

Lean Partnership Guide

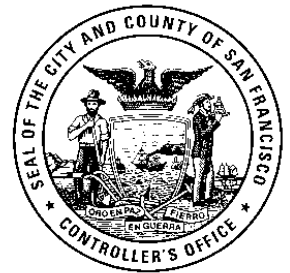
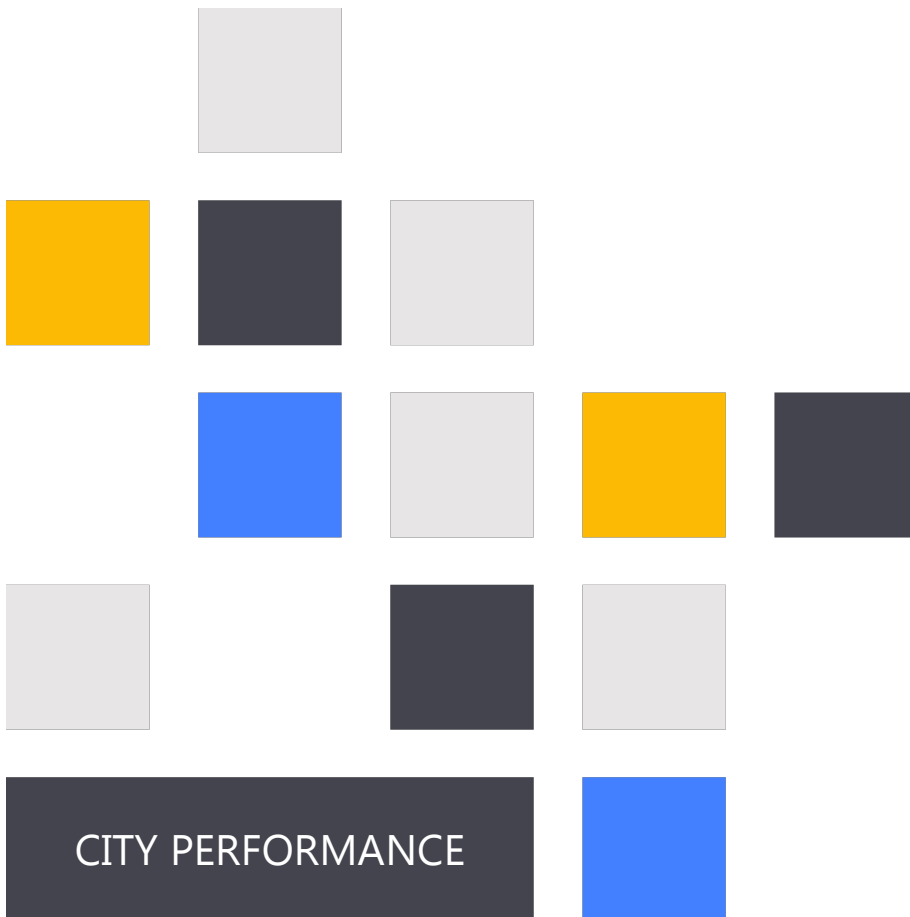
City Performance Lean Program

For more information, please contact:

Ryan Hunter, Project Manager
Office of the Controller
City and County of San Francisco
(415) 554-7533 | ryan.hunter@sfgov.org

Or visit:

cityperformanceleanprogram.weebly.com



March 13, 2018

City & County Of San Francisco
Office of the Controller
City Services Auditor

What is the City Performance Lean Program?

The City Performance Lean Program strives to equip San Francisco City staff with tools to continuously improve City processes to deliver value to their customers. We offer training, coaching, and facilitated improvement partnerships to City departments.

City Performance, a division of the Controller's Office, acts as an internal consultant to City departments to ensure efficient, effective, and accountable government.

Lean is a system for continuous improvement and improves processes to deliver value defined by the customer, at the appropriate time it is needed, with minimal waste. The term "lean" was used to describe the Toyota Production System, a systematic rethinking of the assembly line and manufacturing management practices. From its origins in auto manufacturing, the Lean process improvement methodology has spread across multiple industries, including government.

