

► **Application Form**

Program Title: Minnesota's Enterprise Lean Program

If applicable, identify Partner: _____

Submitted by: Tom Baumann

Title: Continuous Improvement Leader

Department or Corporation: Minnesota Department of Administration

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► **Application Process**

When preparing and entering your submission, please follow these guidelines:

1. The application form is available online at www.nasca.org.
2. All applications must be submitted electronically at nasca@csg.org. If you have any questions, contact NASCA staff by email at nasca@csg.org or by phone at 859-244-8181.
3. Adobe Acrobat (PDF) documents will be accepted.
4. More than one program may be submitted from the same entity.
5. **Deadline:** All submissions must be received by **March 6, 2009**.

► **Program Questions**

Please provide a one (1)-page summary of the program. Provide a narrative answer for each question listed below. You are limited to two (2) pages, based on regular 8 ½ by 11 inch paper, single spaced in 12 point font. The two page limit does not include the one-page summary. Do **not** send supporting documentation.

1. How long has the program been operational?
2. What was the program's start-up cost? Provide detailed information about specific purchases for this program, including staffing needs and other expenditures, as well as existing materials, technology and staff already in place.
3. What are the program's operational costs?
4. How is the program funded?
5. How do you calculate actual savings, i.e., short-term and/or long-term?
6. How do you measure this program's success? Provide quantitative benefits realized by service recipients, taxpayers and/or state agencies?
7. How has the program grown or changed since its implementation?
8. Describe the program's applicability to other states/local/federal governments?

► **Deadline - March 6, 2009**

The application package must be received no later than **March 6, 2009** for consideration.

► **Send Submission(s) to: nasca@csg.org or mstone@csg.org.**



State of Minnesota Enterprise Lean Program

Background

Minnesota's Enterprise Lean program began in January 2008 to help Executive Branch state agencies operate more efficiently and effectively by applying time-tested Lean process management tools and methodologies.

Why Lean?

The Enterprise Lean Program is based on the common-sense principle that there is always room for improvement. Lean improvement projects look at the nuts and bolts of how things are done. In Minnesota state government, this means looking at processes that may not have changed for years, or have evolved into bureaucratic tangles, or simply involve too many unnecessary steps that do not add value to service recipients.

Beyond the bureaucratic tangles, there are several other factors that necessitate continuous improvement in state government, such as an unprecedented number of retirements in the next few years and an increasing demand for better services with fewer budget dollars.

Results

Lean projects help standardize, simplify and streamline routine work, which permits employees to focus on the value-added work. Much of the success of Lean can be attributed to the fact that state agencies are improving their operations by tapping into the knowledge of the "experts," or the employees who work in the process. Employees have the opportunity to create and implement ways of improving their own work, thereby improving their service to citizens.

The Enterprise Lean program seeks to sustain improvements by weaving a culture of continuous improvement throughout state government and encouraging state employees to "think Lean."

In one year of operation, Minnesota's Enterprise Lean Program has: deployed across 13 state agencies, trained 107 facilitators and completed 53 Kaizen process improvement events. The public can learn about the program's results online at www.lean.state.mn.us.

Mission

The mission of the Enterprise Lean program is to develop and sustain a continuous improvement culture throughout the State of Minnesota's Executive Branch by 2010.

Goals:

- ✓ Train and deploy a cadre of Lean facilitators and trainers in all but the smallest state agencies;
- ✓ Galvanize support from senior leaders who are knowledgeable and supportive of Lean continuous improvement efforts;
- ✓ Coordinate multiple improvement and training events to take place across state government each week;
- ✓ Establish a continuous improvement effort that is woven throughout the fabric of government to the point that it survives leadership changes.



NASCA 2009 Outstanding Program Awards Application

1. How long has the program been operational?

The Enterprise Lean program has been fully operational since January 2008.

2. What was the program's start-up cost? Provide detailed information about specific purchases for this program, including staffing needs and other expenditures, as well as existing materials, technology and staff already in place.

The Department of Administration entered into a \$150,000 contract with a Lean consulting firm for assistance in developing an internally-driven Lean Enterprise program, a Lean culture in Minnesota state government, short and long-range plans for Lean deployment throughout all state agencies, providing Lean training for executive branch leaders, and facilitating Kaizen events.

3. What are the program's operational costs?

Enterprise Performance Improvement Program Budget, Fiscal Year 2009

Salary and fringe	170,600	100% Program leader; 50% OAS I; 50% mobility assignment 40% student worker
Additional Staffing & Consulting		
Administrative Support		
Space Rental	3,758	Estimated Sq Footage @ Admin
Printing	1,000	
Computer & Systems Services (desktop support)	1,530	
Communications:		
Postage	50	
Telecom Phones	250	
Travel Instate and Outstate	3,000	
Other Operating:	625	Membership fees - MQC, MA
Copying	50	
Supplies	665	
Training (incl conference registrations)	3,764	
Unanticipated	29,108	costs of performance measure efforts
Lean Contract -cost-share/matching dollars	120,600	Lean consulting services
Total	\$ 335,000	

4. How is the program funded?

General fund appropriation

5. How do you calculate actual savings, i.e., short-term and/or long-term?

Actual savings are calculated in terms of hours of staff time saved due to the improvements made and the reduction in the lead time of processes. Savings are also calculated by the defect reduction and quality improvements made within each process.

6. How do you measure this program's success? Provide quantitative benefits realized by service recipients, taxpayers and/or state agencies?



The success of the Enterprise Lean program is ultimately measured by fulfilling the program's mission and goals (see program description) and has been successful beyond expectations.

Lean is being implemented in 13 agencies, while another 7 are beginning with Lean events and seeking increased involvement. A total of 53 Kaizen events have been held and, with each event, the lead time on a process has been reduced by an average of 60 percent. The effectiveness and sustainability of the program is also measured in the number of state employees involved with the Lean program. To date, over 500 Minnesota state employees have participated in a Lean event (i.e. training or improvement event).

Fulfilling the program's goals provides numerous benefits to service recipients, taxpayers and state agencies. Service recipients have provided positive feedback regarding their appreciation for the improved customer service that has accompanied the more-efficient processes. Additionally, because of the increased worker productivity realized through Lean improvements, managers are not filling positions after an employee leaves.

7. How has the program grown or changed since its implementation?

The Enterprise Lean program has grown tremendously since its launch last January. After a series of successful pilot Kaizen events, the improvement power of the simple Lean tools and the laudable results received a lot of attention from state agency heads. Quickly, more agencies began stepping forward to participate in Kaizen events and training.

A steering team consisting of a Lean leader from 11 of the cabinet-level agencies was formed. The team convenes monthly and is charged with implementing the Enterprise Lean program by creating a network of process improvement practitioners to sustain the Lean effort and encourage managers to fully utilize the tools of Lean.

Presently, multiple improvement events are held nearly every week. Most of these events are facilitated by internal Kaizen facilitators. The Lean program office has held six sessions of Lean Kaizen facilitator training, resulting in 107 trained facilitators in 16 state agencies. With the high number of trained staff in each agency, the program is growing considerably less reliant on consultants to lead training and facilitate events. Training and training materials designed specifically for state government operations are also being provided by the Lean program office.

8. Describe the program's applicability to other states/local/federal governments?

The simple yet powerful tools can be used by employees at every level in any public sector organization to improve the efficiency, quality and timeliness of a process. Lean is currently being used in to improve state government operations in Maine and Iowa, and at the federal level in the Environmental Protection Agency and Department of Defense. Many local units of governments have also implemented Lean. The City of Fort Wayne, Indiana is one example.