

Newsletter LEAN - February/ March 2014

By: Shannon N. Crouch



City of Boca Raton



AP Lean Team from left to right: Shayne Kavanagh, Desiree Sanchez, Emmanuel Posadas, Ed Rolon, Connie King, Stephen Timberlake, Shannon Crouch, Rosis Suarez-Elias, Victoria Guinn, Ella Moore-Poitier, and Harry Kenworthy. Photograph taken by: Mark Witzen and John Wallace.

The LEAN Journey: Financial Services - *Our First LEAN Newsletter!*

Welcome to our first LEAN Newsletter! The City's LEAN journey began on February 10, 2014 when Shayne Kavanagh, Senior Manager of Research for the Government Finance Officers Association (GFOA) and Harry Kenworthy, Principal & Manager of the Quality and Productivity Improvement Center (QPIC, LLC) provided a day and a half general training session about Lean Process Improvement. The training was held at the City's Downtown Library for 25 City employees. Training participants included all of the staff who would be working on improving the Accounts Payable Process and individuals from some of the other City departments. After the general training session, the Accounts Payable (AP) Lean Team spent the next three and a half days participating in a "Kaizen" event. The event was focused on finding as many improvements to the Accounts Payable Process as possible and it also included meeting with various employees throughout the City who rely on the Accounts Payable Process. Refer to page two for more information about the Kaizen event.

The GFOA is the premiere association for public-sector finance professionals in the United States and Canada and the GFOA provides access to a wide range of research publications and other valuable information. Check out GFOA's website: www.gfoa.org. Harry was our lead trainer and facilitator and he is a recognized Lean government leader in the United States. Check out QPIC's website: www.leangovcenter.com as it is a national resource center for Lean government.

If you have questions about the information contained in this newsletter, please contact Shannon Crouch at: SCrouch@myboca.us

Learning the LEAN Lingo:

Lean:

Lean is about rethinking what we do and how we do it. Lean is a customer-centered approach that provides us with tools that help us utilize existing resources to identify areas for improvement by eliminating non-value added activities. Lean is **not** about pointing fingers. It is about working as a team, empowering employees to find improvements in a process and taking steps towards improvement.

Kaizen:

Japanese term for "continuous improvement" or "change for the better." Typically, a small cross-functional team based on improvement effort.

Non-value added activities (Waste):

Activities that consume resources but create no value in the eyes of the customer, whether internal or external. There are 8 forms of waste: (1) **Transport** (2) **Inventory** (3) **Motion** (4) **Waiting** (5) **Overproducing** (6) **Over processing** (7) **Defects** (8) **Underutilizing people's abilities**. Refer to page five for more information about the 8 forms of waste.

5S:

5S is a methodology for standardization, organization, and cleanliness. At the heart of 5S is the LEAN goal of reducing waste. The five words that make up the 5S include **Sort**, **Straighten**, **Shine**, **Standardize**, and **Sustain**. Refer to page five for more information about the 5S tool.

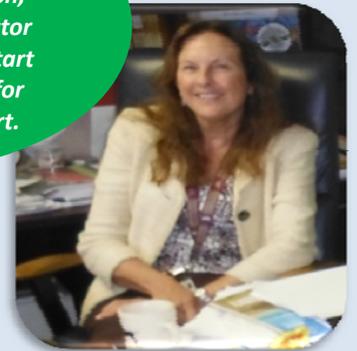
Lean Innovation Spotlight: Accounts Payable

On February 11 (half day), and all day February 12, 13, and 14, 2014 a LEAN Kaizen event was held at City Hall. The Accounts Payable (AP) Lean Team applied the skills they learned in the training to analyze the existing Accounts Payable process. The Team's goal was to improve the AP process by identifying and minimizing areas that create duplicate efforts, excessive processing times, and errors. The team met with various City employees who walked through his/ her process and shared their perspective on how the AP process could be improved. After meeting with the various employees, the AP Lean Team mapped out the current process and identified the value-added and the non-value added activities. Once the non-value added activities (steps) were identified, the team developed an action item list. The status of each action item is included on page three of this newsletter. Ultimately improving the AP process and simplifying the work will generate better results for our customers and vendors and will help make the process easier for all.

A Special Thank You to:

- Facilitators:** Shayne Kavanagh and Harry Kenworthy
Sponsor: Linda Davidson, Financial Services Director
Team Leader: Shannon Crouch, Process & Compliance Manager
Team Members:
- 1 Ella Moore-Poitier, Budget Analyst
 - 2 Stephen Timberlake, Special Projects Manager
 - 3 Connie King, AP Manager
 - 4 Rosis Suarez-Elias, Lead AP Clerk
 - 5 Desiree Sanchez, AP Clerk
 - 6 Emmanuel Posadas, Traffic Operations Engineer
 - 7 Victoria Guinn, Accountant
 - 8 Ed Rolon, Business Systems Analyst
- Observers:**
- 1 Lynn Drew-Sugerman, Assistant IT Director
 - 2 Ken Dames, IT Training Administrator
 - 3 Nicole Gasparri, Organizational Program Manager
 - 4 Gary Kapalka, Accountant
 - 5 Mickey Panella, Customer Service Manager

The AP Lean Team would like to say thank you to our Sponsor, Linda Davidson, Financial Services Director for encouraging us to start the Lean Journey and for your continued support.



