

New Hampshire Process Improvement

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Lean in New Hampshire State Government

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Background:

John MacPhee – Director of Process Improvement

Education: Engineering & Business Administration

Experience Overview: Manufacturing Industry 25 years

Public Sector: State Service 10 years

Department of Health & Human Services

Employees: 2,800

Budget: 2.3 Billion \$

Medicaid: 187,000 recipients

Mission: To provide families and individuals opportunities to achieve health & independence

Divisions: Public Health, NH Hospital, Medicaid, OCOM, Adult & Elderly, Division of Family Assistance, Child Service, Facilities Licensing

What is Lean ?

- Lean is a collection of principles, methods, and tools for achieving process improvement. The focus is on identifying and eliminating waste
- The whole point of Lean is to examine the actual work being done and fundamentally rethinking the way it is done - Governing Magazine
- Lean is most famous for it's widespread use in manufacturing



Why Lean ?

Government is under increasing pressure to:

- Reduce waste
- Reduce costs
- Expand services with less
- Improve processing time
- Increase transparency
- Improve quality of services
- Meet customer expectations

→ Lean is Simple, Accessible and Doable

State-Wide Lean Network



"Encouraging innovation in how the State of New Hampshire provides essential public services is a critical aspect of maintaining fiscal responsibility and protecting taxpayer dollars. I strongly support the continued use of Lean process improvement tools as a proven means to ensure that public funds are used as efficiently and effectively as possible. We owe the citizens of the Granite State a government that is committed to eliminating waste. By focusing on collective problem-solving in order to deliver services as efficiently as possible, Lean is helping us build a stronger, more innovative New Hampshire."

-Governor Maggie Hassan

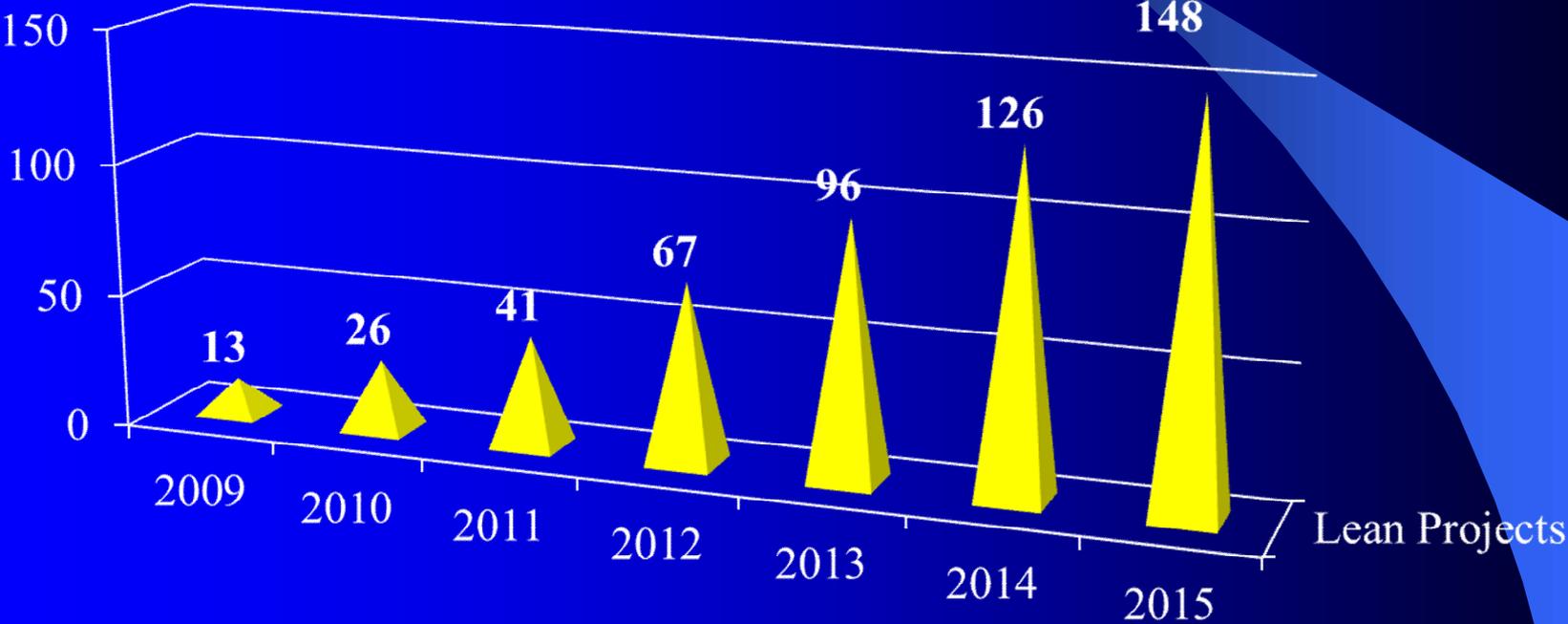


Mission Statement:

To promote a stronger more efficient New Hampshire, the State Lean Executive Committee (LEC) facilitates innovation and effectiveness through education and process improvement.

