

Strategic Lean Project Report



For Reporting Period: July 1, 2016 through December 31, 2016

I. General Information:

Lead agency name: Office of Financial Management

Partner agencies: Governor's Office, OFCO, OEO

Improvement project title: OFM & Governor's Office Bill Paying Project

Date improvement project was initiated 8/15/2016

Project type: New Project

Project is directly connected to:

- Results Washington performance measure
- Agency Strategic Plan

If applicable, specify the alignment:

5.2.1a Increase number of Lean Projects

Directly in line with OFM Strategic Plan Values including, but not limited to: Integrity – We provide timely, accurate answers, clear, open and honest communications with customers, stakeholders and co-workers and Excellence – We strive for the highest standard of data and information quality, pursue continuous improvement of our work and creatively approach issues and problems. And Strategic Initiative for Dynamic Leadership to Streamline the Bill Paying Process within OFM using Lean Process Improvement.

Other

Report reviewed and approved by: Ro Marcus, Assistant Director, Legal & Legislative Affairs

II. Project Summary:

The Office of Financial Management improved the Bill Paying Process, resulting in reduced number of warrants issued for OFCO and OEO from approximately 11.6/month to 4.6/month.

III. Project Details:

Problem

statement: Currently, we process approximately 12 warrants a month for OFCO and OEO compared to our target of 6 warrants a month for these agencies, which we want to reach by February 30, 2017.

Improvement

description: An idea the team pursued was to reduce number of warrants and speed up the time for vendors/customer/stakeholder/payee receive payment for services by increasing the number of eligible invoices that are paid using the agency P-cards.

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Customer involvement: The team tested the idea with smaller groups (OFCO and OEO) to determine viability of the idea, they determined from historical transactions what would be good candidates to convert and worked with the areas to change the process from invoice to P-card.

IV. Impact to Washingtonians:

Invoices are processed more immediately therefore:

- Service providers are satisfied and continue to provide services to agency that enable work which impacts agencies, higher education institutions, and Washingtonians.
- Employees are satisfied with not having longer wait for reimbursements.
- Internal processors are freed up from processing waste involved in warrant issuing to work on value added activities on behalf of the agency, employees, state and its citizens

V. Project Results:

Improved process as measured by:	Specific results achieved:	Total Impact: <i>Period)</i>	Results status:
<input checked="" type="checkbox"/> Cost	Decreased printing cost of warrants over 3 months (from July to Sept 2016) from \$50.40 to \$20.16 (unit cost = \$1.44 each to generate).	\$30.24	Preliminary
<input checked="" type="checkbox"/> Time	Decreased time to pay certain vendors from 1680 hours per 3 months (approx. 560 hours/month) to 672 hours per 3 months (approx. 224 hours/month)	1008 hours per 3 months (or approx. 336 hours per month)	Preliminary

VI. Contact information:

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