Thank you to Jean Bonds for helping to make the event a success. Also, thank you to the following employees for taking the time to meet with the AP Lean Team and showing us your process: Talia Garcia, Justin Barrington, Lori Herrscher, Sterling Castellano, Kevin Gray, Nancy Sullivan, Evelyn Roig, Carol Himes, and Paul Dilisio.



AP Lean Team Key Lessons learned:

- Capture data and use the data to help identify areas where training may be needed.
- "Learn to See" conference room discussions of processes are not as valuable as physical observations of the process.
- Standardize the way work is done which allows for consistent training.
- Track errors by understanding where the errors occur i.e. are there certain questions on a form that customers or employees answer incorrectly?
- Set up forms based on data - put the areas that errors occur the most at the top of the form or section of the form.
- Develop concise forms by minimizing unnecessary words, use more checklists.
- Work as a team and don't be afraid to speak up and share your thoughts/ideas.
- Get people excited about LEAN and making positive changes.

Summary of Action Items: Accounts Payable

	Who	What - Countermeasure	When	Status
1	AP Staff	Create error tracking standard form, track errors submitted by depts. to AP and use the form as a visual control.	2/18/2014	Complete
2	Shannon/ Ed	Create error tracking standard form for Lori Herrscher to use to track errors and missing data on the Contractor's application.	2/20/2014	Complete
3	Connie	Run the EAL report at 3pm on Thursday. Track all re-runs of the EAL report.	2/20/2014	Complete
4	Stephen	Reach out to Purchasing & Departments to assist with tracking change orders.	3/7/2014	Complete
5	Shannon	Create and publish the February/ March newsletter communicating the progress of the action items	3/10/2014	Complete
6	Shannon/Ella	Develop a team to do a site visit and create a process flow chart of another blanket PO process.	3/19/2014	
7	Desiree/ Ed	Request to receive FPL worksheet electronically and decide on which format works best - resolve by:	3/18/2014	
8	Connie/ Victoria	Reconciliation process - work together to identify ways to improve process.	3/28/2014	
9	Ed	Centralize invoices electronically Citywide: Meet with the AP Team to map the process.	3/28/2014	
10	Connie	Determine whether departments can scan documents / invoices to AP vs. inter-office mail	3/31/2014	
11	AP Staff	Summarize the errors on the tracking form and report back to depts. monthly.	3/31/2014	
12	Connie	Utilize the results of the error tracking data to determine the education needs for vendors and internal end users. Consider error proofing mechanisms for major errors.	3/31/2014	
13	Ed	Research whether manual entry is required while processing invoices for payment - resolve by:	3/31/2014	
14	AP Staff	Determine whether Financial Services may take over the check printing process and stuffing the checks to submit to the mail room - resolve by:	3/31/2014	
15	Ed/Shannon/ Desiree	Single vendor welcome package i.e. IRS W-9, additional information including banking data, and purchasing forms.	3/31/2014	
16	Stephen	Utilize FPL worksheet to create a standardized spreadsheet for data submission.	3/31/2014	
17	Ed/ Shannon	Electronic AP solution – benchmark best practices in FL using electronic AP systems.	3/31/2014	
18	Talia	Canvas contractor base for cities who are easy to do business with, why, what process, forms, etc.	3/31/2014	
19	Shannon	Publish the April newsletter communicating the progress of the action items	4/8/2014	
20	Connie/ Carol	Automated transmittal notice from the bank.	4/30/2014	
21	Shannon/Ed	Request the results of the error tracking data from Lori Herrscher to assist with standardizing the construction application form. Consider error proofing mechanisms for major errors.	4/30/2014	
22	Purchasing	Educate City end users by providing a demonstration on how to obtain the bid tabulation from the Term Contract Management site to verify prices when entering receivers.	4/30/2014	
23	Shannon	Publish the May newsletter communicating the progress of the action items	5/8/2014	
24	Connie	Vendor corporate status submission i.e. provide license or snap shot from Corporation Divisions	5/31/2014	
25	Shannon	Creating a focus group with key individuals (AP, Purchasing, Department PMs) to assist with standardizing the construction application (AIA) and schedule of values.	5/31/2014	
26	Shannon	Update and publish the June newsletter communicating the progress of the action items	6/10/2014	
27	Stephen	Vendor single point of service website	6/30/2014	

Lean Process Improvement: Citywide Ideas & Support



Nicole Gasparri
Organizational Program Manager

Nicole has helped to get the word out about LEAN process improvement and she is building internal desire to participate in a process improvement/ LEAN project. Nicole will be working to prioritize LEAN projects throughout the City as well as assisting individual departments in working through their process improvement projects. Nicole will be instrumental in assisting departments in identifying areas of opportunity as well as walking departments through the streamlining processes.



