Strategic Lean Project Report

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

I. General Information:
   Lead agency name: Department of Enterprise Services
   Partner agencies: More than 100 state and local agencies / organizations

   Improvement project title: Customer Satisfaction

   Date improvement project was initiated: 10/1/2014

   Project type: New Project

   Project is directly connected to: Yes
      ☒ Results Washington performance measure
      ☒ Agency Strategic Plan

   If applicable, specify the alignment:
      Goals:
      5.1.1, 5.1.1a
      5.1.2, 5.1.2a
      5.1.3d
      5.2.1, 5.2.1b, 5.2.1c

      ☐ Other

   Enterprise Services employs three strategies to maximize its value to the people of Washington: Customer Satisfaction, Team Member Satisfaction and Financial Health. This project, combined with a parallel Team Member Satisfaction effort, captured separately improved results on two of Enterprise Services three organizational strategies.

   Report reviewed and approved by: Jeff Canaan, Deputy Director

II. Project Summary:

   The Department of Enterprise Services Workforce Support & Development division clarified Customer Satisfaction Expectations, established customer feedback systems, and implemented problem-solving based on feedback resulting in: Increased customer satisfaction from 2.6 (out of 4.0) to 3.2 (out of 4.0) and improved customer satisfaction with “Responsiveness / Timeliness” from 2.8 (out of 4.0) to 3.4 (out of 4.0). In addition, the division also increased its Statewide Employee Engagement Survey results for Customer Value from 69.5 percent positive responses (the percent of respondents who answered either “4-Usually” or “5-Absolutely”) to 96 percent positive responses.
III. Project Details:

Identify the problem: In late 2014, DES Workforce Support & Development (WSD) team performance, morale, trust, and engagement appeared to be low. The only available measures of attention to customer value on the team – the Statewide Employee Engagement Survey – showed troubling declines.

<table>
<thead>
<tr>
<th>Statewide Survey Employer of Choice Question</th>
<th>One Year Change in Positive Responses (2013-2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q10: We are making improvements to make things better for our customers.</td>
<td>-17%</td>
</tr>
<tr>
<td>Q16: We use customer feedback to improve our work processes.</td>
<td>-7%</td>
</tr>
</tbody>
</table>

Since Enterprise Services is a central service provider to state agencies and other governmental entities, the team’s declining performance had a direct impact on virtually all state agencies and dozens of local governments – impairing the ability of those agencies to deliver value to the people of Washington.

Problem statement: The baseline customer satisfaction score is 2.6 (out of 4.0) compared to our target of a sustained customer satisfaction score of 3.8 (out of 4.0), which we want to reach by 10/1/2018.

Improvement description: By gathering qualitative data to understand what expectations need to be met for WSD’s customers to be fully satisfied, the team confirmed seven key customer satisfaction expectations. Thereafter, quarterly interviews captured quantitative customer satisfaction level as well as qualitative feedback. Using the feedback, team members identified important expectation gaps and studiously worked to close them. With this approach to continuous improvement, the WSD team members increased customer satisfaction from 2.6 (out of 4.0) to 3.2 (out of 4.0) and improved customer satisfaction with “Responsiveness/Timeliness” from 2.8 (out of 4.0) to 3.4 (out of 4.0). The WSD team also increased Statewide Employee Engagement Survey results for Customer Value from 69.5 percent positive responses (the percent of respondents who answered either “4-Usually” or “5-Almost Always or Always”) to 96 percent positive responses.

For specific results of the team’s effort, please see Table 1: WSD Customer Satisfaction Expectations; Table 2: WSD Customer Satisfaction Scorecard; and Table 3: WSD Employer of Choice Improvement 2014-2016 in Section VI below.

Customer involvement: [Note: WSD’s Customer Satisfaction effort is interwoven with WSD’s ongoing Team Satisfaction work. The customer satisfaction effort parallels the team effort in every way. For the sake of brevity, the Team Member Satisfaction effort and results are captured on a separate form.]
WSD’s ongoing focus on the Customer Satisfaction effort included interviews with more than 100 state and local government organizations. WSD team members conduct quarterly in-person interviews with customers to gather qualitative and quantitative feedback regarding how well expectations are being met. Using this data, WSD team members studiously worked to close the gaps between what the customer is experiencing and what customers need.

