

Creating a Culture of Innovation

September 27, 2016

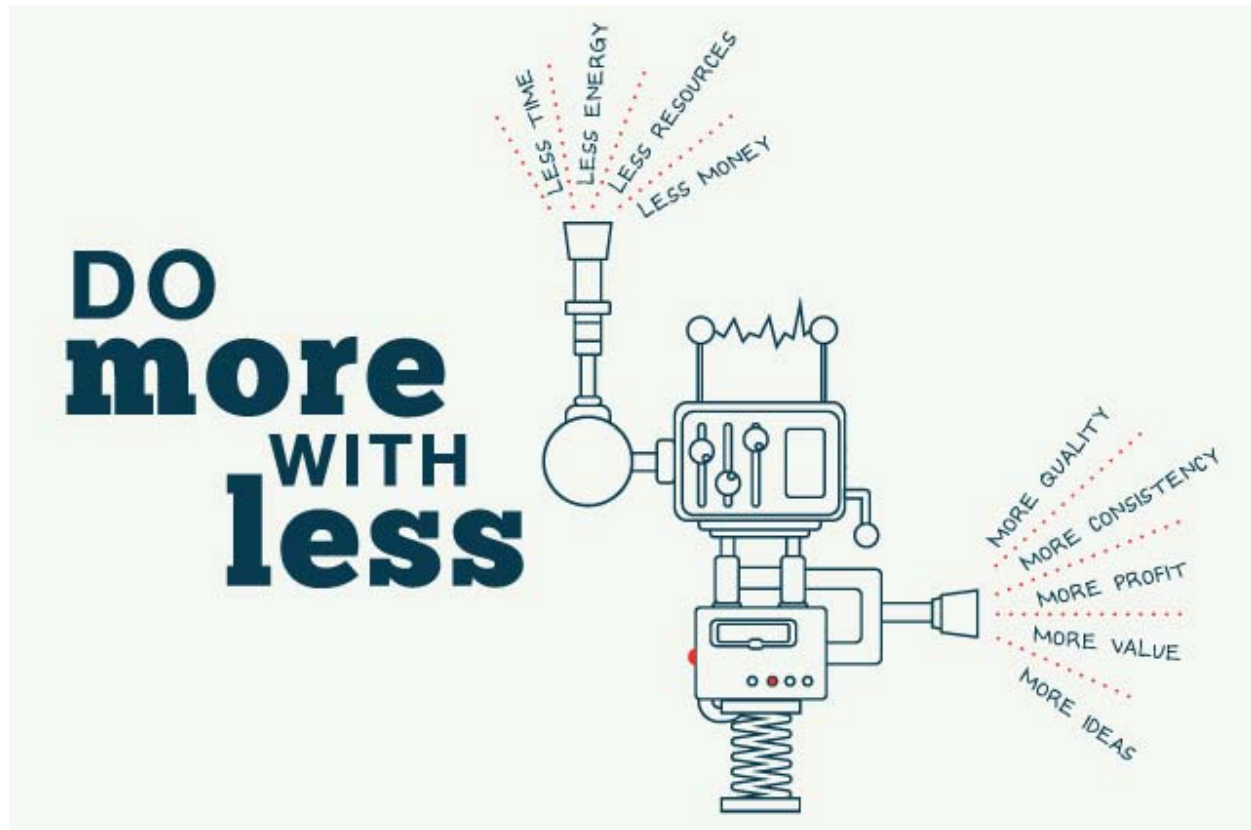


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Why is it important to create a culture of innovation in government?



Session Agenda

- Part 1: Lean Tools & Terminology
- Part 2: Creating a culture of innovation in your organization
- Part 3: Q & A



CREATING A CULTURE OF
INNOVATION

Session Panelists

- Richard Baron
Process & Project Coordinator,
Coconino County, Arizona



- David Krings
Director of Non-Profit & Local Government Solutions,
TechSolve, Inc.



Part 1

“Lean” Tools & Terminology



Building a Culture of Innovation Using “LEAN”

David Krings

Director Non-Profit & Local Government



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Organizational Culture and “Lean”

Lean has been defined in many ways.

