Leading the Government
Continuous Improvement
Transformation

National Conference of State Legislatures
August 20, 2014
“My goal is to make continuous improvement part of the ‘DNA’ of Minnesota state government.”

“Developing a culture of continuous improvement will not happen overnight. We all need to lead by example, and work to make state government work better for Minnesota”

Governor Mark Dayton
Memo to State Agency Commissioners
May, 2011
What is Continuous Improvement?

Continuous Improvement (CI) is an ongoing effort to improve the effectiveness and efficiency of the processes we use to deliver services to our customers.
Minnesota State Agency Participation

Training
• Training participants to date: 4543
• Agencies trained staff penetration - between 1% and 27%
• In addition to state agencies, MNCI has trained staff from 52 counties and 17 cities

Projects
• Projects reported in FY13 & FY14: 356 (not all in yet for FY14)
• Agencies reporting projects: 16 - approximately 76% of executive branch agencies

Leadership
• Agencies on Steering Team: 14, represent approximately 66% of executive branch agencies and nearly 85% of the state workforce
What is Lean?

• Attributed to Toyota Motor Corporation’s Toyota Production Systems (aka TPS)

• Has now been applied in all sectors, private and public, healthcare, office and manufacturing
Non-value added = waste

Lean = Eliminating Waste

Non-value added:
- Defects, errors
- Overproduction
- Transportation
- Movement
- Waiting
- Over-processing
- Inventory
- Underutilized Resources

*Typically 95 percent of all lead time is non-value added*
Why Lean, why now?

Public agencies are being asked to do more with smaller budgets and a shrinking workforce.

So how can we continue to provide quality service to our customers?

Lean can help.
Reducing Pressure Ulcer Wounds for Veterans

Minnesota Department of Veterans Affairs (MDVA)
Reduced rate of pressure ulcer wounds by 50% +

Objective: Reduce an upward trend in pressure ulcer wounds to an all-time high of 10.5 percent.

Outcome: Within three months the committee reduced the pressure ulcer wound rate to 3.1 percent, and maintained a 4.5 percent rate over the last year, which is well below the national average.
Minnesota Department of Human Services (DHS)
Cost Savings: $1.8 million annually

“This effort grew out of a commitment to first-rate public service and an understanding that what gets measured gets done.”

Objective: To improve outcomes for Minnesotans such as helping them to be more independent, safer, and more integrated into their communities.

Outcomes: Developed 39 indicators to track performance across DHS’s programs. By tracking these indicators, DHS saved $1.843 million in Medical Assistance funds in fiscal year 2012 on one program alone, the “Return to the Community Initiative”.

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22% Reduction in Return Mail

Minnesota Department of Revenue (DOR)
Cost Savings: $630,000 annually

Department of Revenue’s first continuous improvement project

Objective: Streamlining its letter printing and mail processing systems with an ambitious goal of reducing returned mail by 50% and resending returned mail within 3 business days.

Outcome: DOR implemented reforms including consolidated printing operations, standardized letter formats and stationary and automated mailing procedures resulting in a reduction in return mail by 22%, amounting to annual savings of $630,000.
Partner with the Private Sector

• General Mills Story
  – Request of Governor
  – Proven results
  – Investing in Minnesota
  – General Mills Values – Do the Right Thing All the Time
The Continuous Improvement Virtuous Cycle

Eliminate wasted hours, effort, spending

Drive consumer relevance, Innovation and business results

Resource redeployment to value creation

Eliminating Waste ≠ Cost Cutting
How General Mills Adds Value

• Understand Principles of Lean
• Develop Road Map for Implementation
  – Hands>Head>Heart=Engagement
• Skills with Proven Methodologies
• Training
• Master Planning
• Consultation with Key Leaders

“Continuous Improvement is the gift that keeps on giving”
Don Mulligan
CFO – General Mills
What can you do?

• Ask your agencies what they are doing to be as efficient and effective in their services to customers

• Acknowledge the improvements!

• Don’t bring in Lean to reduce budgets – bring in Lean once budgets have been reduced
Summary

Continuous improvement (CI) yields:

• Improved service delivery
• Improved employee morale
• Increased capacity

To create and sustain a CI culture requires the knowledge and commitment of the leaders of the organization.
Contact Us!

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