Prior clients and results

Partner	Results
Recreation and Parks Structural Maintenance Yard	Complete blueprint reviews completed – increased from 47% to 78%. Reorganized yard space and identified 24 tons of broken, aged, and obsolete material.
Controller Administration	Time to prepare for civil service accounting exams reduced by 50%. Annual soft cost of conducting RFP panel evaluations reduced by 40%
MTA MUNI Customer Service	Standardized staff process for handling complaints; created templates for common customer responses.

What is a Lean partnership?

The City Performance Lean Team aims to build an organization's capacity to continuously improve and develop a problem-solving culture. In a Lean partnership, City Performance team members will train key staff and leadership and coach staff at all levels to innovate, implement, and manage change. City Performance will facilitate Rapid Improvement Events (RIEs) to guide staff towards analyzing root causes of problems and designing their own improvements.

A Lean partnership is

- Time-limited
- Goal-oriented
- Focused on removing obstacles within the client's control to improve service delivery
- Focused on the partner's core business functions
- A professional development opportunity for client's staff
- An opportunity to transform your division or department into a Lean organization

A Lean partnership will not

- Require significant financial resources from the client. However, a significant investment of staff time and energy is required.
- Produce recommendations from City Performance. City Performance facilitates a process by which staff initiate improvements to their own work.
- Seek to reduce staffing to gain efficiency. Staff responsibilities or tasks may change, but efficiency gains should result in more meaningful work for staff and a higher level of service to customers.

PARTNERSHIP GOALS

- Measurable improvement on at least one key performance indicator (KPI)
- Staff at all levels of the organization take steps to improve their daily work
- Emerging staff leaders at multiple levels of the organization
- A culture of continuous improvement that thrives after the partnership is complete
- Staff view process improvement as an integral part of their job and regularly innovate

PARTNERSHIP BENEFITS

- Client department increases its service capacity
- Decreases in backlogged work and frustrations for staff, improved morale.
- Provide better government services to customers: faster, less frustrating, more comprehensive processes
- Staff are encouraged in their professional development and become change agents for the organization

Criteria for a good partnership

Not every department, business unit, or process is a good fit for a City Performance Lean partnership. A successful partnership meets the following criteria:

- A work unit of 10-50 people that, while facing clear challenges, can nevertheless **dedicate internal resources to improvement work**. There is a willingness to devote significant time from front line staff, middle managers, and executives to coaching, training, improvement events, and participation in the Lean Leaders network. A few key staff should plan to spend as much as 20% of their time on improvement work during the partnership.
- **An improvement goal** that includes:
 - A clearly defined problem that is within the client department's control
 - Clear, meaningful metrics to gauge success
 - Focus on a single process: the end-to-end delivery of a product or service
- **Commitment and capacity to monitor performance measures**, including
 - Executive agreement on 2-4 key performance indicators (KPIs)
 - Available data to measure KPIs, or a plan to measure them in an ad hoc manner
 - Analysis support from client to measure KPIs during and after partnership
- **Committed executive sponsorship** that
 - Is committed to improving workflow to provide value to customers
 - Empowers staff at all levels to propose changes and ideas; does not look to City Performance as the Lean "fix it" team
 - Expects staff to run improvement projects both during the Lean partnership and after the partnership ends
 - Looks for ways to say yes to proposed changes (a "yes, if" attitude, rather than "no, because") and foster a culture of problem-solving
 - Expects front line staff to have meaningful ideas to contribute and expects middle managers to take ideas from front line staff seriously
 - Is willing to carve out time away from staff's daily work to create space for training attendance, work on improvement teams, and individual innovation
 - Makes him or herself available for training and for meetings with City Performance staff, improvement report-outs, and other key partnership activities
 - Is willing to spend time sharing lessons learned and results with Lean practitioners citywide

What happens in a partnership?

A Lean partnership may last eight to twelve months from initial scoping to the end of the transition, with a level of effort between 500 and 1,250 hours from City Performance, depending on scope. A small partnership may feature a brief period of scoping, relationship building, and observing the work in real-time, in preparation for one narrowly-scoped rapid improvement event (RIE). A mid- to large-size partnership may produce a complete process map during the planning phase to inform multiple follow-up RIEs.

1. INITIAL SCOPING

During initial scoping, the City Performance project manager works with executive stakeholders at the client department to identify the problem to be solved or business processes to be improved. At the end of this phase, a project charter provides an initial roadmap for a City Performance analyst to begin more detailed planning work.