Process improvement in the public sector is as much a philosophy that seeks the involvement of all workers in the elimination of waste and the adding of value as it is a series of analytical techniques to reduce wasteful and non-value-adding activities. Born in industrial setting, Lean is a simple, common-sense analysis and approach to employee involvement and process improvement has produced startling results.

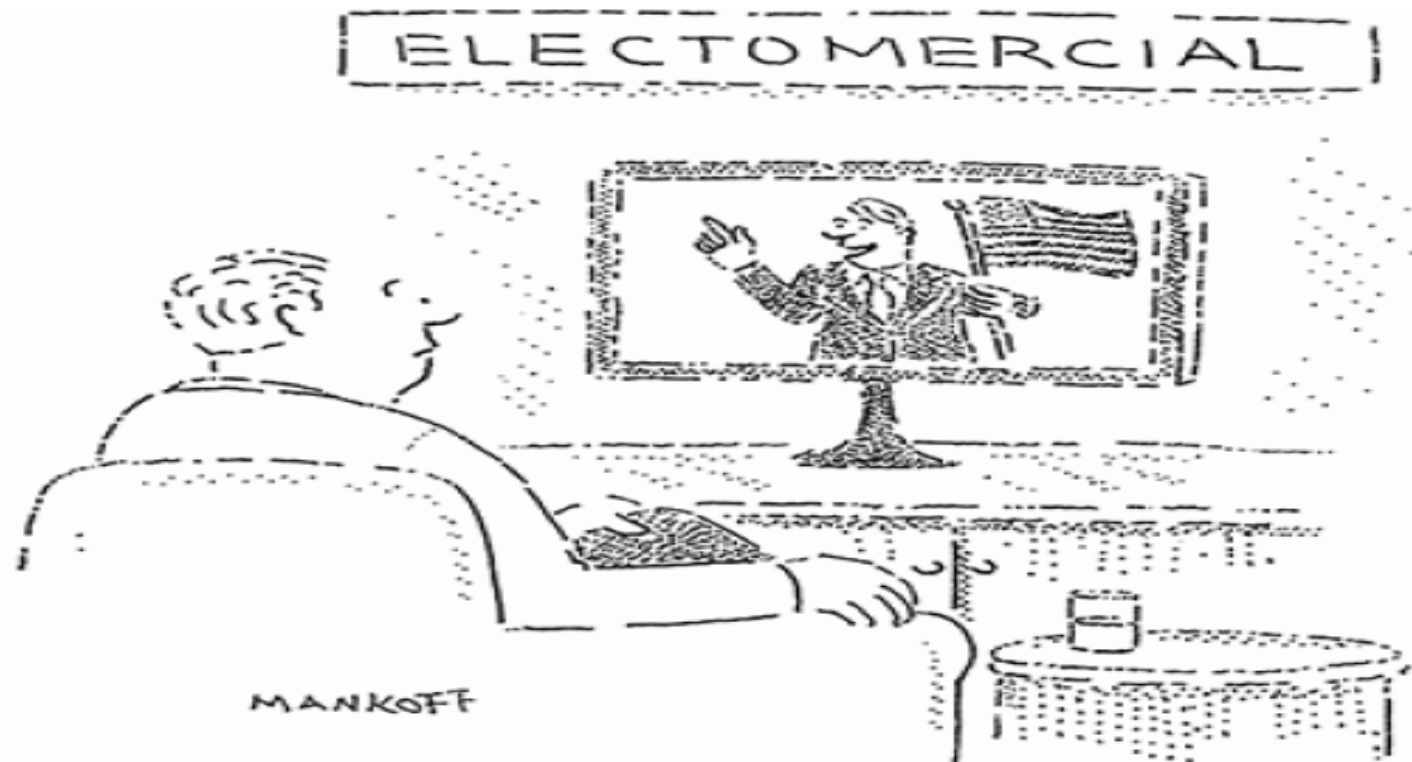
Process Improvement Can Be Used To:

- Shorten time required to hire
- Reduce the complexity of the building permit process
- Cut the lead time for making purchases
- Lessen the complexity of tax collection
- Reduce expenses in the judicial system
- Allow the provision of more or better services at the current costs
- Improve processes to “better”

Examples of Success

- **County of Peoria, Illinois**
 - The County estimates that staff productivity for building permit processing improved between 50% and 100%.
 - Similar results after Lean was applied to the hiring process and the County Board agenda process.
- **City of Conroe, Texas**
 - Real dollar savings exceeding \$2 million were produced in a community with a General Fund budget of \$42 million and an Enterprise Fund budget of \$14.6 million.
- **County of Catawba, North Carolina**
 - The improving economy and process improvement efficiencies resulted in the increase in current-year collection rate by \$338,500. Prior-year collections also increased by almost 14 percent for a \$240,684 increase in revenue.

