



E-LEAN update

August 2009

General Mills executives tell state leaders 'We both need to manage the margins'

For many public sector employees, when the topic of private sector improvement practices arises the typical response is, "Yeah, it may work for them, but we're different."

In July, senior management from General Mills presented their experiences with Lean to 80 state government executive leaders. The presenters explained how the company is applying Lean principles to reduce costs, improve productivity and improve employee morale - issues that directly apply to government operations.

"We use Lean tools and principles to manage our margins," said John Church, General Mills Senior Vice President. "Our raw material cost and costs of production have increased rapidly in the last four years, and because of market conditions, we cannot raise prices to compensate. So we need to manage the margin between revenue and cost to stay profitable."

"You (state government) need to manage the margin between state appropriations, which are being reduced, and the cost of providing state services, which is increasing, to meet your legislative and

legal mandates," said Church.

Denise Holloman, Vice President of Continuous Improvement, revealed to state leaders how General Mills reduced work backlogs by 50 percent, doubled employee productivity and reduced quality defects by 90 percent using Lean tools.

"We try to create an environment where employees at every level of the organization feel they can have an impact on our business success," said Holloman.

"Manage the margins" continued on page 2



State executives listen to John Church explain how General Mills manages its margins with Lean.

Top 10 lessons learned from Kaizen events

1. A narrow scope is important.
2. Team members must be non-judgmental and not play the blame game.
3. Leaving titles at the door is very important.
4. Wild ideas are encouraged.
5. There are many different ways to do the same process.
6. Process mapping is a useful tool because you can see the entire process, most of which is waste.
7. Diversity helps cross silos.
8. Having all of the right people in the room is critical. We need everyone's ideas for comprehensive change.
9. Every process can be improved.
10. We should have done this years ago!

'Manage the margins' *(continued from the front page)*

State leaders' responses were very positive. "It's clear we need to do more of this across all agencies," said one commissioner.

Another commissioner added, "This just reinforces that my agency's existing use of Lean tools is heading us in the right direction."

Church closed the sessions by complimenting state leaders— and challenging them to

become even more involved with Lean practices in their agencies.

"You are doing this in some areas of state government operations, and the results are impressive," said Church. "As a citizen and taxpayer of this State, I thank you for that. However, opportunities for doing more abound, and your visible, involved leadership is needed to continue the growth and evolution of your Lean efforts."

National Guard fills job vacancies 97% faster

After mapping out the process of filling a vacant position in the ranks of the Minnesota Army National Guard, the Enlisted Personnel System (EPS) Kaizen team realized that the entire process took an average of 88 days with only 48 minutes of it involving value-added or "real" work.

The rest of the time involved waste, such as passing documents back and forth, over-processing, errors and waiting. Because of a self-imposed policy, staff were required to wait 45 days before promoting a fully qualified soldier.

Once the waste was eliminated, the team created a new process that involves single-piece flow, no waiting policy, metrics, standard work and a visual management system to

track the status of job vacancies.

When two phases of improvement are implemented, the time to fill a vacancy will take an average of two days, a 97 percent improvement.



EPS Kaizen Team

Front row: Dawn Rectenwal, Lisa Wickner and Kristen Switzerp; back row: John Dorin, Brain Heinen, Jill Krause, Sol Sukut and Reed Mick.

Lean training

The Office of Continuous Improvement is offering Lean 101 on August 18 and Kaizen Facilitator training on August 19 - 20. Training is free to public sector employees. Contact [Alisha Cowell](mailto:Alisha.Cowell@state.mn.us) to register.

"The team-based Kaizen process approach to making improvements is much better than the old way of having high-level leaders make changes to the process based on anecdotal data."

- Kaizen team member from the Department of Military Affairs

E-Learn Update

Thank you for your interest and participation in improving the efficiency of Minnesota state government operations. If you have further questions, comments or would like to set up a Lean improvement event, please contact Tom Baumann at Tom.Baumann@state.mn.us.

This material can be given to you in a different format such as large print, Braille, or audio tape or disk by calling 651-201-2555. Customers with a hearing or speech disability may call us through the Minnesota Relay Service at 711 or 800-627-3529, or via email at admin.info@state.mn.us.