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## Bend the Curve CIP-News - June, 2009

Bend the Curve Continuous Improvement Practitioners

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## The 4<sup>th</sup> Myth



In his book We Don't Make Widgets, Ken Miller writes about the 3 myths preventing government from radically improving. I am sure CI-Ps

have them all memorized by now:

*Myth #1 - We don't make widgets;*

*Myth #2 - We don't have customers; and*

*Myth #3 - We don't make a profit.*

These myths are convincingly exploded in his book — one reason why his message is popular in government circles.

After leading many VSMS and Kaizens with government staff I am convinced there is a another myth:

*Myth #4 - We don't have time to do this.*

Have you heard it before? It is a common lament, especially when I start working with a team for the first time. Three Days! We can't do three days!

So to be customer-friendly. I often adapt a VSM to meet over 3 consecutive weeks instead of 3 consecutive days. This helps ease the 'pain' of taking so much time out of work. . . to improve it.

— *Walter E. Lowell*

I notice an interesting transformation takes place as folks start participating in a VSM session: They Get It! They see the time that is lost in their current process. Time that has crept into their process over the years.

After completing the future state and adding up the numbers, the opportunity for productivity enhancements becomes patently visible to one and all. It is not uncommon to find that the 3 days investment returns a factor of 10 over just one year, to say nothing of 5 or 10 years.

A typical example is displayed in the following charts (p.4) from the Maine Center for Disease Control's Health and Environmental Laboratory (HETL).\*

Note the improvement in delivery time between the **pre** and **post** lean intervention, from 23 days to 4 days. Improved delivery time by **82%** and a **90%** reduction in variation. On average, 17 days saved.

A pretty good return on investment of time spent don't you think, to say nothing about happier customers, less harried staff, and reduced cost.

June 2009

Volume 4, Issue 6

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### Special points of interest:

- Study Missions
  - › July 17
  - › August 21
- Next Clinical
  - › September 18
- September Miller workshops planned.



— continued on p. 5

# Printed & Other Matters

## “The case for government reform now

**The expanded role of governments means that taxpayers will pay more for public services — and will demand more in return. To meet these expectations, the public sector must transform itself.**

June 2009. McKinsey Quarterly. François Bouvard, Thomas Dohrmann, and Nick Lovegrove.

... So now more than ever, governments must discharge their functions efficiently and effectively. But few of them have an established track record or reputation for managerial excellence. Indeed, their historical performance running departments and agencies often arouses skepticism. Many public officials, knowing this, seek to reform the way government works.

In our experience, these reforms typically fall short: with few exceptions, they skim the surface, cover too little ground, take too long, and leave much of the public sector relatively untouched. That’s why we see a need for broader, deeper, and faster reform: what we call whole-government transformation. The current crisis provides both the necessity and the chance to improve the machinery of the state fundamentally — a challenge of vast scale and urgency.

There are relatively few instances of governments taking an integrated approach to reform, but those few illustrate the scale of the opportunity, especially for raising productivity.

... Some people argue that governments have more than enough to do addressing the current crisis and can’t afford to divert time and attention to seemingly less pressing matters like a whole-government transformation.

... Reform is now a necessity, not a choice. ... Yet few governments are equipped to meet it, either as a whole or at the level of individual departments and agencies. ... “

**Sidebar — Why government reform is hard** (McKinsey Quarterly. Alastair Levy, Consultant in McKinsey’s London office.)

“Despite good intentions, many government reform programs are too slow, take too long, and achieve too little. Some of the barriers to success result from the inherent differences between the public and private sectors,...government’s sheer scale, ...need to integrate reform across several tiers of agencies and departments -- create a unique level of complexity, and effective decision making is complicated by the need to balance political and managerial priorities and to operate under the gaze of the public, the legislature, and the media.

