four consulting firms selected
- **December 2015** – Set transformation standards
  - Performance management
  - Problem solving
  - Leader behaviors
- **January 2016** – transformation of 8 agencies began

# State-wide Lean Transformation Status

- Monthly business reviews with Chief Darwin
- Quarterly participation by Governor Ducey
- **Today** - transformation effort expanded to 17 agencies
  - Honsha supporting transformation of 11 agencies

Department of Transportation	Department of Administration	Veteran's Services
Land	Forestry & Fire	Lottery
Gaming	Water	Industrial Commission
Liquor		Housing



# State-wide Lean Transformation - TODAY

- Performance measurement, agency scorecards, huddle boards, gemba walks implemented
- Cultural transformation led by leadership teams
  - Training and coaching
  - Cascading down through agencies
- Key value streams transformed through PDCA
  - Examples:
    - Motor Vehicle Division experience time 53% reduction
    - Infrastructure Delivery and Operations task order release process lead time 70% reduction

# Lessons Learned – Top 5 Key Success Factors

1. Supportive, engaged, and teachable Executive Leadership
2. Multi-dimensional transformation strategy
3. Phased implementation / execution
4. Build internal resource capability
5. Multi-modal, frequent communication

# Supportive, Engaged, and Teachable Executive Leadership

- Transformation leadership
  - Develop roadmap
  - Monitor and lead progress
- Engagement in the process
  - Create a shared vision
  - Role model and teach
  - Walk the talk – lead by example
  - Teach and cascade
  - Change management
- Strategy deployment - > Performance measurement

# Multi-dimensional Transformation Strategy

## MILE WIDE - Cultural Transformation

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Customer first  
Safety and security  
Mutual trust and  
respect  
Teamwork and  
communication  
Human development  
Leadership vision  
and execution

## MILE WIDE - Skill Acquisition and Practice

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Kaizen  
Standard work  
PDCA  
5S  
Performance  
measurement  
Visual workplace  
Gemba walks

## MILE DEEP - Value Stream Transformations

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PDCA of significant  
value stream  
Solve a chronic  
problem  
PDCA team – front  
lines  
Regular frequent  
meeting cadence

# Phased Implementation / Execution

Phase

Level

Activities

**Phase 1:**

**Learn, transform culture, provide vision and Align the organization**

Senior Management

Weekly monitoring and communication  
 Monthly kaizen culture training  
 Practices training and coaching  
 Implement, role model, and cascade  
 V.S. PDCA and Strategy deployment

**Phase 2:**

**Learn and transform culture, processes, & Systems**

Middle Management

Monthly kaizen culture training  
 Practices training and coaching  
 Implement, role model, and cascade  
 V.S. PDCA and kaizen

