

University of Washington Finance & Facilities

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Senior Vice President

Lean at UW Finance & Facilities

Implemented Lean across 61% of our Finance & Facilities or “F2” workforce—

- Over 725 of our 1,350 employees are participating
- Over 80 employees from other campus units are members on our teams or used us to launch their own teams
- Targeting 82% of our workforce by 12/31/12

The 3-day Launch and Value Stream Mapping

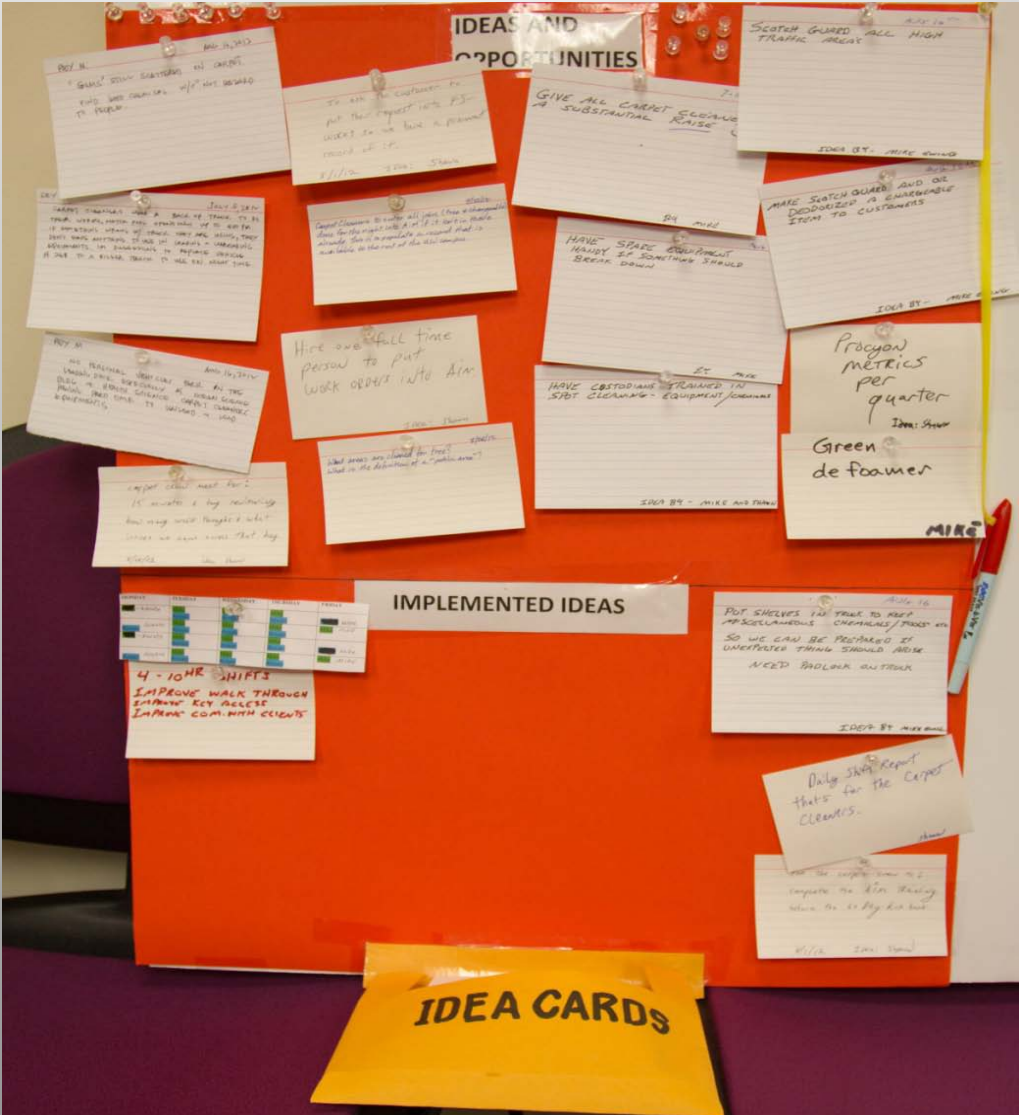




A 90-Day Improvement Cycle Board: the Carpet Cleaners



Carpet Cleaners: First-Stage Idea System



Parking Operations: Huddles at the Visual Board



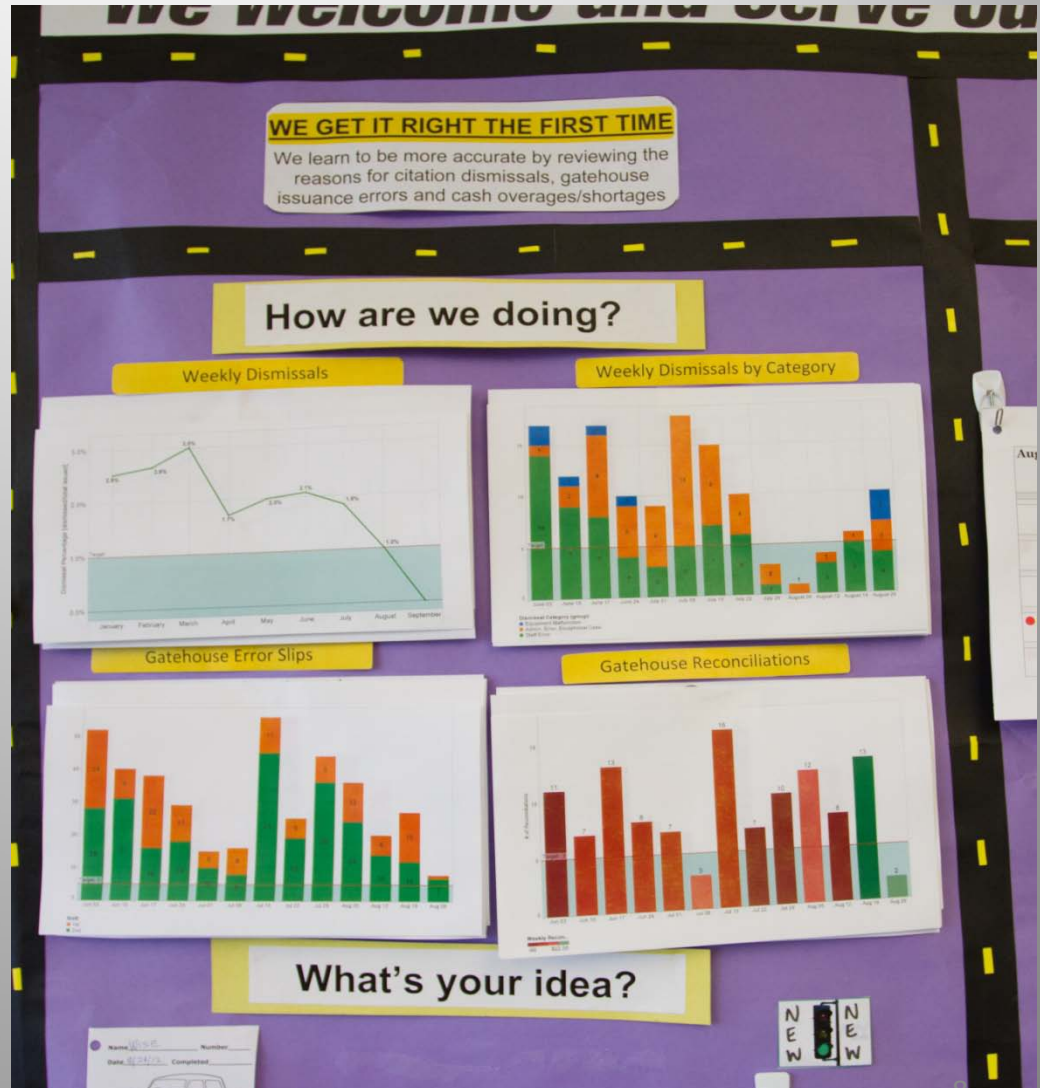
Parking Operations: 4 Key Systems

Deploying Strategy (Goal):
“We get it right the first time”

