

# *Sustaining Lean and Creating a Culture of Continuous Improvement in Public Sector*



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# *1. Lean and Continuous Improvement*

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# *Lean and Continuous Improvement*

Lean is...

A business philosophy based on the  
fundamental goal of continuously  
minimizing waste and maximizing flow...

How do you sustain a Lean culture and a new way of working?

## *Key issues in Public Sector today*

- Limited funding/budgetary constraints
- Demographic changes – can't easily replace people leaving
- Need for operational excellence/efficiency
- Focus on core and devolve non-core services
- Need to work across organizational boundaries to improve services and find efficiencies
- Cost reduction
- Increasing regulations and risk
- Greater transparency on expenditure and outcomes
- Increasing demand for services
- Employees at all levels need to be engaged in service delivery improvement
- Strategic culture change – need for culture of continuous excellence

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## *How Lean addresses these issues*

- Removes wasteful work from processes
- Allows an organization to impact culture – create a culture of continuous improvement and customer value
- Better utilize resources
- Enhances transparency and measures results
- Allows new capacity to be created
- Encourages senior managers to focus more on how work is getting done



**Lean creates an engaged workforce,  
drives simplification and focuses on  
providing value to customers**

# Why Lean and Continuous Improvement fail?

1

*Perceived as a short-term program*



- Restructuring approach, results left for tomorrow
- No patience
- No dedicated resources
- No vision or targets

2

*Missing leadership*



- Visible management and staff division
- Lack of support from management
- Assistant cares with part-time for lean

3

*Introduced as a management hype*



- No clearly defined targets
- Consequences not enforced
- No clear answer on how to handle over-staff tomorrow

4

*Focus on tools only*



- No dedicated team
- Insufficient team qualification
- Disconnect between tools and employees adopting Lean mindset

5

*Fight symptoms instead of root-causes*



- Solve problems with “more people”
- Resistance against transparency
- Lack of focus on human factors
- Firefighting for temporary solutions

# Effective Lean & Continuous Improvement (CI) capability building starts from the top



## Lean & CI thinking and acting begins at management level

Leaders that exemplify Lean philosophy

Foster and celebrate performance



## Lean & CI thinking is aligned to the whole value stream

Identify key improvement priorities

Cover all areas and interfaces

Long term step-by-step journey



## Lean & CI stands for going on the ground and “learning to see”

Respect, encourage & challenge employees

All staff exemplify Lean philosophy

Foster a long term collaborative environment



## Lean & CI means to emerge employees as problem solvers

Learning organization

Deep understanding of processes

Prioritize and fact-based decision making



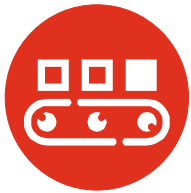
# *Sustainable Lean and Continuous Improvement*

Mature Lean organizations have built their Lean and Continuous Improvement capability along four quadrants



# *Sustainable Lean and Continuous Improvement*

- Clearly defined **Lean roadmap**
- **Continuously improve** established processes
- Regular **waste analysis and elimination**
- Periodic **process improvement workshops**



Processes

Knowledge,  
Skills &  
Behaviour

- Clearly understand corporate **Lean strategy and vision**
- **Continuously seeking and eliminating waste**
- **Openness to change** and trying new ways of working
- Systematically coordinated **Lean training** at all levels



# *Sustainable Lean and Continuous Improvement*

- Easily accessible **Lean toolbox**
- Adherence to **defined standard work procedures**
- Active use of **visual management**
- **Processes closely monitored**, controlled, and actively rectified



## **Tools & Systems**

## **Organization**

- **Clear understanding of roles and responsibilities** across all levels to drive sustainable improvements
- **Cross-functional organization** to enable full integration of Lean for all employees



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## ***2. Lean Management System – Making the change stick***

# ***PwC Lean Management System***

***Our unique solution targets changing the mindsets and behaviours of staff to enable sustainable performance improvements***



## **New Behaviours**

- Management and leadership visibility and presence
- Team leader coaching and driving team performance.
- Team member control and responsibility



## **Management Systems**

- KPIs, performance boards, performance reviews, competitions, recognition, vision, coaching, training, work load balancing



## **Effectiveness**

- Understanding the quality of the work that is done, getting things right first time



## **Efficiency**

- Managing capacity and removing the unnecessary parts of the process to reduce the time taken to respond to clients and improve service levels