Cumulative Growth of Lean in Government

Lean Projects



Lean in New Hampshire Government

Agencies using Lean methods for process improvement:

- Adjutant General
- Administrative Services
- Banking
- Corrections
- Cultural Resources
- Employment Security
- Environmental Services
- Information Technology
- Insurance
- Judicial
- Labor
- Health & Human Services
- Labor
- Lottery
- Public Utilities Commission
- Resources & Economic Dev.
- Revenue
- Safety
- Transportation
- UNH

How to build a “Lean Thinking” Culture

➤ *Education and Training*

- *Introduction to Lean, Yellow Belt, Green Belt & Black Belt*

➤ *Agency leadership supports and promotes Lean*

- *Processes are assets*

➤ *Empower the workforce*

- *Tap into the intellectual and creative capital of employees*
- *Approach the workforce with humility and respect*

➤ *Celebrate small wins*

➤ *Be transparent*

- *keep it visual with tools like value stream mapping*

➤ *Make Lean the standard PI method*

- *be consistent with project phases, language and reporting*

What's Different ?

Mfg. Industry

Products and Services

Dominate the Market

Answer to shareholders

Cell – operation excellence

Enterprise Alignment

Directives

Less Employees Are Needed

Budgets are long term

Government

Improving people's lives

No competition

Public performance

Process ownership is vague

Many Silos of process & IT

Decision making committees

No one loses their job

Budgets are short term

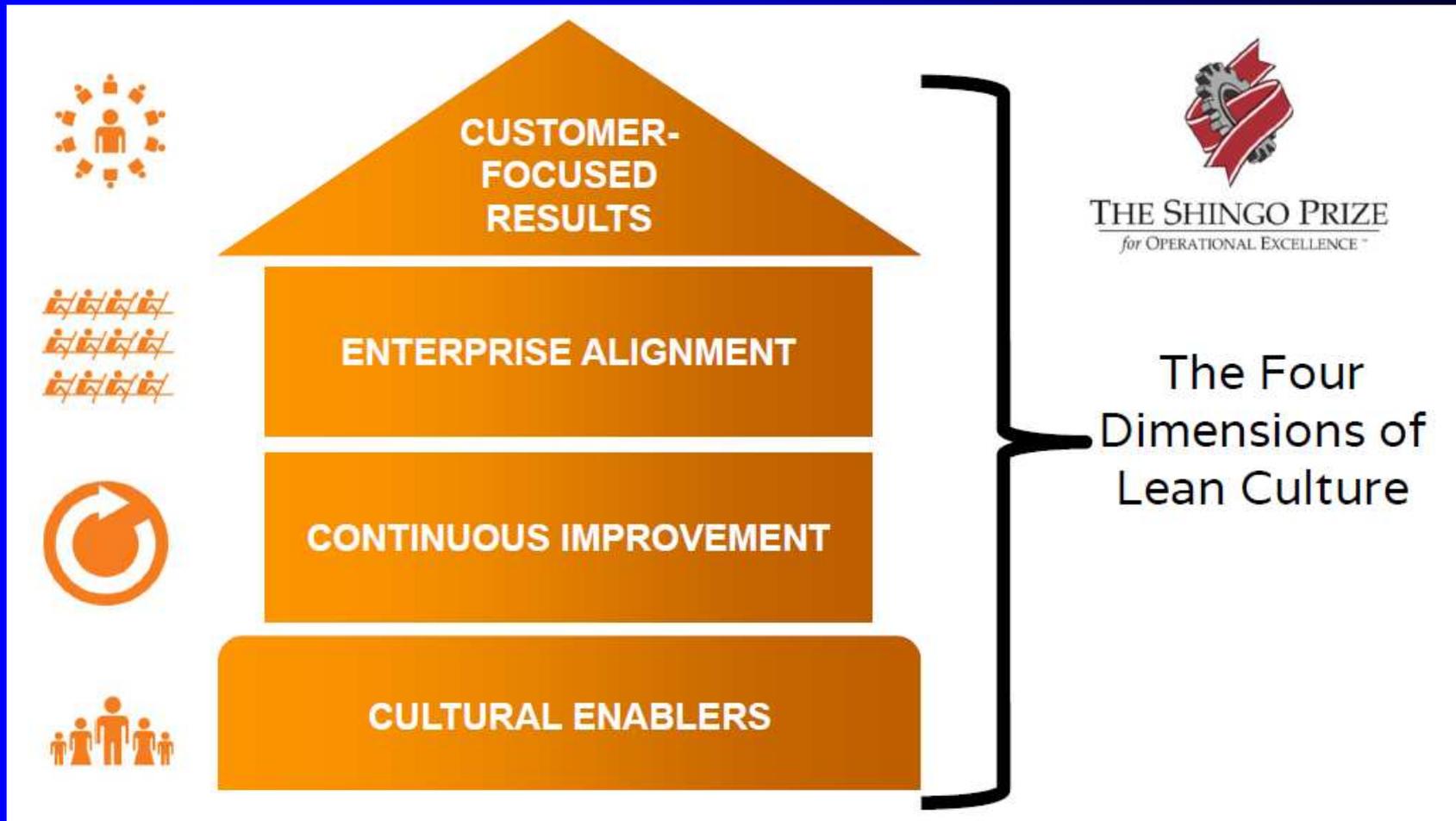
Examples of Waste

- 1. Creating Reports that no one reads, Making extra copies**
- 2. Waiting for the:
computer, copier, approvals, for a co-worker to get back to you**
- 3. Retrieving paper-based documents, moving the work, unable to share**
- 4. Repeated manual data entry into multiple systems**
- 5. 100% inspection and review**
- 6. Requiring the customer to fill out multiple forms w/same info**