Seeing the gap: visual management

Daily Kaizen: improvement
through ideas tied to gaps

Standard Follow-Up = We
Gemba at the board, with the
team



Procurement: One Goal; Many Drivers

GOAL: 85% OF ADDRESSABLE SPEND COVERED BY CONTRACTS

Fit	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
68%	68%	70%	71%						

SCREENING PROJECTS - WAVE I

SPEND: MPE - \$1M - IMPACT 1%
 CAREING - \$1M - IMPACT 1.1%
 EVENT ROOM - \$1M - IMPACT 0.2%
 HOTELS - \$1M - IMPACT 0.7%
 SERVER - \$2M - IMPACT 0.4%

TOTAL - \$4.7M - 2.4%

PROCESS: MPS - \$1M - IMPACT 0.2%
 CONTRACTS - \$1M - IMPACT 0.2%
 SERVER - \$1M - IMPACT 0.2%

SOURCING PROJECTS - WAVE II

SPEND: AV - \$1M - IMPACT 0.2%
 OPTICAL - \$1M - IMPACT 0.8%
 ANNUAL - \$1M - IMPACT 0.3%

IT LEASING - \$1M - IMPACT 0.3%

Impact on Col. Rel. Spend

6/12	8/12	7/5	7/12	7/19
65.9	67.9	68.5	69.4	70.6

4.6%

CONTRACT MGMT SYS

	2009	2010	2011	2012
TOTAL	12	1	18	53
Master	11	0	9	47
Campus	4	1	7	14
Procurement	5	7	35	42
Diverse	1	2	16	45

DATA SET Skills To Allie

TYPE I	24	24
7-28 PAB	24	24
TYPE II	91	52
28-43 DAYS	91	52
TYPE III	68	237
68-70+ DAYS	68	237

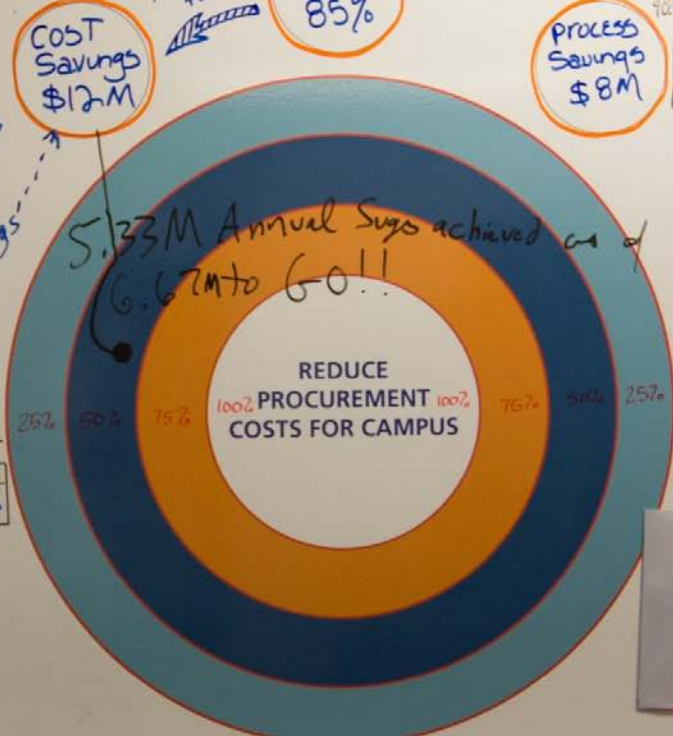
PROCUREMENT SERVICES LEAN TARGET

58% covered spend (\$322M (2010))
 85% covered spend (\$471M (2012))
 Δ = \$149M
 8% Savings
 \$12M Savings

translates to **Collected Spend 85%**

REDUCE CAMPUS COST FROM 2.99 TO 1.5 (HACKETT) (% of \$ spend)

process Savings \$8M



Phase III BoM Project

Increase # Suppliers w/BoM

Milestones:

- 1- Ricoh / Ikon - 9/10
- 2- Movable Feast - 9/10
- 3- Sharp Electronics - 9/10
- 4- Oregon Health & Science Univ - 9/10
- 5- Group Health - 9/10
- 6- Childrens Hosp - 9/10

OUTREACH & COMMUNICATIONS

APPROX OUTREACH % SPEND CHANGE	TRAIL
CPA BOARD	+36% +72%
PAS	0% +6%
CONTRACTS	-2% +16%

IDEAS-

new 25 in process 12
 complete 15
 parked 6
 # Employees Submitting Ideas 24

procurement Catalogs

Future	Spend	Inventory
6-11-12	1,111,111	531 35
Best Buy	4,713	577 37
Amazon	437,491	1,315 104
Walmart	1,526,641	579 74
Best Buy	892,591	183 68
Furniture	29,340	55 167

Total 2,001,216 30% 250

Alpha Testing: Total Orders 102
 23 m.e. 24 26% 55 Simple

Beta Testing - Sept 5-12

Pilot - Sept 28 - Oct 19 (Production)

REDUCE # ORDERS PROCESSED VIA PAS

Week ending: 9/5 9/12 9/19

Efficient	2	10	6
Non Catalog	70	41	62
Non PO	17	14	27
Contract	0	17	10
Contract System	0	0	0
Non Catalog	0	0	0
TOTAL	87	72	100

Aug 12	6,525	6,944	922	5,130	741
Aug 1-17	2,472	2,127	20	1,928	84

of Manual payments through PAS

TOTAL	AMOUNT	# PAYS
8,311,272	\$3,111,272	6,699
1,111,111	\$1,111,111	103
2,222,222	\$2,222,222	21
3,333,333	\$3,333,333	49
4,444,444	\$4,444,444	9
5,555,555	\$5,555,555	1,540

Procurement Customer Service: Meeting Daily Demand



Creative Communications: Mailing Services at the Board



Creative Communications' Goals

Increase Revenue in FY's 12 by \$1M

(8.9% increase)

Monthly

% variance to last year



YTD

% variance to last year

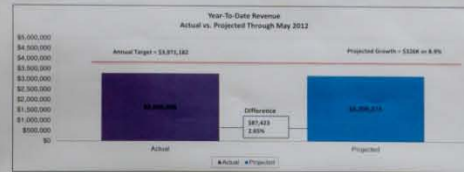
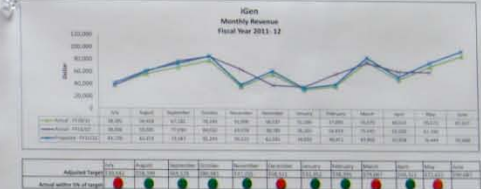
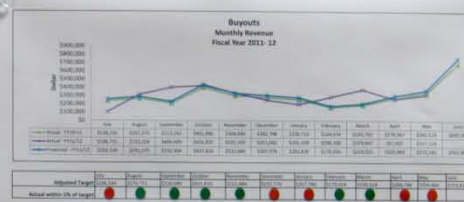


Increase in Revenue from Last Year
 \$440,690
 ↑ 4.58%

Creative Communications
 Revenue Status
 Year-To-Date
 Actual vs. Projected Through May 2012

Unit Revenue Goals for FY '12:

C2



Month May
 What happened: Buyouts open from 5/1 - 5/22
 Gross revenue = \$447,837
 Actions to be taken: Will bill in June - will not hit target of \$761,908 at this rate

Month June
 What happened: Have conducted 8 outreaches
 1:1 June 13
 Actions to be taken: Perform additional outreach to push for more work

Month Mar
 What happened: good volumes in March - projected for strong revenue. Record work hit in volume
 Actions to be taken: Market for our clients - V.D.

