



Managing Performance for a Lean Government

VACo Conference – November 2013



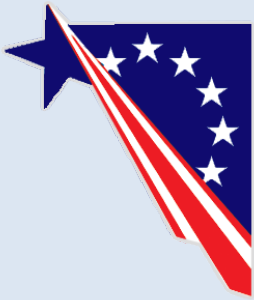
York County



Welcome and Introduction

We are pleased to have the opportunity to share information with you on our new initiative and how we are using “Lean” to empower our employees to make York County even better.





Overview

- Recent History – Budgeting During Recession
- Recovery after the Recession
- Why Use Lean?
- GFOA and ICMA Tools and Publications
- How to Use Lean
- York's Initiative
- Engaging our Employees





Overview Continued



York's Initiative is *not* intended to reduce staff

**York's Initiative is intended to Empower
Employees to Originate Process Improvements**



Overall Goal



- As directed by the **Board of Supervisors**, create an environment that fosters continuous improvement in allocation of resources used to deliver services to citizens and customers in a dynamic and changing world.
 - Engage Citizens/Customers
 - Engage All Employees
 - Eliminate Waste
 - Measure and Communicate Results





Why New Initiative



Deliberate Look:

- **Evaluated Current Status** - Where We Are and How We Got Here
- **Board's Direction** - Focus Mid to Long Range Planning
- **Reality** - Increasing Demands, Increasing Prices, Decreasing Resources
- **Need to Make Changes** - to Sustain Fair and Competitive Wages and Continue to Provide Quality Services
- **Employees are Key** - Desire to Get Out and Meet with Employee Groups and Hear their Suggestions for Improvements

Result – Comprehensive New Initiative



Recent History

➤ Revenues & Resources
are down



➤ Mandates & Costs
are up



York County



Budgeting During Recession

(millions)

	<u>FY2009</u>	<u>FY2014</u>	<u>\$ Change</u>	<u>% Change</u>
School Funding	52.9	57.9	5.0	9.5%
Public Safety	28.1	30.5	2.4	8.5%
All Other	<u>48.5</u>	<u>41.7</u>	<u>(6.8)</u>	(14.0)%
Total	<u>129.5</u>	<u>130.1</u>	<u>.6</u>	.5%



Across the Board Cuts
Eliminated/Postponed Capital Purchases
Reassigned Duties
Reduction of 24 Employees
January 2009 to August 2013 CPI Increase of 11%



Recovery after the Recession





Looking To The Future

FY14 Showing Signs of Some Recovery but Mixed Indicators

- York County's Revenues Expected to Grow by Approximately 2%
- Construction Activity Slightly Up
- New Car Sales Up
- Real Property Values Still Dropping





Looking To The Future

Even With “Recovery” Trends are not Expected to Match Pre Recession Levels

Service Demands and Expectations are not Decreasing and Costs are increasing

Significant Resistance to Tax Increases





Finding Efficiencies

Facing the Post Recession Fiscal Reality of Slower Growth, It is Apparent That York County Will Have to Make Changes.



How Will We Adjust?
What Tools Are Available?





York County's Initiative





Managing Performance for a Lean Government

- How we designed our comprehensive program
- Goals of the New Initiative:
 - ❖ Manage Resources to Continuously Improve Efficiencies
 - ❖ Focus on Mid & Long-Term Strategic Planning



Performance Management

Initial Independent Review
Alignment of Limited Resources
(Fresh Look)
Develop Formal Process with Staff
Develop Tracking System & Reports
**Manage Resources to Continuously
Improve Efficiencies**

Lean Process Reviews

Systematic Review of
Programs/Processes
Continuous **Incremental**
Efficiency Improvements
Actively Engage **All** County
Employees
Citizen/Business Participation
Review Customer Service Surveys
Train the Facilitators

**Reviews are More than a Project,
it is an Ongoing Cultural Change**

Long-Term Strategic Management

Develop 5 Year Operating Budget
& Tie to CIP, Strategic
Initiatives & Comp Plan
Develop Bond Rating
Presentations
Review/Update Policies,
Directives & County Code
Formalize Financial Policies/Tools
Develop Revenue Forecasting
Model
**Devote More Time to Mid &
Long-Term Strategic Planning**

Managing Performance for a Lean Government

Enhanced Transparency

Performance Reports
Bond Rating Presentations
Financial Reports
Process Review Reports
Develop Dashboards & Other Reports

**Continuous Awareness of Customers'
Needs and How to Best Address
Requirements in a Dynamic Changing
World**



Why Use Lean?