Lynn Kunkel
Purchasing Manager

Lynn shared her thoughts and met with her staff so that they would be "in the know." The Purchasing Division will be gathering data for a two week period and tracking items that are submitted to the Purchasing Division that require rework. From this list of items, an analysis will be made to prioritize the items and identify areas for process improvement as their first phase of Lean. The Purchasing team has committed to focusing a few hours of their time each month on process improvement ideas and implementing an action plan.



Ryan Ralph
Payroll Administrator

"The insights gathered from the Lean project have been invaluable. It has caused me to evaluate many of the procedures and processes that take place in the Payroll department. We will be updating various forms and documents to reduce errors and confusion, as well as streamline some internal procedures. Hopefully interacting with the payroll department and making changes will be easier for our employees."



Talia Garcia
Utilities Engineering Manager

Talia shared that the Utilities Department is starting with baby steps. They are letting their staff know about the Lean initiative and they are cleaning up the electronic filing system in the Engineering division. In addition, Talia created a Lean flyer that she is handing out to Utility Services employees. She has also shared the flyer with other departments who are also using it to get the word out about Lean.



Dan Grippo
Director of Municipal Services

"Continuous improvement and Lean thinking are exciting concepts and ones that I have had on my radar since my arrival. With several years of experience with Lean-Six Sigma prior to coming to Boca Raton, I have seen first-hand the benefits in an organization by "thinning waste" in processes that can bog us down. Even minor adjustments reap great benefit. For example, shortly after my arrival in August 2012, I implemented a Lean concept that I took with me from the last job which was administratively intensive. With some help from my municipal administrative staff, we standardized a departmental correspondence routing sheet. The purpose of this sheet is to know the priority of the document (Routine / Urgent / Time Sensitive) and what action is required by each person as the document is routed around (Signature, comment, information only, etc). This has avoided the backlog of admin and let's staff know which documents are highest priority for the day. Also, visual management came into play. We color coded our folders, so as correspondence is routed around, it comes with a routing sheet on top and a colored folder for clarity (Blue for routine; Yellow for personnel; Red for urgent work). It didn't take long to implement and instantly improved productivity and eliminated work getting lost in the daily shuffle. As with anything, Lean thinking is really more of a behavioral change in how we operate and think day to day. Valuing people's skills and ideas over "this is how we've always done it" goes along way... Going forward, I think it will be crucial to reinforce to our departmental staffs that Lean process improvement ideas do not equate to eliminating jobs. In fact, I believe it is quite the opposite. The concept of Lean is to improve productivity both at the individual and organizational level.... I am excited to get involved and sponsor continuous process improvement events at the Department Head level. Thinking "Lean" can easily become part of our every day work culture and minor adjustments at every level will result in great benefit."



Sandra Stevens
Director of Information Services

Sandra shared her evaluation/weighting method that IT will start using for projects. It will allow IT to rank their projects and will keep departments informed of where they are on the ranking list.



Carol Himes
Treasurer

"I think the LEAN training is a fantastic thing for the City of Boca Raton. We have very talented people who have taken on more and more responsibility with limited rewards over the years especially in the Great Recession. They will welcome the relief of having the process review and its benefits if and when the program is rolled out well. Even though we are a Premiere city there is plenty of room for improvement. I would like to offer Kudos to Linda Davidson for bringing this to Boca... The ideas I have for LEAN are: Utility Billing – the actual billing process, the morning and afternoon cash receipting process and all of the customer service practices and Alarm billing – the billing and registration process."



Mickey Panella
Customer Service Manager

"... I found the "Lean Process Improvement" as a great process that can be used in ones' work or personal life. To those who may be skeptical of the process, all they have to do is see their work flows & processes through the "Kaizen" process. "Learning to see" non-value added steps, that might be eliminated, can make their work lives much "leaner" & more productive. The concept of "work smarter, not harder" comes to mind when summing up the "Lean Process"."

Lean Overview of Some Essential Tools:

Note: The information contained in this section with regard to the 8 forms of waste and the 5S sort tool was obtained and/ or copied from the Lean Training Manual that was provided by Shayne Kavanagh, Senior Manager of Research for the Government Finance Officers Association (GFOA) and Harry Kenworthy, Principal & Manager of the Quality and Productivity Improvement Center (QPIC, LLC).