# *A behavioral change methodology which delivers 4 outcomes in a team culture...*



# Need to optimize what managers do, how they do it, and the tools they use...

## Typical Challenges

### Complexity in how we work

*"We seem to have measures for everything – I don't know what's important. Our processes are out of date and overly detailed, so nobody uses them. We get lots of reworks"*

### Disengaged Workforce

*"I'm not sure how I impact our department's performance and there isn't an agreed way of doing things. I'm not motivated by my line manager"*

### The Blame Game

*"If only the front office would send us the right information, they just don't understand"*

### Fire-fighting

*"I work long hours fixing the latest issues. Going from meeting to meeting, it never seems to stop"*

## New Way of Working

### Simplicity in everything we do

*"We have a **small number of KPIs** which we constantly review. Following simple processes helps us **do things quicker and right first time**"*

### Engaged Workforce

*"I know what is required of me on a day-to-day basis and can see how it impacts my department. We follow **standard processes** and I am regularly **coached** by my line manager"*

### Working together

*"Our **daily huddles** help us to **quickly see problems**. We raise these as a team and work together to resolve them at our level. We are now much more of a team"*

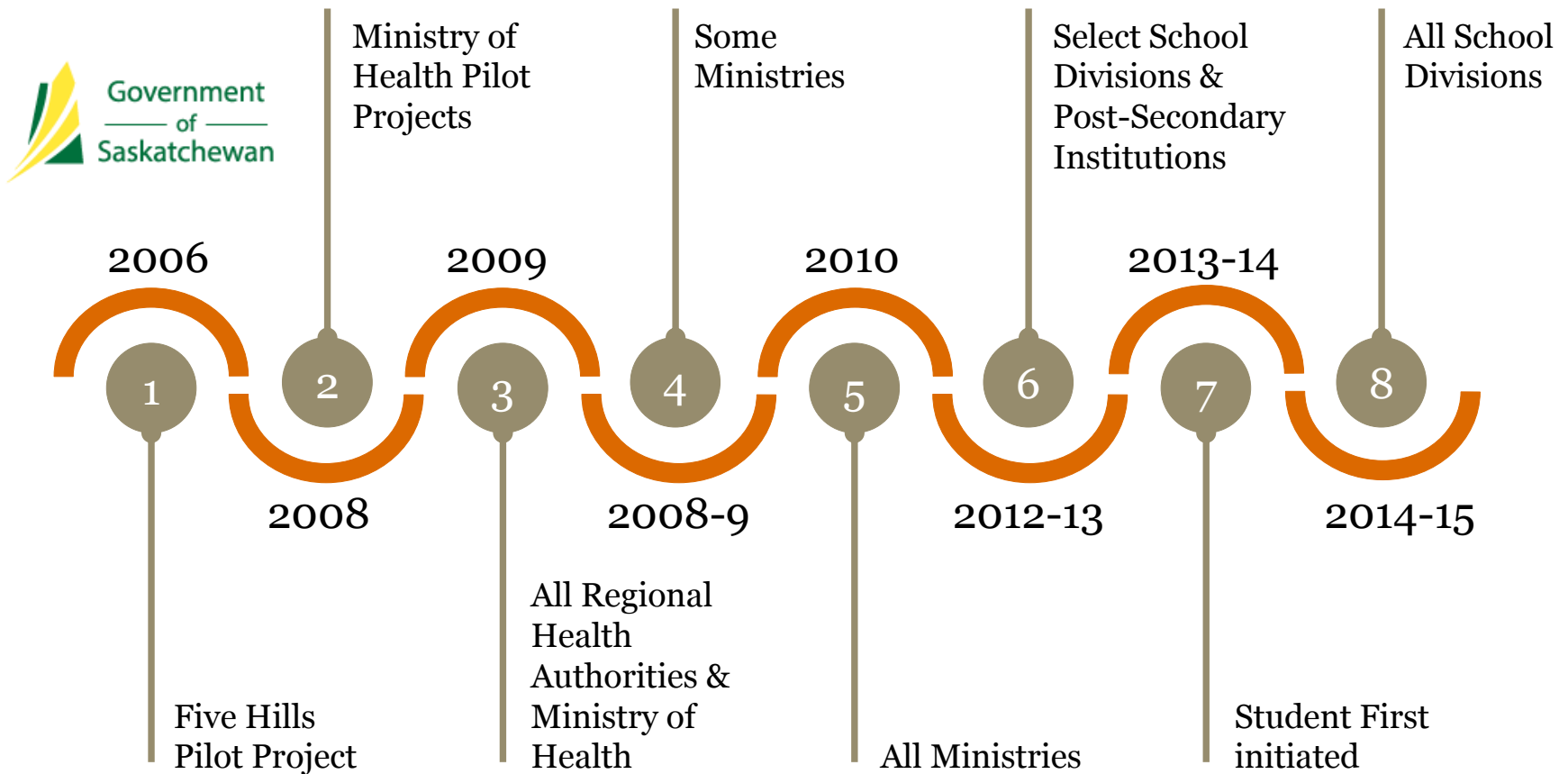
### Active Management

*"I understand issues before they occur because of increased **visibility of performance** and control at the business line. I now have time to visit sites to see for myself"*

# *3. Sustaining Continuous Improvement – Case Studies*



# ***Case Study 1 – Government of Saskatchewan – first government in Canada to implement Lean government-wide***

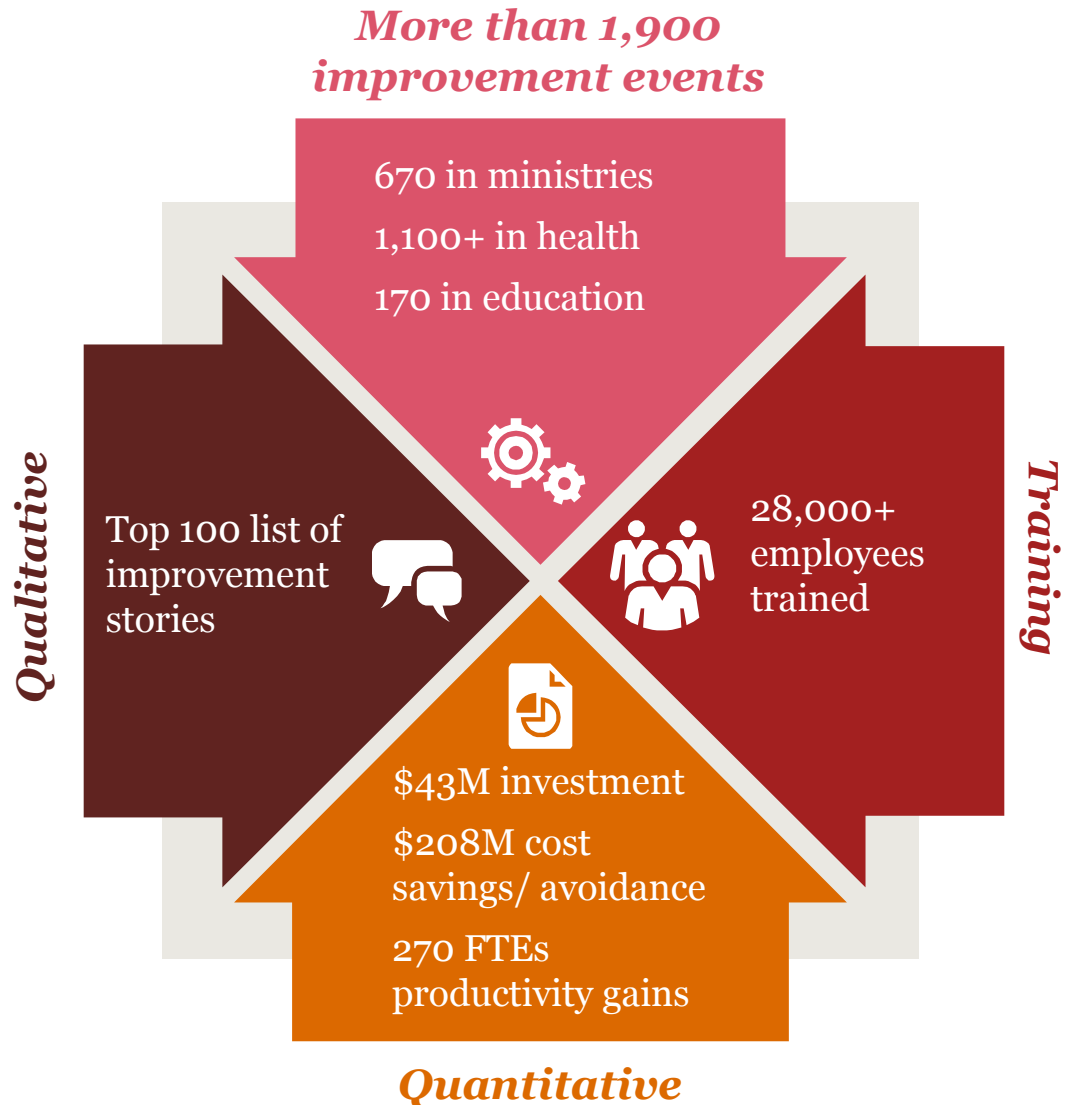


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## ***For Saskatchewan, it was all about...***