Listening to Line Workers is not:



"If elected, I'll institute an amazing crash program that in just 24 hours will trim ugly fat and waste from government and literally turn it into super services for you the American people by utilizing a natural mechanism so powerful that when unleashed against pockets of government flab it melts and transforms them into effective programs that work even as the American people sleep!!"

Change Can Be Challenging

Dilbert's View of "Change"



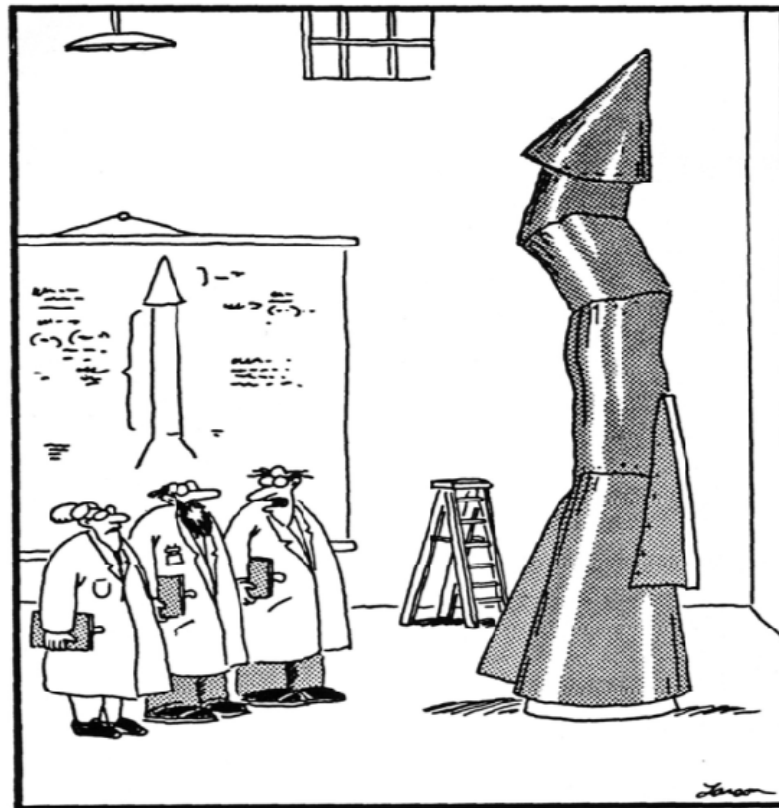
*Change is
Great!!!*

You go first.

Culture Change is Challenged in Many Ways

- Individual/Personal
 - Habit (sense of loss)
 - Security / Fear of unknown
 - Economics
 - Ignorance / Inability
 - Social factors
- Technological/Systemic
 - Sunk costs
 - Switching conversion costs
- Management/Organizational/Cultural
 - Values
 - Inertia
 - Power/control
 - Vision/strategy

Process Improvement Techniques need not be Rocket Science



"It's time we face reality, my friends. ... We're not exactly rocket scientists."