Impacts to Goal 5 measures include:

1. Implemented Customer Satisfaction measurement (Goal 5.1.1).
2. Established a timeliness satisfaction measure (Goal 5.1.2)
3. Improved percentage of WSD employees who believe they are increasing customer value (Goal 5.1.3d)
4. Ensured 100 percent of WSD team members (managers, supervisors and executives) receive Lean Problem Solving Training (Goal 5.2.1).

IV. Impact to Washingtonians:

- Understand and measure customer satisfaction
- Team members identify and close the gaps between customers’ reality and their expectations
- Customers are fully satisfied and receiving more value
- Customers can maximize their value delivery to the people of Washington
- Customers extend the benefits of workplace satisfaction to their families and communities

Outcome  Outcome
Project Results:

In addition to the overall improved score for customer satisfaction, specific improvement areas are detailed in Table 2: WSD Customer Satisfaction Scorecard in Section VI. Examples of the customer feedback-driven improvements WSD implemented include:

1. Leadership Development, including mutually agreed-upon Leadership Competencies and the Leading Others learning, both of which were designed through high customer engagement.
2. Small agency HR services. The WSD team, anticipating budget cuts, engaged WSD customers to build a different funding model that has sustained HR services to small state agencies that cannot afford stand-alone HR services.
3. New learning products driven by customer need. WSD’s learning catalog has adapted to meet customer needs by including offerings such as Influencer, Speed of Trust, and Crucial Conversations.
4. On-demand learning products. In response to customer need for on-line, on-demand training opportunities, WSD procured Lynda.com training licenses at a 90 percent cost saving to agencies that use the service.
5. Organizational change. WSD recently changed its organizational structure to support more rapid improvement to the state’s Learning Management System and on-line recruiting systems.

It should be noted that the project results took place amidst significant organizational and business disruption, including a 30 percent budget reduction that required several layoffs in late 2016.

<table>
<thead>
<tr>
<th>Improved process as measured by:</th>
<th>Specific results achieved: (Complete the narrative boxes below)</th>
<th>Total Impact: (Actuals; Current Reporting Period)</th>
<th>Results status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ Customer Satisfaction</td>
<td>Increased customer satisfaction from 2.6 (out of 4.0) to 3.2 (out of 4.0).</td>
<td>□ N/A (or) The project is ongoing and the impact to Customers and Team Members continues to rise. Results are actuals from October 2014-December 2016</td>
<td>Preliminary</td>
</tr>
</tbody>
</table>

V. Contact information:

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Phone number: 360-407-7910  
e-mail: Jeff.Canaan@DES.WA.GOV

VI. Optional Visuals:
Table 1 WSD Team Satisfaction Expectations

01 Shared Resources Leveraged for Everyone’s Benefit
Customers are brought together to leverage best practices, expertise and solutions in order to achieve cost effective, integrated services.

02 Customer Need-Driven Solutions
Solutions are developed and implemented based on customer feedback and expert insight in ways that help us succeed.

03 Collaborative Relationships
Collaborative decision making and mutual understanding of our business needs are accomplished through frequent, genuine dialogue.

04 Clear Communication
Clear, accurate, and timely communications are provided to us regarding WSD plans, service offerings, and contact information.

05 Knowledgeable Professionals
“Go to” subject matter experts, who have a practical understanding of our business culture, are readily available.

06 Responsiveness
Our needs are responded to with an appropriate sense of urgency. Requests are clarified and confirmed, and we are kept informed of progress through completion.