Staffing: 1 Project Manager (PM)

Timeline: 1 month, 15 hours

Deliverable: Project charter

Key questions to ask during initial scoping include:

- What business unit would City Performance work with?
- What are the major processes in that business unit? Are there existing metrics that gauge the effectiveness of those processes?
- What are key problems that the business unit faces?
- What level of engagement or support is the client department looking for?
- Does the proposed partnership meet the general selection criteria above?

Develop project charter

Before planning and assessment, the client and City Performance will agree to a project charter that outlines broad partnership goals and commitments from both sides. The charter should clearly identify:

- Executive sponsor(s) and key stakeholders
- Possible key performance indicators (KPIs)
- Key process to improve
- Initial problem statement
- Initial metrics

2. PLANNING AND ASSESSMENT

The City Performance analyst will spend significant time on the ground in these first few weeks to determine where Lean coaching and facilitation can provide the best support. They will walk through the department's key business processes from start to finish in the location where the work occurs, with an emphasis on how customers experience the process. They will interview a cross-section of staff, including executives and key stakeholders, but also middle managers and line staff. This phase is a chance for both City Performance and the client department to determine whether a Lean engagement is currently a good fit for the business unit.

Staffing: 1 PM, 1 analyst

Timeline: 2 months, 100 -150 hours

Deliverables: Readiness Assessment, Project Plan, Value Stream Map (optional), Executive Training (optional)

Readiness assessment

The analyst will conduct an informal readiness assessment to gauge whether sufficient foundational elements are in place in the business unit for a Lean effort to succeed (see "Criteria for a Good Partnership" above). For executive leadership, City Performance will highlight areas of strength and possible emerging leaders, areas where growth is needed, and any issues of concern to be addressed before proceeding with improvement work. Simultaneously, the client department is developing familiarity with Lean and determining whether they can accommodate the culture change inherent in Lean transformation.

Metric definition and development

If the client does not already have defined metrics, or KPIs (Key Performance Indicators), the City Performance analyst may work with client staff to identify, obtain, and clean data and obtain agreement from sponsors. The City Performance analyst will assess the capacity of the client to monitor performance internally. If substantial capacity building is needed before performance can be monitored, it may not be the right time for a partnership. However, the analyst will also work to find creative low-effort ways of measuring performance. Other City Performance support may be available to define metrics and create dashboards.

Value Stream Map

The City Performance analyst may facilitate a high-level value stream mapping (VSM) session with a cross-section of staff from the business unit. A VSM is a complete map of a business process from the time a customer requests a service or product until the time that service or product is delivered. It allows for a team to begin to develop a shared understanding of their end-to-end process across silos and identify major sources of frustration or delay. Areas of needed improvement identified in the VSM may be the focus of individual improvement events during the partnership.

Partnership plan

If the client and City Performance agree to continue the work, City Performance will put together a partnership plan, including an overall reason for needed change, two to five defined KPIs and a plan for monitoring those KPIs during and after the partnership, a training plan for the client team, a list of project tasks (including one to three RIEs based on issues identified during VSM), a timeline for major project tasks and estimated partnership end date, and an initial transition plan.

3. TRAINING AND RELATIONSHIP BUILDING

Staffing: 1 PM, 1-2 analysts

Timeline: 1-2 months, 50 -150 hours

Deliverables: All staff trained

City Performance analysts will spend time getting to know staff within the unit, developing internal staff capacity for change, and developing deep familiarity with department processes before facilitating large-scale improvement work. City Performance may bring on a support analyst to help plan major improvement events and reach additional client staff.

Lean 101 and Lean Leaders training

City Performance will train all client staff at the Lean 101 (half-day) level to build familiarity with Lean principles and build familiarity with the partnership. City Performance will train several key staff at the Lean Leader (3-day) level, with the goal of equipping those leaders to sustain improvement work after the end of the partnership. Lean Leaders may be from any level of the organizational hierarchy. **All trained staff will be expected to make at least one small improvement to their daily work.**

Executive training

Training client department leadership in Lean principles may begin at this stage (or earlier), either through a dedicated executive coaching training (for a large engagement) or through enrolling sponsors and key stakeholders in a pre-scheduled Lean 101 training through Data Academy.

Build relationships

City Performance analysts will schedule coffee, attend team meetings, and otherwise get to know staff throughout the business unit. Analysts will gather information about common problems, and encourage staff who have already been trained to submit and complete simple innovations.