- Client Service – improve value for the customer
- Efficiency – minimize waste, increase productivity
- Safety – enhance safety for customers and employees

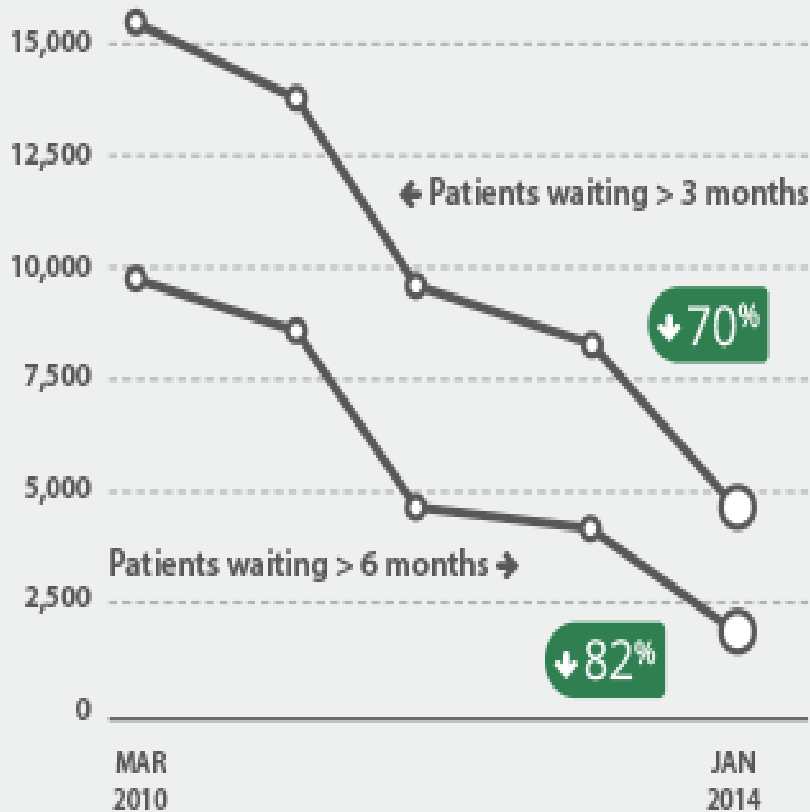
# Results...