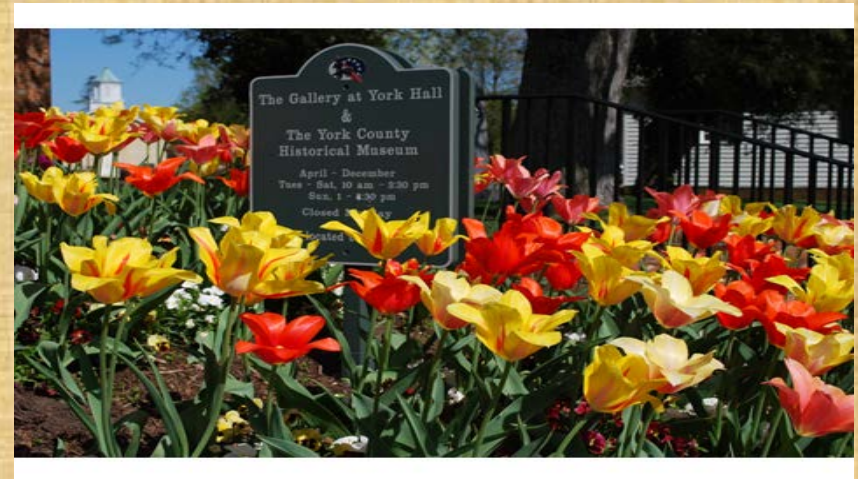
“LEAN” grew out of the business sector and refers to a collection of principles and methods that identifies and **eliminates process steps** that do not add value.

“LEAN” is only a tool that should be incorporated into a broader system of Performance Management that establishes a culture of **continuous and incremental improvements** to better meet the needs of citizens and customers





GFOA & ICMA Tools and Publications





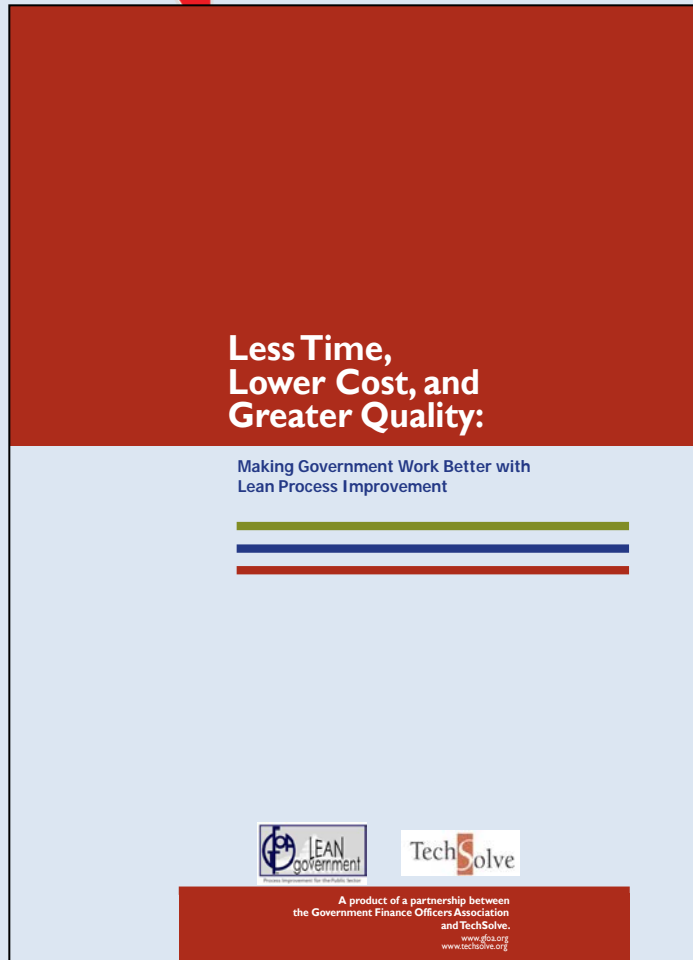
GFOA & Lean

- **GFOA 2012-2013 President**
Christopher P. Morrill, City Manager,
City of Roanoke, Virginia – **Lists**
GFOA's Lean process as 1 of his 3
Accomplishments
- **Developed New 2 Day Course - Hands**
On with Lean Process Improvement
for the Public Sector
- **2013 National Conference – Multitude**
of Lean Sessions