Going to the Gemba

In preparation for deeper improvement work, City Performance analysts will continue to shadow key business processes (Gemba walks). Analysts will bring along emerging leaders from the client department who are practicing their Lean skillset to train them in how to conduct a Gemba walk and build familiarity with the work as it is happening in real time on the ground. Gemba walks may include gathering basic data about the process, such as time observations or counts of common errors.

Sponsor check-ins

City Performance will establish a regular status report with the sponsor to report back on the progress of staff innovations, trainings, RIE planning and execution, and transition planning. The client sponsor will help remove roadblocks from her staff and troubleshoot issues that arise.

4. IMPLEMENTING CHANGE

City Performance will support client staff to work independently on small improvements and will actively facilitate one to three larger improvement efforts.

Staffing: 1 PM, 1-2 analysts

Timeline: 3-6 months, 250 - 750 hours

Deliverables: Completed A3s and JDIs

Coaching and Just-Do-Its

Lean facilitators believe that continuous improvement is the job of every member of an organization. Analysts will be available to coach any staff who are working on a small innovation they can do on their own (a "Just Do It") or a project they are leading with a small team. City Performance staff will help guide client staff towards innovations that impact the overall reason for action and identified KPIs. Results of innovations should be shared across the organization (for example, through a production board).

Rapid Improvement Events

A rapid improvement event (RIE) is a structured, facilitated workshop that employs Lean tools to guide a team to make improvements to their work. In an RIE, a Lean facilitator leads an improvement team through an entire Lean (A3) thinking process to get a big-picture view of a process, identify major pain points, investigate the root causes of key problems, brainstorm solutions, run experiments, and develop an action plan to sustain change. The facilitator, in collaboration with the project and/or executive sponsor, designs and leads each meeting, but the analysis and solutions are driven by the team.

Factors that might influence the decision to conduct an RIE to solve a problem include:

- The process spans more than one work unit and no one person sees the entire process
- Communication or empathy between process participants is a problem
- You believe that process problems upstream are causing process problems downstream
- Broad buy-in is required to agree on solutions to the problem
- Problems are complex or poorly understood

An RIE generally includes:

- Identifying a narrowly-defined process problem with concrete metrics to define improvement
- A team that represents stakeholders from all relevant process steps and all organizational levels
- Intensive work with the improvement team for 2-3 days
- Development of prototype solutions during the event
- Drafting an action plan for steps to implement after the event
- Follow-up meetings with sponsors at regular intervals after the event (typically 30, 60, and 90 days) to monitor improvement on metrics and progress in implementing the action plan

Creating an improvement culture

Throughout the partnership, the City Performance team will work with executives and managers to build continuous improvement into the culture and day-to-day functions of the work unit. Building blocks of a Lean cultural transformation include:

- **Setting the expectation that improvement efforts are an integral part of daily work, not an add-on.** This could include adding a standing agenda item at staff meetings to report on internal improvement efforts or implementing daily stand-up meetings with front line staff.
- **Supporting innovative staff and encouraging their professional development.** Celebrate staff who make improvements to their daily work, especially among the front line. Encourage staff who have exemplified Lean leadership to explore professional development opportunities. Coach front line staff to become problem solvers.
- **Focusing on results.** Establish practices to continuously review KPIs, both with leadership and with front line staff. When KPIs and other performance measures improve, celebrate and keep going! When they don't, keep asking why until you identify the root causes. Introduce visuals that highlight when the process is snagged and help front-line staff know how the unit is performing.
- **Walk the process regularly.** Managers and executives regularly observe the work firsthand, showing respect to front line staff and challenging their own assumptions about how a process works.

5. TRANSITION

In a successful partnership, process improvement does not stop when City Performance leaves. During the last month of the partnership, City Performance will seek to ensure that the client department is well equipped to continue the work of continuous improvement on their own.

