



## Emerging Issues Taskforce

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**Issue Short Heading: A “Lean” example**

**Issue Category:**

- Membership issue
- Government (Provincial)
- Government (Federal)
- PSAB
- Other

**Issue Description:**

In 2014 the GFOA published a White Paper called “A Guide to Starting the Lean Journey.” This was followed by other published material and presentations. This research provides a practical example of one business unit in Strathcona County that has implemented and are currently working on embedding the “LEAN” culture in their business.

**Issue commentary/research:**

The GFOA published a white paper in 2014 that encouraged readers to use the information in the report to create a LEAN path that works best in their organization. Based on several years of research, the GFOA sees a potential for public-sector entities to achieve significant value from adopting LEAN. There are a few references attached to this document and more on the GFOA International site that you can access by typing in “Lean”.

**What is LEAN?**

If you do not know it is a system of thinking and working that emphasizes efficiency, effectiveness, in some cases safety and overall Key Performance improvements in business processes. The program has evolved from total quality management practices of the Toyota Motor Corporation. The concept of waste is core to LEAN. It aims to discover root causes of waste and eliminate or minimize them. There are many tools to use and process mapping is one of the key tools.

**How to start the LEAN journey**

It is first important to read as much as you can to understand how widely the LEAN concepts can be applied.

The purpose of this document is to encourage other public sector entities to see where this applies and begin the journey.

### **Experience of a business unit in Strathcona County**

I had heard one of our business units “Fleet Services” had successfully begun the LEAN journey.

I had read much material on the subject but at first it looked intimidating to implement. This practical example is working so well that it is important to share and encourage others to investigate further. The Fleet director was kind enough to grant me an interview and tour to see first-hand the impact of LEAN. I could write a lot but just wanted to share key learnings.

### **Initial push was safety**

The introduction of the LEAN concept came initially from the Fleet Occupational Health and Safety Officer. The officer could see tremendous value in making the work place safer. This meant a lot of reorganizing work spaces to make them safer for walking, working, storing and accessing tools and equipment.

The director was quick to point out that this approach was an excellent way to introduce the concept to the staff.

### **Change Management**

This point cannot be emphasized enough. Initially the department went in with good intentions but learned that some key change management concepts were important:

- 1) Start small and get to some quick wins that workers can see.
- 2) Need a champion who was director in this case and a LEAN steering committee with champions as well. Voluntold workers are not effective. You need true champions that buy-in and see value of the changes. Then as time goes on rotate the committee.
- 3) Celebrate successes small and big
- 4) As it matures include the LEAN program as part of employee performance expectations and appraisal.

### **How did LEAN evolve in the organization**

As mentioned the first goal was to concentrate on a safe workplace. The steering committee set some goals and the process began. It started with ensuring proper equipment and tool storage with safe access. As this began workers could see other opportunities. Labelling and marking was a key improvement so that workers knew where everything was supposed to be. Work areas, inventory and storage areas were clearly labelled. Work areas were also kept to very clean and uncluttered status. Workers were able to work in a much more efficient way and there were also time savings in jobs.

Some of the key tools were a good label machine, floor tape, paint, labels, and signage. In my tour the director pointed out the before and after scenarios and was proud to say there were many positive aspects to the LEAN journey. Some of these are:

- 1) A notable reduction in minor injuries
- 2) Improvement in project completion times
- 3) Improved access to parts and equipment

What is exciting is that the journey has led to reviews and big improvements on the inventory and surplus side of the business. The initial safety event has led to reviews of the inventory system and has led to little or no obsolescence which of course has dollar savings.

### **What's Next**

What is important to realize is that the true benefits of LEAN come into play when the business changes the CULTURE of the workplace. It is important that the culture of the workplace continues to espouse and promote the LEAN approach. Continued committee meetings and even signage is a continuous reminder to workers. This is much like the approaches to safety in organizations.

The director shared with me that the workers who initially resisted are seeing the value of the LEAN approach and are adopting the key concepts.

The great thing is that workers are looking beyond their own workspace to find areas of improvement that make their jobs more efficient and effective.

As the workers become more comfortable the LEAN concepts are being included in Performance Expectations and reviews. This makes a giant leap in promoting the LEAN concept as an ongoing business culture.

All these improvements clearly point to improvements in Key Performance Indicators which municipalities should always be looking at.

In the References section is a link to the white paper. This is a good starting point and is well written. I have also include a link to the GFOA BC conference in 2014 which had a LEAN presentation. If you are interested in this topic please share as this will be posted on the Discussion Forum.

### **References:**

- 1) Look on GFOA Org site and search for Lean
- 2) <http://www.gfoa.org/guide-starting-lean-journey>
- 3) <http://www.gfoabc.ca/Reference-Materials/2014-Conference-in-Nanaimo/Wednesday-session-presentations/Wednesday-Lean-Presentation-MNP.aspx>

**Jules Tailleir**

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