Lessons Learned from Arizona Lean Transformation – a Honsha Perspective

Bob Plummer
Sr. Managing Director, Honsha
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b.plummer@honsha.org
Agenda

• Honsha Introduction
• Arizona Lean Transformation – A successful example
• Arizona Department of Transportation transformation - Key Success Factors
• Q & A –
  – Kismet Weiss, Administrator - ADOT Office of Continuous Improvement
Lean Business & Development

Lean Assessment
Coaching for Implementation
Trainer & Agent Certification
Training & Workshops

honsha.org

Over 150 certified Honsha Academy
Automakers
Kaizen Culture
Our experience, will help you improve operation performance.

17 proven curriculum
Implementation in 20 countries

Schools
Military

More than 300 companies helped

Hospitals

Food and Beverage
Consulting firms

Over 60 senior associates

Humanitarian missions
Aeronautics

Entertainment

Over 80,000 people trained
Honsha Serves a Diverse Array of Industries
Honsha - Our Mission

“To develop capabilities within organizations so they can achieve excellence while utilizing their own resources”
State-wide Lean Transformation

• 2012 – Governor Brewer – Executive Order to create Government Transformation Office
• 2013 – 2014 - Project based lean work only
  – 8 agencies
  – 4 Lean coaches statewide
• 2015 – Governor Ducey – Kicked-off Lean Management System work in GTO
  – Executive Mission Measure workshops
  – Permit Project blitz
  – 2 waves of Permit projects
  – 23 agencies, 120 employees trained, 40 processes improved by about 60%
State-wide Lean Transformation

• Arizona Management System title adopted
• Mid – 2015 - 8 key agencies selected to receive focused consulting support
• Four consulting firms selected
• December 2015 – Set transformation standards
  – Performance management
  – Problem solving
  – Leader behaviors
• January 2016 – transformation of 8 agencies began
State-wide Lean Transformation Status

• Monthly business reviews with Chief Darwin
• Quarterly participation by Governor Ducey
• **Today** - transformation effort expanded to 17 agencies
  – Honsha supporting transformation of 11 agencies

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State-wide Lean Transformation - TODAY

- Performance measurement, agency scorecards, huddle boards, gemba walks implemented
- Cultural transformation led by leadership teams
  - Training and coaching
  - Cascading down through agencies
- Key value streams transformed through PDCA
  - Examples:
    - Motor Vehicle Division experience time 53% reduction
    - Infrastructure Delivery and Operations task order release process lead time 70% reduction
Lessons Learned – Top 5 Key Success Factors

1. Supportive, engaged, and teachable Executive Leadership
2. Multi-dimensional transformation strategy
3. Phased implementation / execution
4. Build internal resource capability
5. Multi-modal, frequent communication
Supportive, Engaged, and Teachable Executive Leadership

- Transformation leadership
  - Develop roadmap
  - Monitor and lead progress

- Engagement in the process
  - Create a shared vision
  - Role model and teach
  - Walk the talk – lead by example
  - Teach and cascade
  - Change management

- Strategy deployment - > Performance measurement
Multi-dimensional Transformation Strategy

MILE WIDE - Cultural Transformation

Customer first
Safety and security
Mutual trust and respect
Teamwork and communication
Human development
Leadership vision and execution

MILE WIDE - Skill Acquisition and Practice

Kaizen
Standard work
PDCA
5S
Performance measurement
Visual workplace
Gemba walks

MILE DEEP - Value Stream Transformations

PDCA of significant value stream
Solve a chronic problem
PDCA team – front lines
Regular frequent meeting cadence
Phased Implementation / Execution

Phase 1:
Learn, transform culture, provide vision and Align the organization

Phase 2:
Learn and transform culture, processes, & Systems

Phase 3:
Do and Improve

Activities
- Weekly monitoring and communication
- Monthly kaizen culture training
- Practices training and coaching
- Implement, role model, and cascade V.S. PDCA and Strategy deployment

Level
- Senior Management
- Middle Management
- Front lines

Kaizen & Standard Work
### Phased Implementation / Execution

#### This Year’s Action Plan

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<th>Initiative(s)</th>
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#### Project 2: Schedule thru Dec 2016

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#### Phase 2: Schedule thru Dec 2016

- **Class 1: KDA Training**
  - TD: 10/14
  - TD: 10/21
  - TD: 10/28
  - TD: 11/4
  - TD: 11/11
  - TD: 11/18
  - TD: 11/25
  - TD: 12/2

- **Class 2: Performance Measures, Visual Management, & Tiered Huddles Training**
  - PM/VPMA/TM Training
  - WA/VPMA Coaching & Implement

- **Class 3: Leader Standard Work (LWA/VPMA) Training**
  - LWL/VPMA Coaching & Implement

- **Class 4: KYA/WPO Coaching & Implement**
  - KYA/WPO Coaching & Implement

- **Class 5: SW/VPMA Coaching & Implement**
  - SW/VPMA Coaching & Implement

- **Class 6: PDCA Training and Mile Deep Project**
  - Apply PDCA to Mile Deep Projects

- **Class 7: VSM & Process KDA Training**
  - Coaches Coach 3 People One Hour per Week

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Build Internal Resource Capability

• Transformation leadership and support, i.e.
  – Government Transformation Office
  – Office of Continuous Improvement
• Consultants as transformation architects, trainers, and coaches
• Identify lean leaders and trainers during transformation
• Consultants train internal trainers and coaches
Multi-modal, Frequent Communication

- Leadership cascading
- Weekly Director – “Shout out” recognition
- Share transformation activity and successes
  - Monthly leadership meetings
  - Weekly lean transformation huddles
  - Annual conferences
- Intranet –
  - Subject resources for deeper learning
  - Videos and transformation status updates
- Visual workplace: “Is transformation taking place?”
  - Use halls, walls, and media
Make the Transformation Your Own

The Eight Wastes

- Transport
- Inventory
- Motion
- Over-Production
- Waiting
- Over-Processing
- Defects

Satisfied Customers

Increased Value per Investor Dollar

Activities

- Recruiting/Hiring/Promoting
- Individual Performance
- Award, Reward, Recognize, Celebrate Success
- Creating the Vision
- Telling the Story (Internal/External)
- Reinforcing the Culture
- Training Coaching
- Mentoring Study Groups
- Scorecards
- Business Reviews
- Huddle Boards and Meetings
- Strategic Plan/Deployment

Cornerstones

- People
- Communication
- Learning
- Performance Measures

Foundation

- Teamwork and Communication
- Mutual Trust and Respect
- Customer First
- 5S and Visual Work and PDCA
- Standard Work
- Kaizen

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Questions and Answers

Kismet Weiss, Administrator ADOT
Office of Continuous Improvement
Thank you!