07 Trustworthiness
People say what they are going to do, then do it. Information is kept confidential. Actions are taken to meet expectations by listening to and understanding our feedback.
### Table 2: WSD Team Member Satisfaction Scorecard

#### WSD Customer Satisfaction

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared Resources Leveraged for Everyone’s Benefit</td>
<td>2.2</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.8</td>
<td>2.9</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>Customer Need-Driven Solutions</td>
<td>2.4</td>
<td>2.6</td>
<td>2.9</td>
<td>3.0</td>
<td>3.4</td>
<td>2.9</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Collaborative Relationships</td>
<td>2.2</td>
<td>2.9</td>
<td>3.3</td>
<td>3.2</td>
<td>3.3</td>
<td>3.3</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Clear Communication</td>
<td>2.5</td>
<td>2.9</td>
<td>3.0</td>
<td>2.9</td>
<td>3.3</td>
<td>2.8</td>
<td>3.2</td>
<td></td>
</tr>
<tr>
<td>Knowledgeable Professionals</td>
<td>3.0</td>
<td>3.2</td>
<td>3.4</td>
<td>3.3</td>
<td>3.5</td>
<td>3.1</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Responsiveness</td>
<td>2.8</td>
<td>3.3</td>
<td>3.3</td>
<td>3.2</td>
<td>3.5</td>
<td>3.6</td>
<td>3.4</td>
<td></td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>2.9</td>
<td>3.5</td>
<td>3.4</td>
<td>3.4</td>
<td>3.5</td>
<td>3.7</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>2.6</td>
<td>3.0</td>
<td>3.1</td>
<td>3.1</td>
<td>3.3</td>
<td>3.2</td>
<td>3.2</td>
<td></td>
</tr>
</tbody>
</table>

- **Exceeding Expectations**: 3.9 to 4.0
- **Meeting Expectations**: 3.0 to 3.8
- **Sometimes Meeting Expectations**: 2.0 to 2.9
- **Not meeting Expectations**: 1.0 to 1.9

Updated: December 2016
### Table 3 Employer of Choice Improvement 2014-2016

#### 2016 Washington State Employee Engagement Survey

**Employer of Choice**

Workforce Support and Development

<table>
<thead>
<tr>
<th>Original Reporting Period</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>'14-'16 Target Change</th>
<th>'14-'16 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall EOC Score</strong></td>
<td>72%</td>
<td>76%</td>
<td>86%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20) In general, I'm satisfied with my job.</td>
<td>70%</td>
<td>74%</td>
<td></td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Employee Engagement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1) I have the opportunity to give input on decisions affecting my work.</td>
<td>71%</td>
<td>75%</td>
<td>87%</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>3) I know how my work contributes to the goals of my agency.</td>
<td>82%</td>
<td>85%</td>
<td>82%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>5) I have opportunities at work to learn and grow.</td>
<td>68%</td>
<td>69%</td>
<td>79%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>11) A spirit of cooperation and teamwork exists in my work group.</td>
<td>60%</td>
<td>45%</td>
<td>75%</td>
<td>21%</td>
<td>-</td>
</tr>
<tr>
<td>15) I am encouraged to come up with better ways of doing things.</td>
<td>76%</td>
<td>74%</td>
<td>71%</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Respect &amp; Feedback</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) My supervisor treats me with dignity and respect.</td>
<td>87%</td>
<td>84%</td>
<td>56%</td>
<td>9%</td>
<td>-</td>
</tr>
<tr>
<td>8) My supervisor gives me ongoing feedback that helps me improve my performance.</td>
<td>76%</td>
<td>76%</td>
<td>71%</td>
<td>5%</td>
<td>-</td>
</tr>
<tr>
<td>9) I receive recognition for a job well done.</td>
<td>54%</td>
<td>65%</td>
<td>79%</td>
<td>25%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Customer Value</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10) We are making improvements to make things better for our customers.</td>
<td>71%</td>
<td>86%</td>
<td>85%</td>
<td>25%</td>
<td>5%</td>
</tr>
<tr>
<td>16) We use customer feedback to improve our work processes.</td>
<td>68%</td>
<td>83%</td>
<td>83%</td>
<td>28%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Generated by agencies in 2013

Positive Responses: the percent of respondents who answered the question either "4 - Usually" or "5 - Almost Always or Always".