
Lean in Government

**Integrating Lean tools and a Lean Management System in
the Federal Government**

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Disclosure Slide

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Objectives

- Understand basic definition of Lean
- Understand the need for implementing lean thinking in a federal agency
- Learn concepts of Lean basic thinking
- Discuss the implementation strategy and challenges

Lean Thinking is a set of principles and techniques, (some call tools), used to create and deliver the ***most value*** from the ***customer's perspective*** while consuming ***the fewest resources***, and by **engaging people** in ***continuous problem solving***.

Lean Thinking



“From a senior leadership level perspective I’m committed to [referring to Lean] this work. I’m committed in the long term.

I think it’s our only path forward given we have a reality that we have resources that are constrained and work that continues to expand and so the way to approach that is for more effectiveness, efficiency and improvement.

So that is what we do.”

**- Patrick Conway, MD, CMS Deputy Administrator for Innovation and Quality
(Gemba Academy Video, 2016)**

Why Lean in Government?

The budgets are decreasing

...while service levels and demands are increasing

The government brain-trust is retiring

...with more demands on the system with less capacity

Our customer expects and demands higher quality

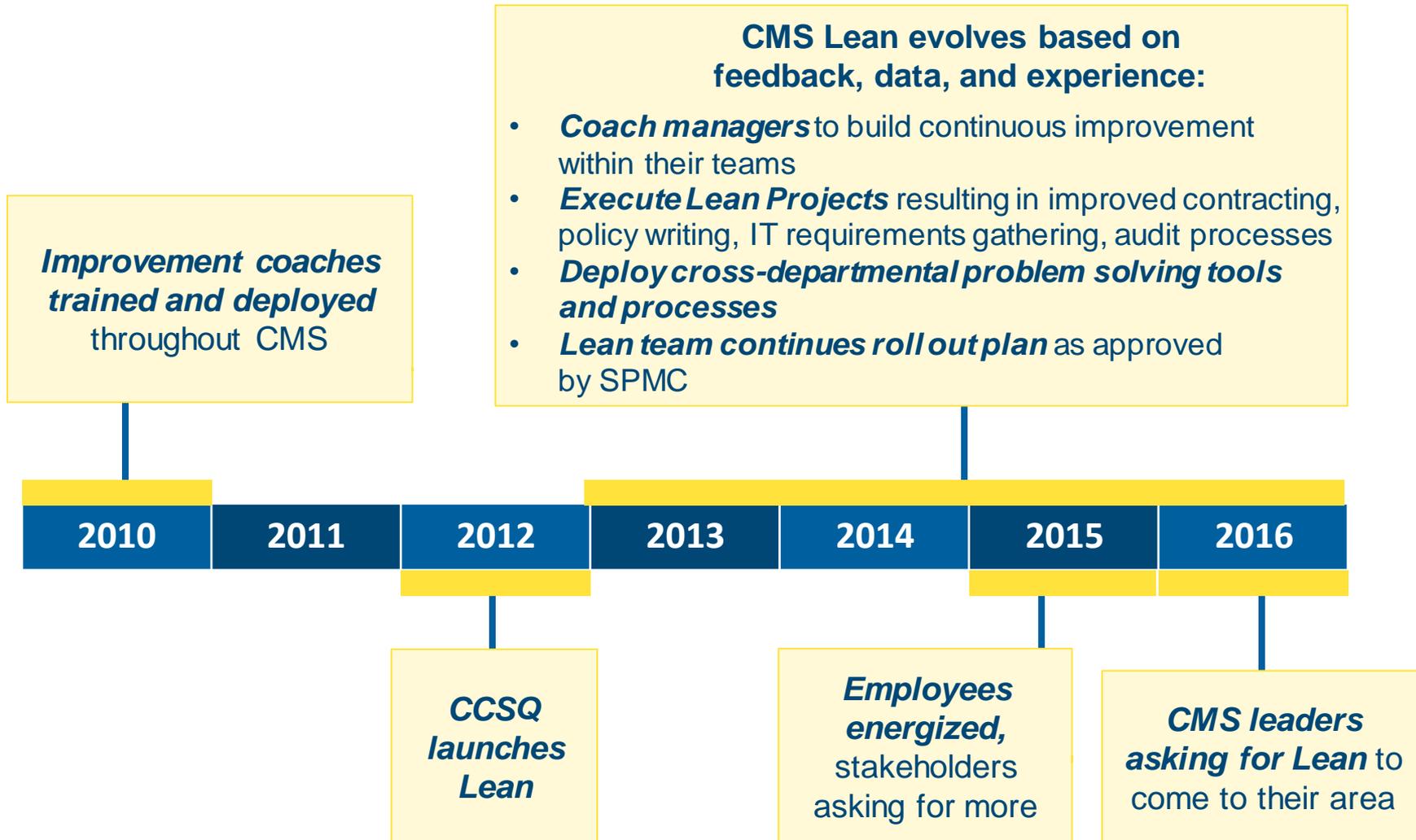
... with easier access and simpler processes