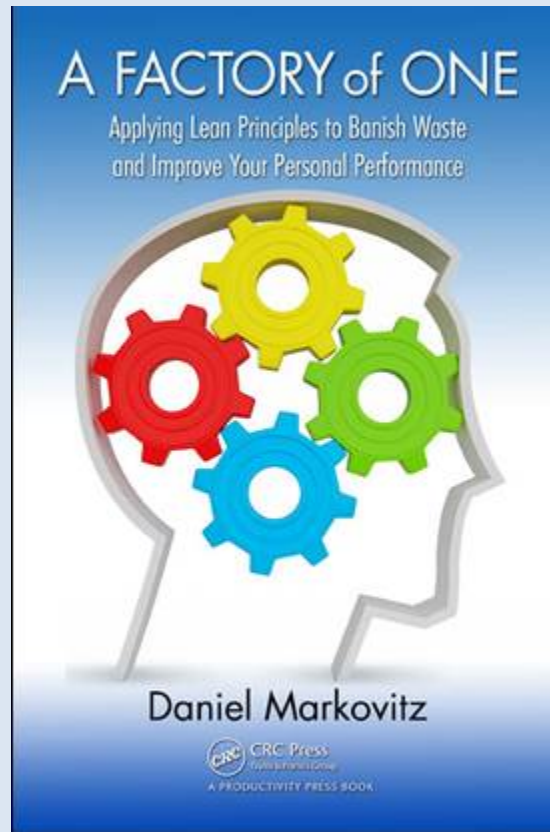


GFOA Tools





Other Lean Books





Lean is New to Local Governments

Sources for Success Stories:

- City of Irving, Texas
- King County, Washington
- City of Grand Rapids, Michigan
- Baltimore, Maryland





ICMA



- Lean Government Website
- Webinars such as “Lean Government: Empowering Employees to Identify and Eliminate Waste”
- Articles such as the “Use of Lean in Local Government”





To Establish a Successful Lean Initiative

Empower Employees to Solve Problems

Board & County Administrator Support is Essential

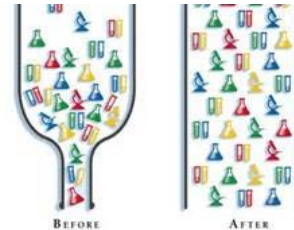
- Dedicate Resource Time Countywide
- Ensure employees job security
- Permission to look bad (Focus on Future, not who is to blame for the past)
- Selection of Project Manager - who is Focused on Big Picture and High Enough Up the Organization to Reduce Effects of Departmental Silos





Where is waste?

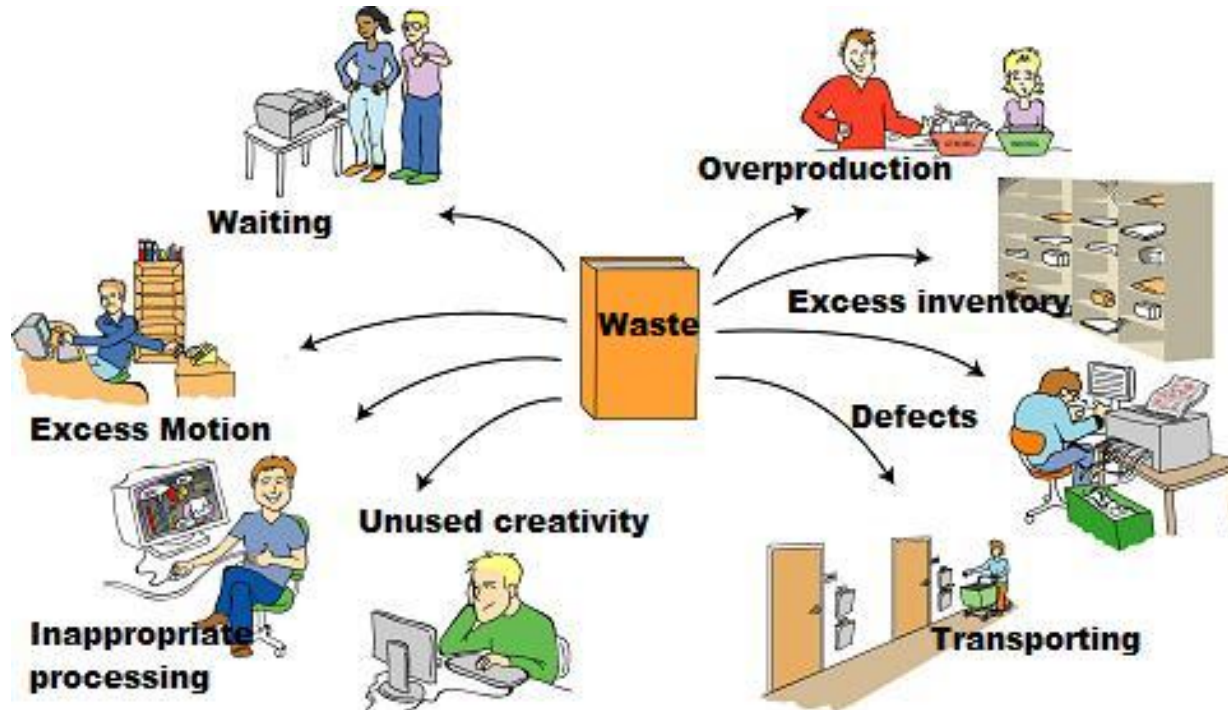
- Over processing
- Over inspection (too many reviewers)
- Defects
- Waiting
- Backlogs and bottlenecks
- Physically moving documents or inventory
- Motion
- **Underutilizing people's abilities**
- Paper or manual processes



Anytime a process is inefficient taxpayer dollars are being wasted



Eight Wastes





Lean Thinking



When encountering a problem, we need to model Lean thinking and behavior.