Process Mapping a Visit to the Doctor Office

Richard Baron
Process & Project Coordinator



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8 Wastes

David Krings

Director Non-Profit & Local Government



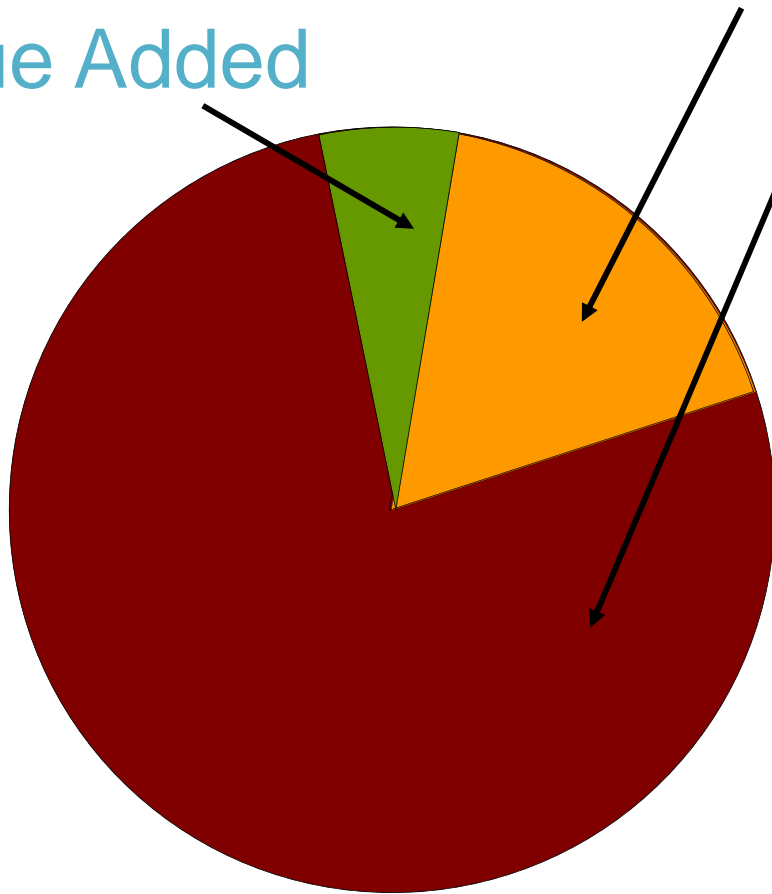
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Non-Value Added but Necessary

Value Added



Non Value Added

- Defects
- Overproduction
- Waiting
- Not Utilizing Employees K,S,A
- Transportation
- Inventory / Backlog
- Motion
- Excess Processing

Typically 75-98% of lead time is non-value-added.

Defects

Incorrect or Incomplete Work Delivered to the Next Process (the Customer)

Result in Rework

Causes of Defects

- Weak process control
- Incorrectly processed orders
- Inadequate education/training/work instructions
- Customer needs not understood



Overproduction

Making more, earlier, or faster than is required by the next process

Causes of Overproduction

- Generating reports that are not needed
- Emails sent to people who do not need to receive them
- Misuse of automation
- Long Process Set-up
- Unbalanced work load



Waiting

Idle time created when waiting for invoices, copier, parts, materials, machines, information, signatures, help, etc.



Causes of Waiting

- Unbalanced Workload
- Too Few Office Machines
- No Clear Office Protocol
- Upstream Quality Problems
- Waiting for a Signature Approval

Not Utilizing People

The Waste of Not Using People's Abilities

- (knowledge, skills, and abilities)

Causes of Underutilized People

- Old guard thinking, politics, the business culture
- Poor hiring practices
- Low or no investment in training
- Low pay, high turn over strategy



Transportation

Transporting documents and materials around the office.

Movement of people that does not add value to the product or service.

Causes of Transportation Waste

- Poor office layout
- Processing extra paperwork
- Office processes that are not located near each other
- Poor understanding of the process flow
- Large batch sizes
- Large storage areas