We must become better stewards of taxpayer dollars

Why Lean

- We are ***expanding our portfolio of services to a growing number of customers and we must deliver high quality services within increasingly constrained budgets and with limited staff .***
- ***We can anticipate an increased and different workload and need to be prepared to meet these new challenges from a position of strength.***
- As a result, we are:
 - Examining the way we do business to find more ***efficient ways to deliver services and eliminate waste*** (e.g., unnecessary process steps) to meet the increasing demands facing the Agency
 - ***Committing to continuous process improvement*** by applying Lean tools and thinking as a common mindset to work smarter and better to serve the American public

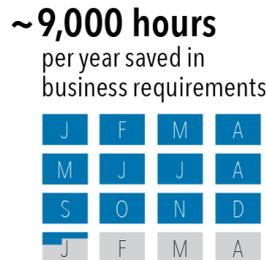
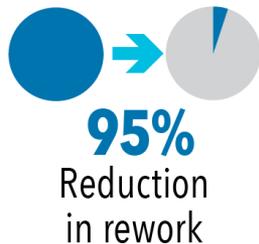
Lean Implementation Timeline



Sample of Lean Successes – CCSQ Case Study

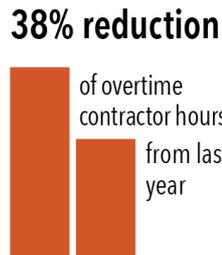
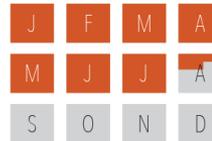
“ I was able to keep my workload between 40-50 hours/week as opposed to the 80-hour weeks I had last year related to the reconsideration review and decisions. ”

Fed Biz Lean Results CCSQ-IS GROUP EFFICIENCY

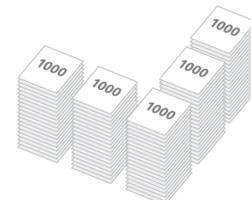


CCSQ Kaizen Results BUSINESS REQUIREMENTS KAIZEN

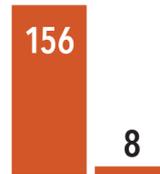
Yearly time savings of
~5,360 hours/year
from meeting reductions



Total savings
of at least
\$650,007
and growing



Eliminated the printing of
95,000 pages/year



95% reduction in
Post-Implementation
Change Requests

Yearly time savings of
~3,395 hours/year
from the reduction of
change requests (RCRs)



Improved User Experience due to more feedback and quicker response to feedback

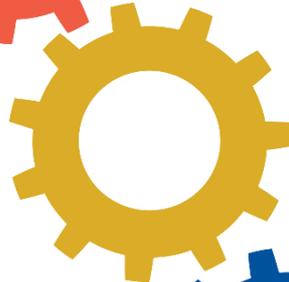
Guiding Principles

The Ultimate Behaviors – Guiding Principles



Align

- Create Value for the Customer
- Think Systemically
- Create Constancy of Purpose



Enable

- Lead with Humility
- Respect Every Individual
- Continuously Learn



Improve

- Seek Perfection
- Embrace Scientific Thinking
- Assure Quality at the Source
- Focus on Process
- Reduce Variation

Align Principles

Create value for the customer

Value must be defined through the lens of what a customer wants and is willing to pay

Create constancy of purpose

Clearly communicate the direction and purpose of the organization to all. Set goals that are connected to the organization's overall goals.