**Phase 3:**

**Do and Improve**

Front lines

**Kaizen & Standard Work**

# Phased Implementation / Execution

Priority "SP"- LEVEL 1 ADOT Lean Transformation			SP Owner	Kismet Weiss / Scott Omer															
			Last Updated	May 31, 2016															
			No Activity	Plan	On Track	At Risk	Behind												
This Year's Action Plan			"X"- Target Date	"C"- Completed															
Initiative(s)	Action Plans	Owner	J	F	M	A	M	J	J	A	S	O	N	D					
1.1. Establish Lean Leadership Team and process to lead the Lean transformation.	1.1.1 Select team members, meeting frequency, location, and format	Scott Omer		C															
	1.1.2 Meet weekly to discuss: status, activities, and challenges and to lead the transformation	Kismet Weiss																	
1.2. MVD mile deep lean transformation: For D/L Renewal, Duplication, and Issuance (excl. Road Test, Reinst., and Permitting) and vehicle Title & Registration (excl. bonded) achieve 28 minute experience time by 12/31/16 at MVD 51st Ave. Field Office	1.2.1 Identify value stream to be transformed	Kismet Weiss		C															
	1.2.2 Identify problem, select mile deep team members, establish meeting frequency and goal	Eric Jorgensen		C															
	1.2.3 Identify root causes of value stream problems	Eric Jorgensen												X					
	1.2.4 Develop and select countermeasures to improve value stream performance	Eric Jorgensen												X					
	1.2.5 Pilot countermeasures and check value stream performance results	Eric Jorgensen												X					
	1.2.6 Standardize process improvements and sustain results	Eric Jorgensen																	
	1.2.7 Train value stream leaders and team members in Lean tools	Eric Jorgensen																	
1.3. IDO mile deep lean transformation: Achieve Task Order lead time of less than or equal to 6 weeks with selected pilot projects begun in July / August 2016 and all projects begun in September 2016	1.3.1 Identify value stream to be transformed	Kismet Weiss		C															
	1.3.2 Identify problem, select mile deep team members, establish meeting frequency and goal	Steve Boschen		C															
	1.3.3 Identify root causes of value stream problems	Steve Boschen												X					
	1.3.4 Develop and select countermeasures to improve value stream performance	Steve Boschen												X					
	1.3.5 Pilot countermeasures and check value stream performance results	Steve Boschen												X					
	1.3.6 Standardize process improvements and sustain results	Steve Boschen																	
	1.3.7 Train value stream leaders and team members in Lean tools	Steve Boschen																	
1.4. Train and coach ADOT Leadership to utilize Lean methods and philosophies	1.4.1 Select leaders to be trained	Kismet Weiss		C															
	1.4.2 Determine training programs	Kismet Weiss		C															
	1.4.3 Schedule the training classes and coaching sessions	Kismet Weiss			X														
	1.4.4 Leadership team member training classes	Kismet Weiss												X					
	1.4.5 Leadership team member coaching sessions	Kismet Weiss																	
1.5. Create and communicate a robust and shared vision of Lean at ADOT	1.5.1 Leadership meeting on Feb. 2 and 3	Scott Omer		C															
	1.5.2 Conduct monthly leadership vision shaping sessions	Scott Omer												X					
	1.5.3 Communicate the Lean vision and implementation status to the ADOT organization	Tim Tait																	
1.6. Assess the status of Lean transformation	1.6.1 Develop the lean assessment tool	Heather Franek			X														
	1.6.2 Conduct the assessment	Heather Franek				X													
	1.6.3 Communicate the results to the Lean Leadership team	Heather Franek				X													
1.7. Performance Measurement	1.7.1 Define and implement the PM process	Melissa Wynn		C															
	1.7.2 Develop training material to teach the process to Leaders	Melissa Wynn			C														
	1.7.3 Complete process training	Melissa Wynn												X					
	1.7.4 Line of sight Alignment	Melissa Wynn																	
	1.7.5 Utilize the PM process to monitor and improve performance	Melissa Wynn												X					
1.8. HR Tools to develop the Lean organization and organization-wide HR strategies support the Lean transformation	1.8.1 Develop Lean organization structure, including job requirements / specifications, etc.	Kismet Weiss				X													
	1.8.2 Develop and implement Agency rewards and recognition strategies that align with Lean behaviors	Mary Currie												X					
	1.8.3 Develop and implement Agency job requirements / specifications, employee selection, and promotion criteria.	Wendy Brazier												X					
	1.8.4 Develop and implement Agency employee performance evaluation (MAP)	Wendy Brazier												X					
	1.8.5 Develop and implement a New Hire Orientation and Onboarding process to align with Lean	Mary Currie												X					
	1.8.6 Develop a redeployment strategy for people in processes that are reduced or eliminated	Wendy Brazier												X					