- 7. Excessive travel for meetings**
- 8. Missing information or wrong information collected**
- 9. Staff that are under utilized**

Why Lean Succeeds

- *Learn about the process before the meetings*
 - *Who is the customer, terminology used, job functions, etc.*
 - *Do not waste people's time! Do homework up-front*
- *Approach with respect and humility*
- *Listen, Listen, Listen Reflect on Listening*
- *Do not make judgments, Do not jump to solutions*
- *Ask for pain points, barriers, and frustrations*
- *Success is when employees are part of the solution*
- *Keep it visual*

Lean is evolving

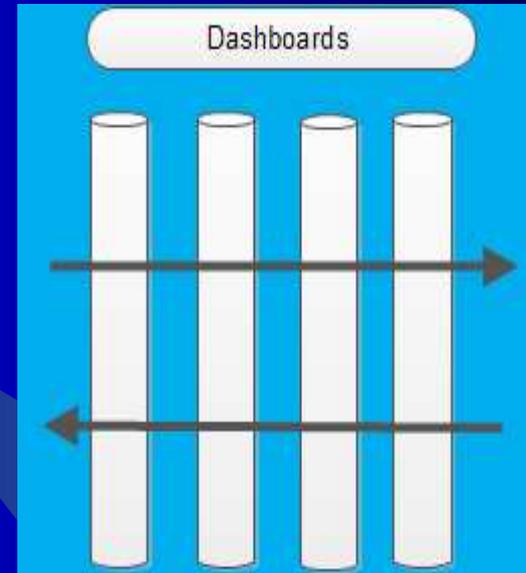


What does alignment look like ?

People



Process Centered Organization



Standard Processes

How does Lean align the organization?

Process Improvement & Alignment Initiatives

- Have a profound affect on every aspect of operations
- Change the day-to-day workflows
- Obtain a clear understanding of current work flow, practices and policies.
- Collect forms, databases, spreadsheets
- Follow the customer and adding value
- Recommend solutions that align with the organization's strategic
- Align the workforce with the mission statement though change management
- Build quality into the processes. Pass no error

Summary: Did the culture change?

- Ask the people
- Processes have moved incrementally towards modernization
- Parallel, redundant and separate operations have been merged into single work flows
- Transparency exists
- Capable change agents showed up
- Use of common language & tools
- Workforce can speak the vision, mission & values
- Staff who participated in a Lean event request more Lean events

Final thoughts:

Optimization in government is not just about academic theories, elaborate methodologies or even great management.

It is about asking the right questions and working with people to solve the problems that they face

End of Presentation

Questions ?