8 Forms of Waste

In Lean we want to identify the waste so that we may eliminate it. Waste or Non-Value Added Activities consume resources but do not directly add value to the customer. The 8 forms of waste that occur in a business process include:

8 Forms of Waste	Examples of Waste
(1) Transportation	Great distances between process steps or having customers move between multiple work stations and areas, offices, floors, buildings etc.
(2) Inventory	Too many emails to read or voice mails to be processed or bulk purchase deals.
(3) Unnecessary Motion	Human motion that does not add value to the service that is being performed. Some causes include poor office layout, unorganized workplace and looking for items.
(4) Waiting	Waiting to complete the next step i.e. waiting for a signature/ approval/ email response (the more process steps the more waiting).
(5) Overproducing	Making too much, too soon, or too fast. Or making the wrong things at the wrong time.
(6) Over processing	Effort that adds no value to the customer i.e. multiple approvals or signatures, duplication of efforts within or between departments.
(7) Defects	Work is done incorrectly or with errors and causes re-work. Aim for perfection – “Right the first time” – eliminate errors and rework.
(8) Underutilized people	Ignoring or underutilizing the employee's knowledge, skills ideas and abilities.

"5S" Sort Tool

5S is a methodology for standardization, organization, and cleanliness. At the heart of 5S is the LEAN goal of reducing waste. Below is an example of how you can 5S (organize) your email inbox, which may ultimately save time.

"5S" Sort Tool	Guidelines to 5S - email inbox
(1) Sort	Too many emails in your inbox causes information clutter. To help sort your email, develop a personal folder system which includes the following folders; a Follow-up folder (include emails you need to follow-up on), an Action folder (include emails that require an action but you are not able to complete them at this time), Sort folder (include emails that you need to sort but you are unsure of what folder to save them to), Dated Archive folder (include emails you would like to retain but are not actively working on), Topic Oriented folder - various folders based on topic (include emails you want to keep which pertain to a particular topic).
(2) Straighten	Organize your inbox to reduce clutter. When you check your email inbox each email should have one of the following outcomes. Note: Only delete emails that are either not required to be retained or have exceeded their retention periods in your inbox, sent-mail box, and/or in individual folders. (1) Read and delete – an email you no longer need i.e. an email that just says "thank you." or (2) Read and move - an email that can be moved to the Follow-Up, Action or Sort folders or (3) Read and move to the Dated Archive folder or (4) Read and move to a Topic Oriented folder.
(3) Shine	Optimize your productivity on email by (1) Unsubscribing from email lists that you do not use or want (2) Cleaning out your dated archives by removing older files that passed their retention period (3) Using read receipts for emails you have sent only when necessary (4) Color coding emails sent to you by certain people i.e. your boss.
(4) Standardize	Develop good email etiquette in order to maintain efficiency among the whole office. (1) Use the priority flag only when necessary (2) Only use Reply All and CC: when needed. Try not to clutter up someone else's email if they do not really need to see it. (3) Use your out-of-office message to inform people of your status. (4) Use informative email subject lines to let recipients know what is expected. (5) If messages require action from someone else, forward immediately. (6) The inbox should not be used as a storage file.
(5) Sustain	Allocate 5 minutes a week to run through the 5S's on your inbox.



LEAN LITERATURE

If you are interested in reading more about Lean Process Improvement, we have included a collection of great articles at the following location: N:\Lean Process Improvement. You may also find these articles on the Intranet under the document library. The articles include:

- Lean: The Next Big Thing in Government? - by: Shayne Kavanagh and Jeff Cole
- Getting Started with Lean Government Projects - by: Harry Kenworthy
- Less Time, Lower Cost, and Greater Quality: Making Government Work Better with Lean Process Improvement - written by: Shayne Kavanagh



LEAN IDEAS

Share your LEAN process improvement ideas!

We encourage all City employees to identify and share ideas, big or small, for improving efficiency and productivity to help us improve in all areas. If you have an idea for a process improvement project, please share it with us. Please email your ideas to Nicole Gasparri at NGasparri@myboca.us and put "LEAN Idea" as the subject line. All submissions will be reviewed and prioritized by the Lean Steering Committee.



LEAN COMMITTEE

A Lean Process Improvement Steering Committee will be developed which will include various members of management. The purpose of the committee will be to review the requested projects and to prioritize the projects based on certain factors i.e. customer impact, financial leverage, impact on department's objectives, time to implement, resources needed, etc. We will announce the members of the committee in the April newsletter.



TRACKING OUR SUCCESSES

A couple of days after the close of each month, Financial Services will publish a "newsletter" that will document our LEAN journey as we transform our procedures, in addition to measuring the results of the AP Lean Team Kaizen event action items.



Thank you for reading our newsletter!

Please keep your eyes open for the April issue of the LEAN newsletter.

If you have questions about the information contained in this newsletter, please contact Shannon Crouch at: SCrouch@myboca.us