

03-20-13 Governor's Office of Accountability and Performance Tape 1-23

Hi this is Dez. I am from the Office of Early Learning. >>Hi. Glad you're here. Go ahead and mute yourself and everyone else put yourself on mute.

Okay.

Glad you're here. Also everyone today we're getting together at noon and reviewing the book Lean for Dummies. And last week we actually heard from a lot of you about improvements that we can make to the session so I want to go through the things that have changed since the last session which was the week before so today is the second session. We skipped a week but we heard feedback from many of you. We have delayed the schedule a week and that gave folks a little more time to get their books and also eliminated the prequiz all together, and moved the post quiz to Survey Monkey so you can take it after the session and both of these changes give us more time to focus on the book content during the review session online here. It also allowed to register a couple hundred more participants and we're in the neighborhood of 450 people participating so we're glad you're all here.

Additionally we invited our lean experts from the partnership program to add to the discussion and question and answer time so those are the changes we made since the last time we got together. I will bring up the schedule here to show you that I added a column that shows which of our private sector partners is joining us [INAUDIBLE] and have a special guest in Carlos Venegas is joining us. Carlos I appreciate it. Carlos is in office innovation and done a lot of good stuff with government here both on contract as well as [INAUDIBLE], so just a reminder to folks out there if you could put your phones on mute that will help and I'm not competing with the ambient noise coming out of my phone. Thanks to Carlos for being here. We will invite him in in the "Q and A" session. Those that have been on the Prezi site you can navigate it using the slider bar or the left or right buttons and you can go here 24/7 anytime you want and see this content. Okay. Just a couple of things how to get the most out of the online book review with the time together.

As you read the chapter make a list of questions or as we're going over key points if questions come up you can ask them during the "Q and A" time and also during the week after you have read chapters in the book if you explained to others what you're reading and learning about that has a way of solidly learning and deepen the understanding when you have to explain it to somebody else. It's an easy trick but it goes a long way in deepening your own understanding. During the session we want everyone on mute to avoid that background noise. If you have a question use the chat feature, so on the monitor you should see a little green tab at the top of the monitor that says "Viewing Darrell Damron's desk top". If you mouse over that it will let you see the tools in the tool box and if you hit the chat icon that will open up the chat box and inside that dialogue box there is a menu that says "Send to". If you send us your question if you select everyone that will make sure all of us monitoring the questions can see it. If you send it directly to me I will be distracted trying to run Prezi and other stuff and I may not see your questions and make sure everyone is selected and that will be perfect. Okay.

If you haven't already typed in the answers to the poll questions and question one write the name of the city you are now participating and two, the number of people participating at your location, so if you're by yourself in

your office or at home it's your city and one. If you're in a conference room if the coordinator will count up everyone and the name of your city and the number of people in the poll questions that would be fantastic. Thank you. Okay. Course information. Let me go through this quickly. Your facilitators are myself Darrell Damron, Scott Baird and Heidi Loveall and we're are in the Governor's Office of Accountability and Performance and happy to be facilitating this session for you today and we have also Carlos Venegas one of the private sector partners and we are happy to have him here today. In terms of objectives we think of them in three ways, what is the business need, what is the performance objective for at work, and the learning objectives, what are you supposed to accomplish during this time together.

So the business need we're offering this book review to help state government move forward on the lean forward transformation journey. What does that mean? We are adapting lean tools and techniques to improve state government and give better value to Washingtonians in terms of expectations after you go back on the job. And you did the book review and you are expected to participate and accurately use lean terms and understanding the tools and techniques. It will help when you're back on the job doing lean stuff at work so in terms of learning objectives we're in the cognitive domain, building knowledge. This isn't a -- this is knowledge building where we're talking about information about the content of this book but the objective here is after reading the chapter, listening to the short lecture which us talking about the key points and participating in the "Q and A" discussion or group discussion at the end. Then your task is select the correct answer on the multiple choice quiz and we have that on survey monkey and we will send you to the link to that and you should be able to answer the questions 100% correctly and I will show you where it is later. Okay.