## Phase 2: Schedule thru Dec 2016

Project 2 - 1515 ADOT Phase 2		Sep 2016				Oct 2016				Nov 2016				Dec 2016				
Class	Week of:	9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26
	Monthly Meeting - Wave 1				X						X							X
	Monthly Meeting - Wave 2																	X
1	Kaizen Training		TD 15,16		TD 20				TD 26,27									
	Kaizen Coaching & Implement																	
2	Performance Measures, Visual Huddles (PM, VPM&TH) Training PM, VPM&TH Coaching & Implement						TC 11,13,14						TD 15,16					TD 13,14,15
3	Leader Standard Work (Gemba Walks / 1 on 1 coaching) (LSW/GW) Training LSW/GW coaching & implement												TC 14,15,16					
4	5S / Workplace Organization (5S/WO) training 5S/WO coaching implement																	TC 12,13,14
5	Standard Work and Visual Process Adherence (SW&VPA) training SW&VPA coaching & implement																	
6	PDCA training and Mile Deep Project																	
	Apply PDCA to Mile Deep Projects																	
7	VSM & Process Kaizen training																	
	Coaches Coach 3 People One Hour per Week																	

# Build Internal Resource Capability

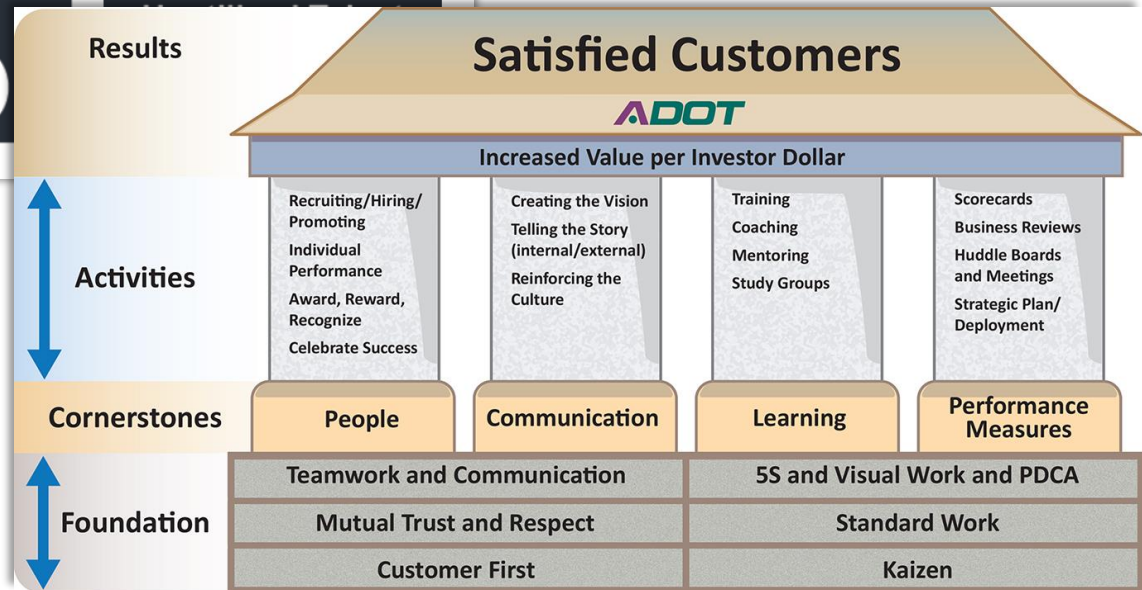
- Transformation leadership and support, i.e.
  - Government Transformation Office
  - Office of Continuous Improvement
- Consultants as transformation architects, trainers, and coaches
- Identify lean leaders and trainers during transformation
- Consultants train internal trainers and coaches

# Multi-modal, Frequent Communication

- Leadership cascading
- Weekly Director – “Shout out” recognition
- Share transformation activity and successes
  - Monthly leadership meetings
  - Weekly lean transformation huddles
  - Annual conferences
- Intranet –
  - Subject resources for deeper learning
  - Videos and transformation status updates
- Visual workplace: “Is transformation taking place?”
  - Use halls, walls, and media



# Make the Transformation Your Own



# Questions and Answers

Kismet Weiss, Administrator ADOT  
Office of Continuous Improvement