Staffing: 1 PM, 1 analyst

Timeline: 1 month, 50 -100 hours

Transition plan

City Performance and the client should discuss transition activities from the start of the partnership to ensure that sufficient capacity is built during the implementation phase. Elements of a successful transition include

- Developing a plan for the continued professional development of emerging leaders from client department, including participation in Lean Leaders training.
- Identification and initial scoping of future internal improvements.
- Providing City Performance's Lean Toolbox as a resource to the organization
- Providing consultation to client staff to monitor KPIs internally

6. POST-PARTNERSHIP

After a successful partnership, City Performance and the client department develop and review lessons learned from the engagement together. City Performance analysts may continue to attend a few key meetings, such as follow-up check-ins from RIEs. The partner department can support its continued improvement efforts and its staff's professional development through:

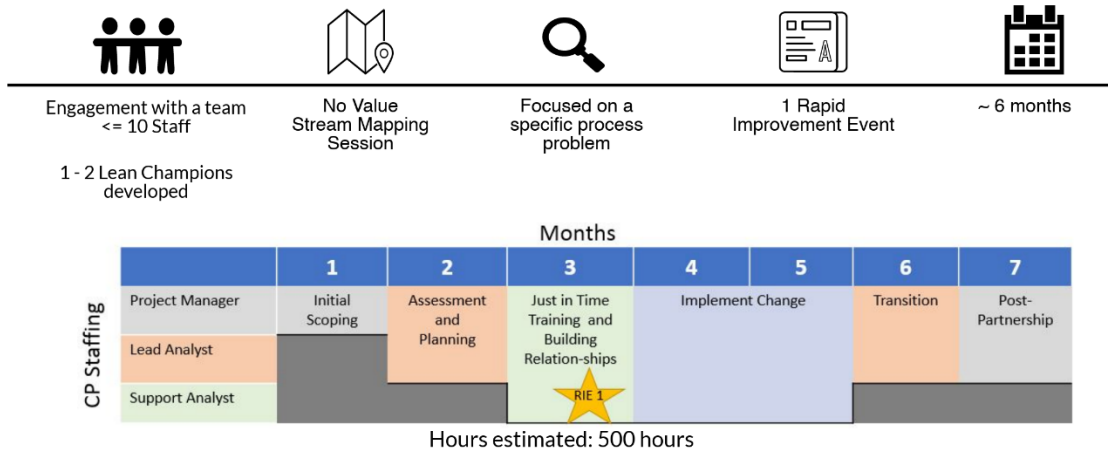
Staffing: 1 PM, 1 analyst

Timeline: 6 months, 25-50 hours

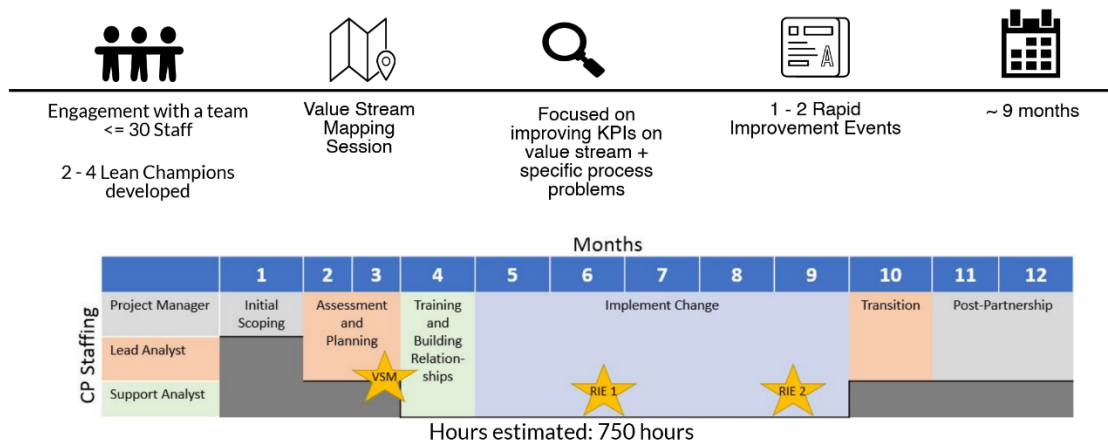
- **Lean Leaders network engagement:** Key leaders attend quarterly Lean Leaders meetings both to improve their own knowledge and skills, and to share about the results of improvement work in their department.
- **Hosting Gemba walks:** Client department hosts groups of Lean Leaders trainees 1-2 times/year as they practice Gemba walks and process analysis skills.
- **Assistance with trainings:** Key leaders from client department may be a guest leader or speaker at a Lean 101 or Lean Leaders training.

Partnership Framework

SMALL



MID-SCALE



LARGE