Month April
 What happened:
 Actions to be taken:

GCA—Morning Huddle



GCA—Daily Focus

<p>LAUNCH PAD <i>1 BUSINESS DAY TURN AROUND</i></p> <p>DAILY GOAL 95 DAILY ACTUAL 62 GAP / EXCESS 33</p> <p>REASON WHY: Laptop training</p> <p>ESCALATION (IF NEG. STATION BACKUPS HAD MEETINGS!)</p> <p>CELEB: DOING TRAINING TO PULL IN HELP!</p>	<p>CLOSING</p> <p>DAILY GOAL 30 DAILY ACTUAL 3 GAP / EXCESS 27</p> <p>REASON WHY: HELP IS ON THE WAY!</p> <p>ESCALATION (FINE)</p> <p>DEFICIT: 17 ENCS: 11 OPEN INVS: 33!</p> <p>EOM GOAL: 411 TO GO:</p> <p>CELEB: CLOSING HAS HIT THE WALL. PASSED INFO TO LEADERS.</p>	<p><i>Weekly update - Tuesday</i></p> <p>Aged Receivables >150 days</p> <p># invoices 485 Goal: -25/week Actual:</p> <p>GAP / EXCESS 90</p> <div style="border: 1px solid black; padding: 5px; display: inline-block;">DO NOT ERASE</div>
<p>REPORTING</p> <p>DAILY GOAL 20 DAILY ACTUAL 6 GAP / EXCESS 14</p> <p>REASON WHY: Lots in Review</p> <p>ESCALATION (IF NEG. 27 bids waiting 4 Deptz 7 out of 40! (Filing Grants) Response</p> <p><i>Celebrating - Touched All Training Grants Have Templates For Grant Tracker</i></p>	<p>GRANT ANALYSIS Daily Goal: 95% response rate within 24 hrs</p> <p>CALLS RECEIVED: 27 100%</p> <p>EMAILS RECEIVED 84 92%</p> <p>GRANT TRACKER 46 98%</p> <p>BACKLOG GT (Pending) 1 ↑</p> <p>EMAIL 9 ↑</p> <p>REASON WHY: DOWN PEEPS, HIRING TEAM</p> <p>CELEB: AGED RPT. Updated Mondays</p> <p>TOTAL INCOMPLETE 72 ↑</p> <p>GT REQUEST - Report out weekly</p>	<p>Subtotals: # \$</p> <p>Cash team 2009-2012 + 407 \$3.3M</p> <p>Invoice issues ↓ 30 .2M</p> <p>OSP followup → 7 \$1M</p> <p>Manager followups ↓ 9 .1M</p> <p>PI followup ↓ 32 .1M</p> <p>TOTAL: 485 \$4.7M</p>
<p>REFUELING</p> <p>DAILY GOAL 14 DAILY ACTUAL 13 GAP / EXCESS 1</p> <p>REASON WHY: need to reverify info from GFA celebrating folder clean up / streamline process within Refueling</p> <p>ESCALATION (IF APP)</p>	<p>WEEKLY IDEA SUMMARY updated Fridays</p> <p># OF IDEAS GENERATED: 28</p> <p># OF IDEAS IMPLEMENTED: 32</p> <p>GAs completed 11 ideas!</p> <p>Managers completed 10 ideas!</p>	<p>SUSPENSE <i>GOAL= NO ITEMS > 30 DAYS</i></p> <p># items : 229,] OVER 30 DAYS ONLY</p> <p>Daily Goal : 2</p> <p>Daily Actual : 3</p> <p>GAP / EXCESS 2</p> <p>Subtotals</p> <p>Launch Pad 0</p> <p>Refueling 83↑</p> <p>OSP 0</p> <p>TOTAL Cash Team 2009-2012 302 \$6.1M</p> <p>2.0</p> <p>closing items</p>

Why it Matters to Us...

We believe Lean is reshaping our culture, making things work better by:

- Engaging employees
- Removing complexity and waste
- Facilitating collaboration
- Fostering ownership
- Expanding transparency
- Helping faculty and students reach their goals