In terms of the process here's how it works. We are about to launch into the reviewing the key points. We will start with the table of content, review the key points and have a question and answer time and that's what we're shooting for in terms of process. Just another note if you wanted to be connected in LinkedIn there is a communities practice group on LinkedIn and you can come to the Prezi and click on the link and join that group and have additional discussions outside of our time together here if you're on LinkedIn. Then the last thing if you want to view the previous week's session we're recording it using the Webex recording feature here we will put the link in the Prezi and right now you can click on it and view last week's recorded session and all of the links to previous weeks sessions will be here in the Prezi in this spot. You can come back and find it anytime. All right. Let's get reviewing. So now I will show you the Prezi slider navigation functionality here and you could use this and it shows the screens and drag yourself into the appropriate spot anywhere back and forth. A really handy navigation feature of Prezi.

So table of contents for this week. Defining "lean". It's broken into three sections. What is lean and where they talk about the logic. Where is it? Where is it applied? What is lean and isn't? And what makes it so special? And the pedigree, the history and where did it come from and the Toyota family and the Toyota production system and lean in the continuous world of improvement and look at lean and lean six sigma and management and make comments how those fit in on the lean journey, so let's get into the key points for this week, and a way we go. First key point here is -- well let me talk about this slide. On the left-hand side of the bottom you can see in parentheses the page reference to where this key point is in the book so this is referencing pages 10 and 11, in the bottom right where it says two of nine there are nine slides of key points

that we're going to talk about today so that can give you oriented in terms of timing so slide two of nine here.

Lean isn't a fad or a diet. It's a way of life and that's just true. It's not something you just do like coming to work and doing flavor of the month stuff but it really does change the way you think and becomes more of a way of life applied at work and outside work as well. The term lean became associated with certain business capability and that is the ability to do more with less, but really lean is a broad catch phrase that describes the wholistic and sustainable approach using less of everything to get you more. The key point is lean is a broad catch phrase, not just a word that points to the tools that you commonly hear about which is why you always hear me use that phrase. It's lean thinking, tools, and techniques. On the next slide here -- actually Carlos do we have your -- unmuted. Do you have audio Carlos?

Yes, I do. Can you hear me?

Good. I want to make sure you're there.

I do have audio then.

Perfect. Anything to add here on slide two before I move on?

Yeah sure, a couple of things. It's pretty easy to say it's a way of life but I think there are a couple of things that make that possible, and just looking at the first bullet really quickly focusing on that term "capability" For us in government lean is about building capacity. We're called on to do more with less but the only way to do that is if we build our ability to do more with less and that's where the capacity comes in, and then another part is a sustainable on the second bullet. You can build more capacity by working harder and faster but the fact is most of you are working as hard and fast as you can, and the point about lean is that whatever changes you make are sustainable and I tell my clients that if they create improvements that are not sustainable then it's not an improvement, and one more point with the whole flavor of the month. You mentioned that term, and I had a team ask me last week about flavor of the month. Isn't lean just a flavor of the month? And my answer to them, "It was up to them". Flavor of the month happens when people are not interested or not committed or perhaps too distracted to sustain an initiative and it's not just limited to lean. Flavor of the month is really a symptom of disinterest so if you don't want it to be a flavor of the month you need to be committed to it and make it work for you.

Excellent Carlos. I couldn't agree more. We get to decide whether it's flavor ever the month and if it works let's use it and if doesn't let's make it flavor ever the month. Thank you. Slide three is [INAUDIBLE] thank you. Slide three lean means many things and means less and less cycle time and produce stuff and fewer suppliers and less bureaucratic whatever but it also gives you more. More employment knowledge and empowerment and agility and able to respond and make changes more quickly. More productivity and satisfied customers and long-term success. So the next slide here Scott Baird if you would care to weigh in here from your reading of the book. What did you see out of page 13 here that struck you as a key point?