Other barriers...could be ameliorated if successful reform leaders focused on them by building capabilities and challenging inherited ways of working. There are five such barriers:

1. The slow pace of reform often results directly from an ineffective approach to change management...
2. Reform programs often lack the stretching, sustained ambition that transformational change requires...
3. Public-sector leaders often lack the strong centers that their most successful business counterparts use to drive change through the organization...
4. Governments are often awash with data but ill-equipped to use them in decision making...
5. Not enough is done to engage public-sector employees....”

**You can read the entire article on the online McKinsey Quarterly (membership is free) at —**

[http://www.mckinseyquarterly.com/The\\_case\\_for\\_government\\_reform\\_now\\_2371](http://www.mckinseyquarterly.com/The_case_for_government_reform_now_2371)

## State of Maine – CI Practitioners Visit Lonza

On Monday June 1, 2009, Continuous Improvement Practitioners from the State of Maine's interdepartmental **Bend the Curve** program (Stephen Crate, Tim Griffin, Lita Klavins, Walter Lowell, Ann O'Brien, John Rioux, Clough Toppan) and other staff (Martha Kluzak, Tom Crosby) participated in a study mission at Lonza in Rockland, Maine.

Quoting from Lonza's web site, "Lonza is one of the world's leading suppliers to the pharmaceutical, healthcare and life science industries. Its products and services span its customers' needs from research to final product manufacture."

[http://www.lonza.com/group/en/company/sites/america/Lonza\\_Inc\\_Rockland/lonza\\_rockland\\_inc.html](http://www.lonza.com/group/en/company/sites/america/Lonza_Inc_Rockland/lonza_rockland_inc.html)

<http://www.lonza.com/group/en/company/about.html>

Site Director Elizabeth Oakes explained that Lonza relatively recently began some Lean/Six Sigma initiatives including Value Stream mapping and specific Kaizen and Kanban analysis that have reduced waste, lowered required inventory, streamlined / automated some processes, increased productivity, and saved money in most every area reviewed. Jon Kirsch, formerly with MEP Maine, has new VSM's planned for a number of other areas and is hoping for the same results.

(Maine MEP: [http://www.mainemep.org/press/pr2008\\_jan31.html](http://www.mainemep.org/press/pr2008_jan31.html))

The most impressive changes according to Jon included a 5S review of the research and development department and the incorporation of KANBAN signs in various production areas to alert staff of lowered inventory or need for other resource ordering.

Lean tools and methods have made a significant difference in the work that LONZA does. I enjoyed seeing the practical and economical process changes these have effected at LONZA.