We can start by conditioning ourselves to slow down our thinking, ask good questions that lead us to the **root cause**, and **resist the urge to jump to solutions**.

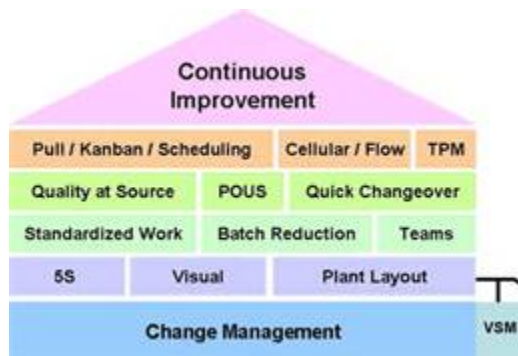
There are five steps to problem-solving:

- Pick up the problem (problem statement)
- Grasp the situation (go see)
- Investigate the causes (go see)
- Develop and test a countermeasure
- Follow up PDCA (plan, do, check, act)





How to Use Lean

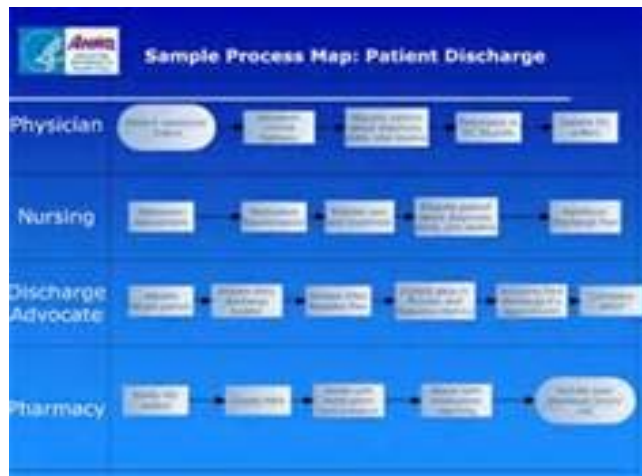
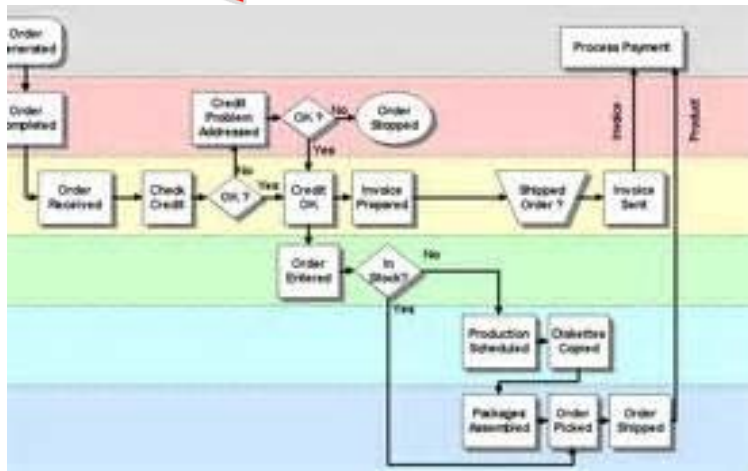


- Swim lanes
- 5-S
- Stream Mapping
- Gemba Walk
- Kaizen Events
- Poka Yoke





Swim Lanes





First Step - Engaging our Employees





Group Idea Sharing



Over 300 Suggestions from Initial Meetings

York County



Your Suggestions are the Key

**Employee
Suggestion –
Developed
Anonymous
Suggestion
Form**



**20 anonymous
suggestions
received**

**5 were
outstanding
suggestions**

**Triggered Lean
Challenge**

**We would like to provide you with the
tools to perform your job even more
efficiently.**



York's Initial Examples

- Customer Complaints – Too many days to obtain a **Business Licenses**
- Stewardship of Public Funds – Justifications and Monitoring of **Cell Phone**
- Requests for Expanded Space – **Registrar's Office Review of Storage Spaces** – 5s
- Manual Processes - **Leave slip process**
- Review of overtime and overfilled positions – multiple divisions



Anytime a process is inefficient taxpayer dollars are being wasted



*TIME
&
Attendance*



York County



Looking Ahead

- One Day Class – Specific to Lean Training
- Opportunities to Volunteer
- Lean Project Teams Forming
- Competitions and Recognition
- Identifying Star Performers





Summary

- Lean is integrated into the Culture
- Encouraged by Senior Leadership
- Empowers Employees to offer suggestions by asking why?
- Employees expand knowledge focus on big picture



Questions





Managing Performance for a Lean Government

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