Thanks Darrell so the next key point is in lean you're pursuing the ideal state, a perfect process and performance, and to get there you seek to root out the cause of the ways that is keeping you from that and thinking real world perfect processes can be intimidating and we may not get there but actually I want to

give credit again to Carlos who shared with us a phrase earlier this week. As we think about the perfect process and Carlos if you could share that phrase. I think it adds a lot of light.

Right. The phrase is perfection is a direction not a destination.

Thanks. I think that sums up this point. While we're seeking the perfect process and performance it really is the direction that we're going and not necessarily the destination because we may not ever get there in the real world but as long as we have that as our destination. To get there in this lean approach there are a lot of key assumptions that we need to understand. First that each of us provide a product or service to customers. Whatever that product or service is can vary significantly from agency to agency but we do have something that we're providing and the second point is is to customers. Even in government we have customers and we need to think of them as such. Our customers maybe internal within our agency or external Washingtonians, but it's important that we have a product or service and there are customers receiving that and it's important to understand that because of the next assumption the customer is who really decides what the value is.

It's up to them and it's important to understand our customer so we can identify from them what they value most which then leads us to one of the next core assumptions is value creation is a process so as we trying to provide value in that product or service to our customers there are steps that we take, a combination of steps that create some process, and then in the next assumption there is that in that process sometimes there's waste that slows us down or blocks us from providing the highest value to our customers and stays there, and diminishing the process of that for the customers and within this. And the perfect process has no waste and it maximizing the customer's value so as we try to purview that perfect process our customers are going to be happier and receiving greater and greater value to the goods services or products we're providing to them so it's important to understand those assumptions and you see those throughout the book and gain a understanding to the lean approach these are critical to that.

A key warning is sometimes organizations may think let's be practical and not 10get the perfect process but a lean approach says that we need to have that in mind and to Carlos' point and perfection is the direction we're heading and not necessarily the destination and we're always working towards that, so we will move on to the next slide then, slide five. The next key point you can apply lean wherever there is waste and wherever there is opportunity for improvement so in other words it really applies anywhere. Waste is a term we will talk about later in the book but just to think about it now as you're producing some product or service for your customers anytime you're frustrating or feel there is a step in the process that is redundant or your going in circles and it's the way it's been done for 30 years and some of that is waste and it's an opportunity to apply lean and shoot for that process.

A common misconception is lean is just for manufacturing because of -- and that is not the case and it's most effective when it's applied across the entire organization. We have pockets now growing in momentum of lean but it's most effective as a state or you as an agency when it's embedded in the entire organization. We can see this in the state in some of the projects taken place. We have lean taking place and DHS or health care authority. We have seen it in manufacturing in the state with the state patrol and their fleet management or printing which is a manufacturing requirement and the point is it's applicable and we're seeing this across all 11state agencies and it's valuable for us to

understand even within your agency it needs to get across the agency to be most effective and we will see opportunities for that as we continue to go through the book and as we understand lean a little better. So the next slide then in slide six. In this book and throughout lean there are a lot of tools that you learn about whether value stream mapping or tools or sigma six and there are a lot of tools but a key point that the book notices is particularly while they're important lean is first about the people and then the tools and that's really what is going to get us to incorporate lean into the entire organization like we were talking about before, so lean calls for everybody to adapt a certain mindset and use the tools so we will caution you throughout this lean approach and this lean transformation not to get stuck and not limit ourselves on the tools.

While they're helpful and fun and seems tangible what is important and our greatest tool is the people in our organizations and the second point on this slide in a lean organization the tenants and philosophy of lean are fundamentally part of its fiber and embedded in the organization's culture and that is the challenge for each of us to develop this lean mentality and I want to point to page 15 in the book where we have a culture check. Some of you may have done some lean projects and think we have this down or some of you are just starting but giving an idea of what a lean culture would look like and I want to highlight a few of them. First is the leaders have a long-term vision of the business and understand you need to continue to improve it and the second point is people always see activities as a process. That goes back to one of the assumptions we talked about earlier.