Inventory / Backlog



Motion

Movement of people that does not add value to the product or service

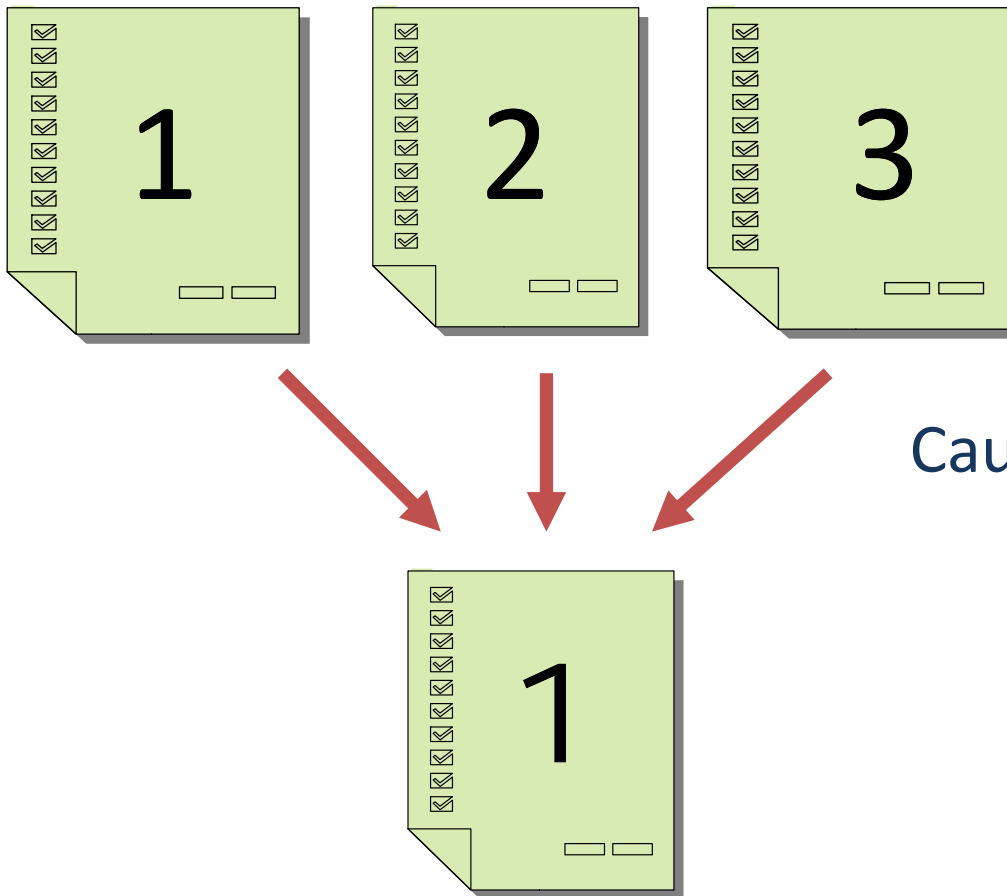
Causes of Motion Waste

- Poor people/machine effectiveness
- Poor office layout
- Inconsistent or no standardized visual work instructions
- Poor workplace organization and housekeeping
- Extra “busy” movements while waiting



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Extra Processing



Effort that adds no value to the product or service from the customers' viewpoint

Causes of Extra Processing

- Product changes without process changes
- True customer requirements undefined
- Lack of communication
- Redundant approvals
- Emails sent to everyone

Identify Waste in the Visit to the Doctor Office

Richard Baron
Process & Project Coordinator



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Value Added Steps

- Changes the “form or function”
- Desired by the end customer



Required Steps

- Does not add any value
- But is “required”



Waste Steps

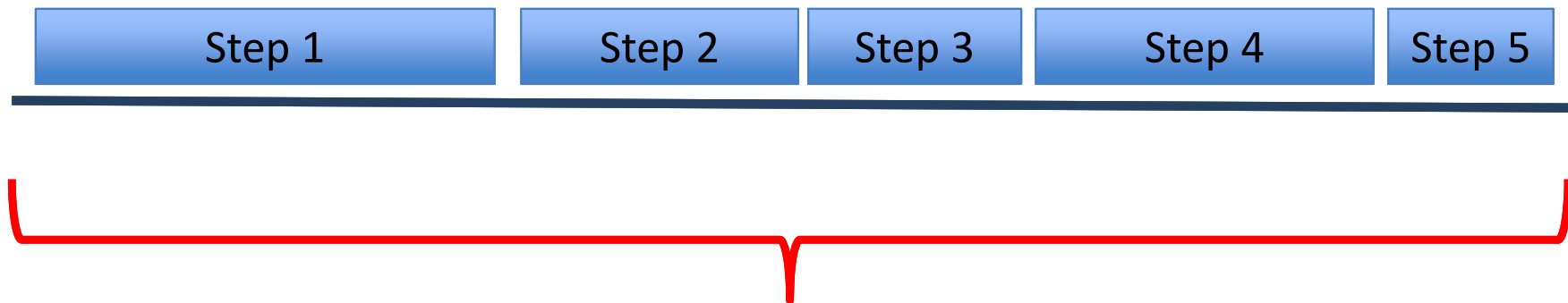
- Does not add any value
- Should be eliminated or minimized