Think systemically

Think about how and why components work together across the organization and the impact of our individual area/department on the whole.

Enable Principles

Lead with humility

Seek input, listen to understand, be open to new ideas, and continually learn. Once we think we have all the answers...we will have failed.

Respect every individual

Foster the continuous development of skills & talents in people to create an environment where individuals are actively engaged in improvements. Provide a safe environment physically & emotionally. Knowledge-flow is one of the most significant competitive advantages.

Improve Principles

Focus on the process

Focus on problem-solving efforts to improve processes, not on blaming people.

Embrace scientific thinking

Seek facts and use data to continuously experiment, learn, improve, and achieve desired outcomes. Failure increases our knowledge, too.

Flow & pull value

Challenge our existing processes to flow value to our customers. Talk with our customers and streamline upstream & downstream steps

Understand & manage variation

Always look for ways to reduce variation and make work more effective and efficient. Focus on finding root cause, removing variation and improving standard work.

Seek perfection

Constantly seek ways to improve our systems and processes and challenge the status quo.

5 Core Principles

- Identify Customer requirements and expectations
- Identify the value stream for each product providing that value and challenge all of the wasted steps currently necessary to provide it
- ***Make the production flow continuously through the remaining value-added steps to produce the output of the product***
- Introduce pull between all steps where continuous flow is possible
- Manage toward perfection so that the number of steps and the amount of time and information needed to serve the customer continually decreases

A New Way of Thinking about Leadership

Traditional Leadership	Lean Leadership
Local optimization	Overall system optimization (by reducing waste)
Standards limit creativity	Standards enable continuous improvement, involve being creative, and enable innovation
Hide the problem	Make the problem visible
Improvements identified by Management	Improvements identified by empowered workers
Experts & specialists solve problems	Community of problem solvers
Leader is a boss	Leader is a coach
Have an improvement event	The way we think and work everyday
Train everyone	Learning by doing
I've seen this before...I know the answer (jump to solution)	Grasp the situation with Lean Tools
Celebrate the BIG wins	Celebrate little wins everyday

Application of Common Methodologies

- Value stream mapping
- A3 thinking
- Root cause analysis (5 Whys)
- 5S (organizing work flow)

Sustain and Improve the Work

- Management Systems
- Leader standard work
- Visual management
- Performance Metrics

Lean Academy

Lean Basic
Thinking

Fed Biz Lean

A3 Thinking

Coaching for
Improvement

Visual
Management

Strategy
Deployment

Lean
Problem
ID for
Managers

Barriers to Implementation of Lean in Government

Barriers	Mitigation Strategies
Lean efforts <i>not tied to a broader strategy</i> and are seen by employees as a short-term/one-off initiative	<ul style="list-style-type: none"> • Ensure Lean deployment is driven by cohesive strategy that aligns to agency mission and strategic priorities • Develop a broad communications and messaging strategy to demonstrate agency commitment and differentiate the approach from past efforts
Managers may <i>prefer to focus on programmatic and policy activities</i> , rather than operations and processes	<ul style="list-style-type: none"> • Reinforce that eliminating non-value added activities (“waste”) improves capacity to focus on priority activities and initiatives • Identify and engage key managers as champions
Stakeholders may not understand their <i>roles and responsibilities</i>	<ul style="list-style-type: none"> • Articulate roles and responsibilities at each level • Promote opportunities for direct involvement (e.g., hold training events, solicit ideas for process improvement opportunities)
Weak buy-in because employees believe Lean is <i>not applicable to their team or processes</i>	<ul style="list-style-type: none"> • Articulate and reinforce to managers and staff the range of results that can be achieved with Lean (e.g., cost, time, quality) • Share and promote success stories in diverse environments
Employees may not understand <i>Lean jargon</i>	<ul style="list-style-type: none"> • Use plain language when introducing employees to Lean concepts, and appropriately communicate it across the agency • Empower employees at all levels by providing opportunities to learn and apply concepts

Questions?