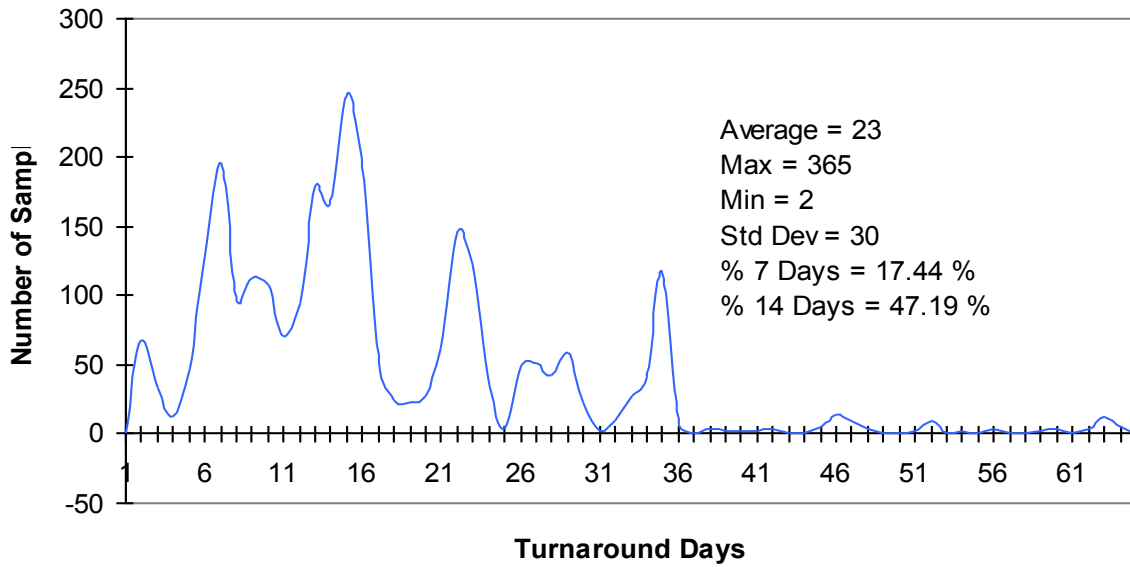
— Stephen C. Crate

# Lonza

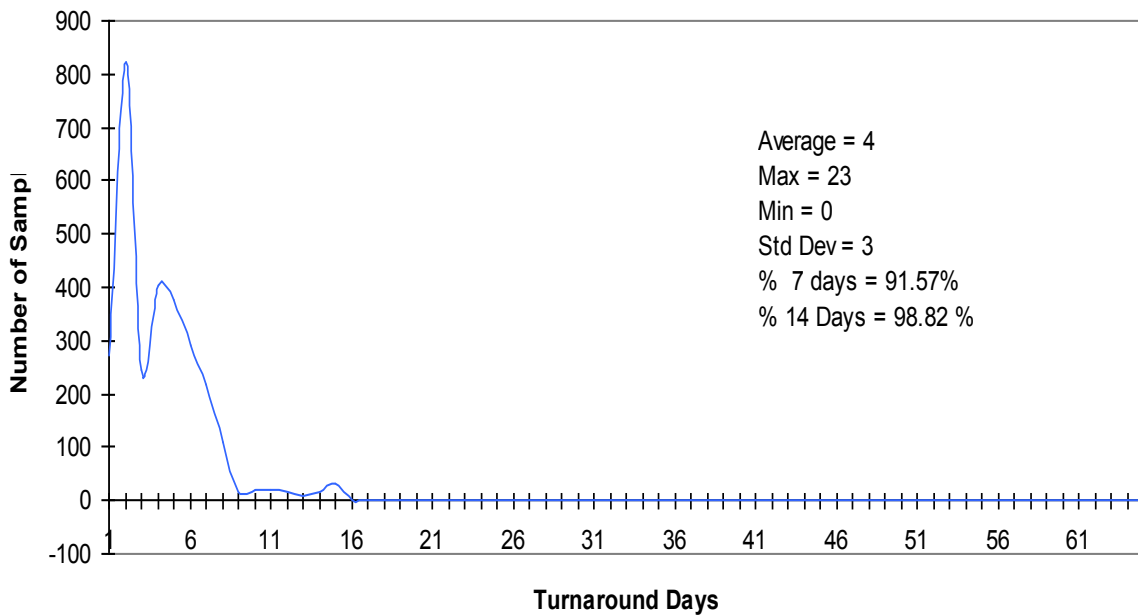
You might also be interested in reading about the Lonza study mission conducted last July 2008:

<http://www.maine.gov/dhhs/btc/newsletter/2008/july.pdf>

## TURNAROUND MAY 2005 Inorganics Samples



## TURNAROUND MAY 2009



# The 4<sup>th</sup> Myth

— continued from prior page

Often in the *Start Up* of Day One it is not uncommon to detect the feeling from participants that they would rather be back at their desks doing 'real' work, which no doubt is Myth #5: Improving the work is not real work (but I'll save that for another time).

However, by the end of the VSM session I'll hear the comment that not only was the session hard work but interesting and valuable as well.

Like Paul's conversion on the road to Damascus. I was blind, now I see! Indeed, this is one response that gets me out of bed in the morning! A very satisfying result for CI-PS and for participants alike and one reason we are still in business. . . because folks do *Get It!* And like Paul, the conversions come one at time.

One final note.