Lead Time

Start
of Process

End
of Process

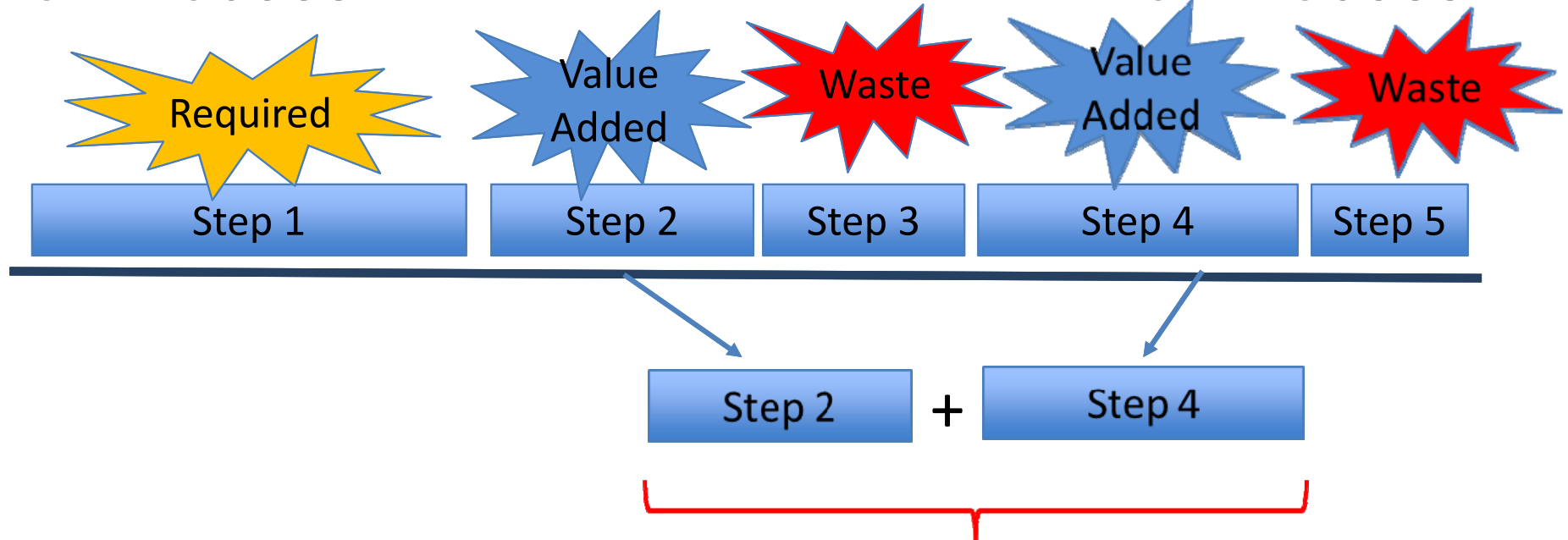


= Total Elapsed Time

Processing Time

Start
of Process

End
of Process



= Total Value Added Time

Part 2

Creating a Culture of Innovation in Your Organization



The City of San Antonio's Story



INNOVATION

We are driven by continuous improvement.

We find new ways to make things better.
We optimize results by working smarter.
We are empowered to take risks, learn and grow.
We learn from our failures and our successes.



EnC.O.R.E.

I wanted to recognize _____,
(Employee Name)
with _____, for _____
(Department/Division)

Your actions exemplify your commitment to:

- Teamwork Integrity Innovation Professionalism

Great Job!



innovation

city of san antonio



\$20.3 M

The amount that Innovation has saved the City



5 YRS.

ICMA Performance Management Certificate of Excellence



7 TIMES

Selected to present at the Transforming Local Government Conference



70%

Percentage of departments we have worked with

Faster, Better, Cheaper:
Improving the Recruitment Process One Step at a Time



speak Up
s a n a n t o n i o

Part 3

Questions/Comments?

Additional Information...

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