The fourth checkpoint there as well on page 15 is that leaders frequent where the organization creates value, so think about in your organization if you have that. If the leader is there on the floor with you in touch with their customers and organization. Skipping down to the seventh checkpoint is everyone makes improvements and suggestions not just once but continually and think about your organization if you have that feel that everybody is working towards a common goal and making suggestions and they're all treated equally that will help you to know if you have the lean culture, if you're there or not arrived yet. Another one is people take on other tasks to complete team members and the last one and it builds long-term relationships with customers and suppliers and not just you but taking the big picture and getting this in the entire organization. Again just a few of the key points to check to see how far we are in our lean journey. We have a long way to go but that is the goal and focus on us and get this embedded in the culture. Darrell if you have other points we will move on the next slide, slide seven.

Yeah, let's go to seven. This is page 16 and 17 and a 13contrast to what lean is and what it isn't. It's not doing a spell check. It's not a manager speak good teaming (INAUDIBLE), consultant. In the bad sense of the word but rather lean's well grounded framework for sustainable improvement. It's not onerous. It makes sense. It's not your typical or stereotypical western system of quick fix big bang yahoo. It's really more the -- which is typically more eastern. Those are huge stereotypes but not a quick fix. It's a continuous steady long-term everyday approach, so on slide eight here just a reminder in the book on 18 and 19 about the history. As you can see you can really trace this thinking back to the venetian arsenal and in the 16th century in building boats and important stuff throughout American History and of course the folks at Toyota before they were making cars in the 20's and when they started making cars they really set out to develop a new means of production and when MIT and Womack and those folks studied them and came out with a book and coined it lean. It's 60 years of deep history since Toyota's refinement started, so the last content slide that we

have here Carlos I invite you to hop in here. You had some experience -- a lot of experience in consulting with organizations that have gone on lean journeys and maybe started or used different approaches. Can you weigh in on the book's content talking about lean six sigma and the others one briefly?

Sure. I would say I think what you see here is aggregate. Six sigma is based on the control system and the idea is to grab a project and try to get an improvement and they're usually done in isolation. Lean six sigma is a blend. And BPM is a way to formalize the process. What I found in most government organizations that I have dealt with lean is a better first step than six sigma. The reason lean six sigma -- lean has a much more I would say comprehensive global approach which includes the culture piece and that is a far more effective way to launch a large scale process of improvement like you folks are talking about.

Thanks Carlos. Well said and we are a lean transformation journey and the six sigma and tools in the box and that's the general approach we are taken. We're down to a couple minutes for questions if you want to shoot one in through the chat box and make sure that everyone is selected and we will see if we have questions. Those in conference rooms or have the opportunity to get together with other people either right on the heels of this session or during the week I encourage you to do that, and answer questions and kick around that content. Okay. So I do have -- I think there is a question in the chat here. Let me take one.

On a successful lean journey employees maybe safe and feel secure in their job situations. Where are we to find this security with budget cuts and might eliminate our jobs? Certainty the book is talking about that safety and security in the work in a more of a sense of physical. Like you wouldn't apply lean thinking and call it improvements if the changes you're making to the job make a person work in an unsafe manner or we're them out. Our situation right now and government needs to be right size for revenue and we know cuts are coming and as an enterprise we need to involve employees and come up with opportunities to improve the work that they do, but separate that from the FTE reduction thinking. Now you can apply lean thinking but that is really senior leadership's job to decide where the cuts need to be made and separate employees involved with lean from having the employees come up -- using lean as FTE cut by employees.

Some organizations make that commitment out loud. No one will be able to work themselves out of employment because of the improvement ideas that they came up with. That doesn't mean that FTE's don't need to be reduced. That's going to happen but a lot of organizations say that we won't make a direct correlation and ask employees to fire themselves and you will hear more about that as Governor Inslee's Administration moves forward in the coming year. I'm out of time for questions. Let me show you one more thing in the Prezi. If you go down into this slide, the slide after this shows you the answer to the quiz. Remember to take the quiz. Heidi is going to send you the link to Survey Monkey and after that you can come back into the Prezi and check your answers so once again thank you for coming and we will see you next week as review chapter two 16 in Lean for Dummies.