# PROGRESS

## Surgical Wait Times

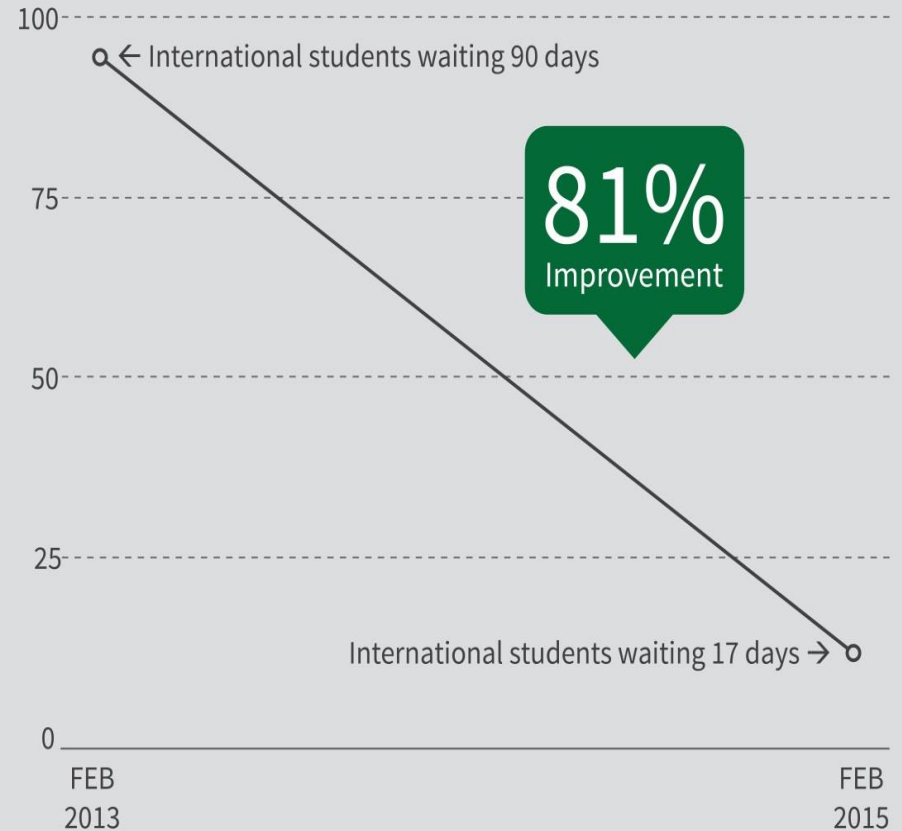
As of January 31, 2014



# PROGRESS

## Sask Polytechnic International Student Registration Process

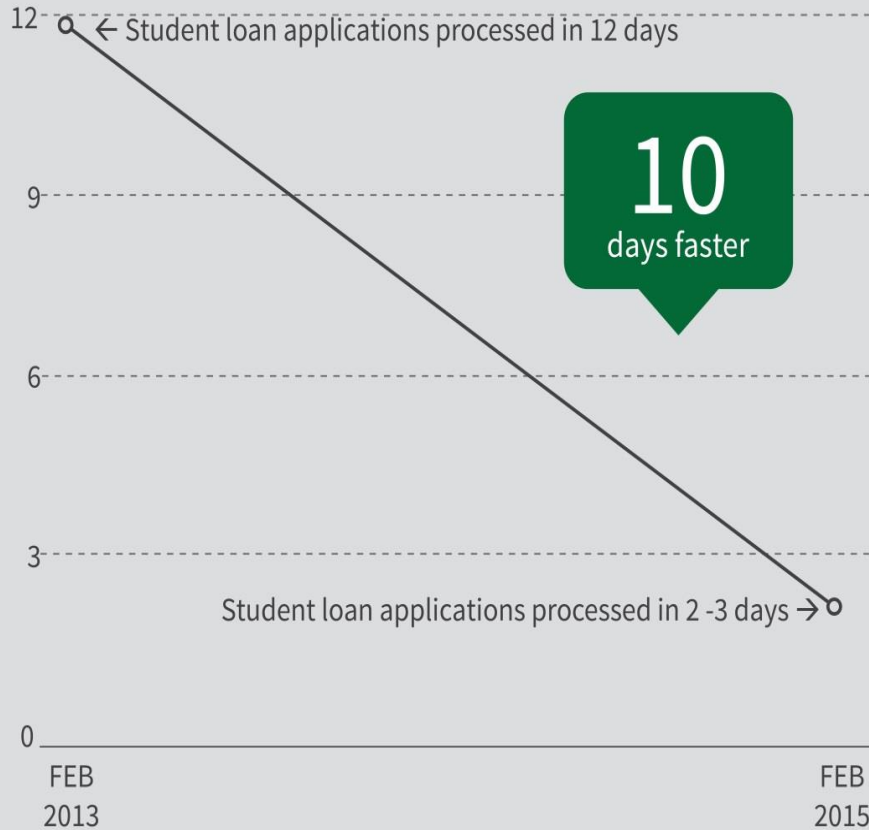
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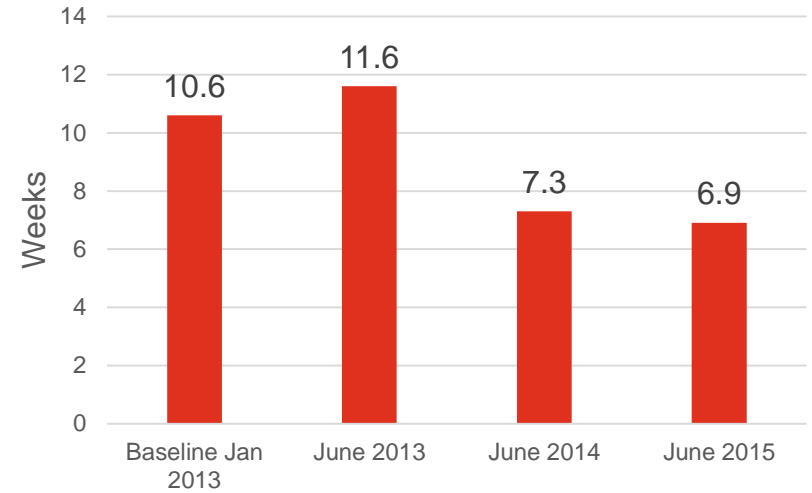
# PROGRESS