This issue includes the Governor's budget message. It has been included for two reasons:

First, this year's biennial budget is the first in years that is reduced from the previous budget; and

Second, the Governor's comments about the need to make government more efficient.

"Efficiency", have you heard about that before? Maine has a budget of slightly less than \$3 billion dollars a year. If we saved only 5% — to say nothing of 30% or 80% — the potential savings . . . well, you do the math. And if five percent savings is not believable, try 1%. I am thinking that number sounds a lot like the money saved by our furlough days. Hmmm. Another opportunity lost?

— Walter

\* *Special thanks to Tom Crosby for the HETL charts.*

## BTC Lean Events

Date	Time	Topic	Location	Contact
July 17	8:15-4:30	Clinical Sup.-Study Mission	TBA	ASD / WEL
Aug 21	8:15-4:30	Clinical Sup.-Study Mission	TBA	ASD / WEL
Sept	TBA	Ken Miller Workshops	221 State, Lean Lab	ASD / WEL
Sept 18	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Oct 16	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Oct	TBA	DOP 1-5 (TBA)	221 State, Lean Lab	ASD / WEL
Nov 20	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Dec 18	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Jan TBA	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL
Feb 19	8:15-4:30	Clinical Supervision	221 State, Lean Lab	ASD / WEL

\* To add or see more events or detail, go to the Bend the Curve Calendar in Outlook's Public Folders.

# Governor's Recommended 2010-2011 Biennial Budget Overview

## Governor's Budget Message

January 9, 2009

### Honorable Members of the 124th Legislature and Citizens of Maine:

The U.S. economy is in recession. Volatile energy prices, failing financial institutions, the deterioration of the housing market and irrational credit markets have created a devastating economic climate that has left Mainers worried about their jobs, their health care and their future. There is uncertainty and insecurity.

The national economy has had a direct – and negative – impact on Maine. In the two-year budget for fiscal years 2010 and 2011, Maine must account for a revenue decline of \$330 million. The same economic factors that are driving revenues down are also increasing the demand for government services.

In creating the budget for 2010-2011, my administration took great care to safeguard core government functions: keeping police on the streets, maintaining the State's ability to respond to emergencies, protecting vulnerable populations – our children, our elderly and our disabled – and limiting, when possible, the ripple impacts of necessary spending reductions on Maine's economy.

Despite the challenges that Maine faces, there is also great optimism for the future and for a strong economic recovery. This two-year budget includes many difficult but necessary choices. But it also recognizes that regardless of our current circumstances, we must keep an eye toward the future and invest in those areas that will create economic strength. The budget maintains a commitment to improved K-12 and higher education, human services, environmental protection and economic development.

While the current economic circumstances present Maine with challenges, actions taken during the last six years have left the State in a stronger position to endure an economic crisis.

In 2003, Maine's reserves were exhausted and the State was forced into short-term borrowing to maintain operations. Those factors, combined with others, led to a downgrade in Maine's credit rating.

Disciplined State spending, fiscal control and a relentless commitment to government efficiency and reform at all levels have helped Maine to repair its economic foundations. Reserves were rebuilt to \$169 million, allowing the State to cushion some of the worst implications of declining revenues in fiscal year 2009. The practice of short-term borrowing was ended, and Maine's credit rating has begun to be restored.

Maine has invested more than \$800 million in new funding for K-12 education without raising broad-based taxes. In a time of ever-increasing demands on government, income and sales tax rates have not increased.

Maine's constrained approach to government spending and taxation were recognized by many of the State's most vocal critics. The conservative Tax Foundation put an end to the mythology that Maine is the highest taxed State in the country. The organization re-examined its methodology and determined that Maine, despite previous claims to the contrary, had never been the highest taxed State in the country. In its most recent ranking, Maine placed 15<sup>th</sup> and near the national average.

It's important for Maine to continue to improve its ranking in relation to other States, and to move forward with a renewed commitment to government efficiency and modernization.