## Student Loan Application Process

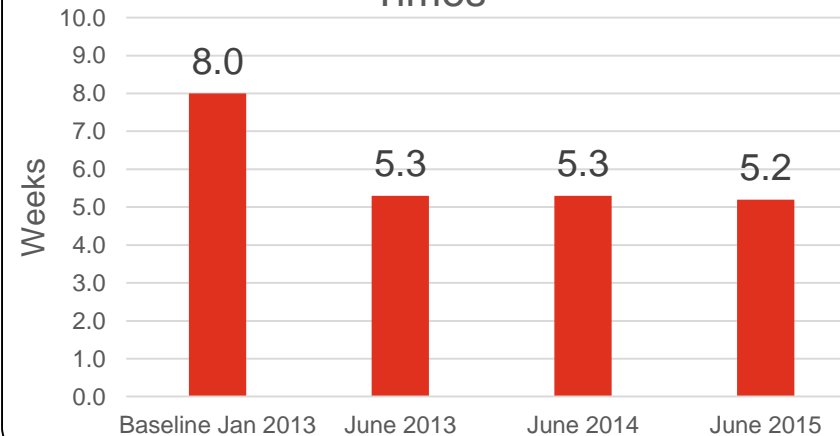
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## Psychology Cycle Times



## Speech/Lang Path Cycle Times



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*We work smarter, not harder, and the  
more we work with Lean, the more  
improvement we see.*

*- Saskatchewan Government Employee*

# Case Study 2 – Healthcare Facilities Management

## Client Challenge

- Increasing work order backlog – impacted customer service expectations of the clinical partners, patient care and the stewardship of the physical assets
- Rising levels of customer complains
- Demand and preventative maintenance requirements exceeded capacity to deliver

## Our Approach

- Increased **leadership visibility** at the shops to proactively lead their teams and walk the floor
- Improved **two-way communication** and provided staff with the opportunity to regularly **identify and develop solutions** for existing challenges
- Increased individual and teams' performance **accountability** using **visible targets**

## What Was Accomplished

**72%** increase in average daily preventative maintenance work order completions

**29%** improvement in average number work orders completed per week

**42%** reduction in total work order backlog

**2 – 3 FTEs capacity gain**

*“I noticed an immediate increased level of communication among members of the group at the morning huddles and a sense of ownership as their problems and ideas were heard.”*

*-- Maintenance Manager*

# Case Study 3 – Driver Licensing

## Client Challenge

- Backlog of road test appointments
- Long customer wait times at Driver Licensing Offices
- Large volume of transactions
- Lack of capacity to handle additional volume

## Our Approach

- **Aligned capabilities**, identified skill gaps and drafted targeted training plans
- **Standardized the work** across the teams
- Provided tools to **identify problems** and developed solutions that **addressed the root causes**
- Provided **visibility into key performance measures** giving teams daily insight to respond to customer changes in real-time

## What Was Accomplished

- **33%** decrease in average customer wait time from 17 minutes to 11.4 minutes
- **60%** reduction in processing variability for transactions, resulting in consistent customer experience
- **30%** increase in operational capacity
- **13%** increase in Driver Examiner productivity

*“Morale is higher than it has been in a long time. My manager used to spend all of his time behind his computer; now I actually see him” -- Team Member*



# Case Study 4 – Transit authority

## Client Challenge

- Lack of sufficient procurement management and staff capacity
- Managers had limited visibility of the work being executed
- Significant stakeholders complaints
- Problems were rarely fully solved with work-arounds continually being implemented

## Our Approach

- Trained managers to **proactively lead their teams** and increase daily managerial **visibility**
- **Designed and implemented capacity management tools** to balance workloads and resources across individuals
- Developed a **supportive team dynamic**
- Supported **knowledge transfer** and planned next steps to facilitate the ongoing benefits realisation of the transformation project.

## What Was Accomplished

- **22%** increase in overall productivity
- **43%** decrease in backlog
- **23%** increase in handle volume

*“The Lean Management System we implemented with PwC’s support has drastically improved the way we do business”*

*-- Director Procurement Transformation*

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# *Thank You*

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