This budget and accompanying legislation that will be considered by the 124<sup>th</sup> Legislature will continue efforts to revitalize government at all levels by eliminating unnecessary administrative redundancy while maintaining a commitment to core government functions.

Maine has a unique opportunity to capitalize on the changing nature of the workplace and the world economy. The State has the special characteristics and natural resources that make it attractive to business development, innovation and growth.

The State's future will be determined by its ability to capture clean, renewable energy from the sun, wood, water, waves and wind, and to put those resources to work stabilizing energy prices and supplies.

And a commitment to quality of place – our lakes, coast, rivers, landscapes and downtowns – will draw the best people and the best minds to Maine for a lifestyle that has been lost in most of the world.

Maine will be challenged by the current national recession and other unforeseen tribulations, but a consistent, disciplined approach to spending and taxation, a smaller, more modern and more efficient government structure, and smart investments in education, research and development, health care and economic development will usher in a new era of prosperity and strength.

*John E. Baldacci*

To see the entire document: <http://www.maine.gov/budget/filespdfbudgetinfo/fy1011pdf/Overview.pdf>





Department of Health  
and Human Services

Maine People Living  
Safe, Healthy and Productive Lives

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The primary purpose of the *Bend the Curve* Team is to provide support, consultation, assistance, and leadership in process and other improvement approaches and activities for State staff and work teams as they seek to continually improve their work culture, procedures, processes, and environments – in order to meet the mission of the department and the expectations of Maine citizens.

**We're on the net!**  
<http://www.maine.gov/dhhs/btc>  
<http://www.maine.gov/labor/bendthecurve/>



**Continuous Improvement Practitioners:  
BTC Intervention Facilitation Status**

**More Miller workshops & DOP 1-5 being planned !**

*Addition workshops with Ken Miller are being planned. We'll keep you posted.*

*The intensive introductory CI-P Bronze first level training (DOP 1-5) is being rescheduled to later in 2009.*

*You can also check the BTC Calendar in Outlook's Public Folders & come to the planning meetings for both.*

DHHS		DOL		DAFS	
Kate D. Carnes	IA-L	Jorge A. Acero	O	Rae-Ann Brann	L
Nancy Cronin	O	Michael T. Brooker	IA-O	Wendy Christian	IA-O
Nancy Desisto*	L	Deidre A. Coleman	IA-O	Rebecca S. Greene	IA-L
Jane French*	IA-L	Joan A. Cook	CL	Lyndon R. Hamm	IA-CL
James Fussell*	L	Stephen C. Crate	O	Alicia Kellogg	C-O
Marcel Gagne	O	Arthur S. Davis	L	Billy J. Ladd	CL
Julita Klavins	L	Merle A. Davis	L	Michaela T. Loisel	IA-L
Don Lemieux	C-O	Eric Dibner	O		
Muriel Littlefield	C-L	Peter D. Diplock	O	<b>DOT</b>	
Walter E. Lowell	L	Brenda G. Drummond	IA-O	Michael Burns	C-O
Jack Nicholas*	IA-O	Anita C. Dunham	IA-CL	Jessica Glidden	IA-O
Ann O'Brien	L	Karen D. Fraser	IA-L	Rick Jeselskis	IA-O
Cheryl Ring	C-CL	Timothy J. Griffin	L	Robert McFerren	IA-O
Terry Sandusky	L	Gaetane S. Johnson	IA-O	Sam McKeeman	C-O
Clough Toppan*	CL	James J. McManus	IA-CL	Jeffrey Naum	IA-O
Helen Wieczorek*	IA-O	Scott R. Neumeyer	IA-O		
		Bruce H. Prindall	IA-L	<b>DEP</b>	
OPEGA, Legislature		John L. Rioux	L	Carmel A. Rubin	IA-O
Matthew K. Kruk	IA-O	Sheryl J. Smith	L		

* Community CI-P		IA - Inactive	C - "Champion for Lean" - not facilitating		
L - Lead		CL - Learning Co-Lead		O - Learning Observer	