



Opinion

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Iowa Business Council Op/Ed – “Running Lean in Iowa”

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“This is a revolution of change. The desire to keep improving is contagious. We are addicted to success.”

These were the comments made recently by the Deputy Director for the Department of Natural Resources, Liz Christensen. Like many top officials in State government, she once believed that the old methods her agency used to issue business permits, licenses, and certifications were efficient. Efficient enough, anyway. In the past, companies wishing to continue operations, expand existing facilities, or construct new buildings in Iowa could do so only after receiving authorization from the public agency with oversight --- a process that could take weeks, months, or sometimes even years.

That, however, was before the introduction of Lean Enterprise to the executive branch of State government.

PROCESS IMPROVEMENT BENEFITS GOVERNMENT AND BUSINESSES

Successful businesses worldwide subscribe to the philosophy behind Lean --- the continuous, critical evaluation and improvement of administrative and production processes. Lean allows for the redeployment of scarce human and financial resources in the most efficient and effective manner possible, eliminating steps in processes that add no value to the end-product. This, in turn, leads to happier employees, reduced costs, and increased product quality.



LEAN SUCCESSES IN HEALTH CARE

Business efficiency experts will tell you that up to 35% of the average employee's time is wasted on inefficient procedures. In health care, that number jumps to 60%. Statistics like these were the genesis behind the University of Iowa Hospitals & Clinics deciding to host a series of week-long Lean "events" within several of its patient care areas. The results exceeded all expectations, with treatment procedures and wait times improving 32-100%. In one instance, nurses were walking over six miles during the course of their work day --- walking patients to exam areas, shuttling charts, obtaining test results, and managing procedures all over the hospital. After a recent Lean event in that department, nurses now handle those same duties in shorter time frames without having to leave their exam rooms. Some nurses who were contemplating retirement under the old system have now decided to keep working. Needless to say, that's a bonus for the employee and the institution.

LEAN SUCCESSES IN STATE GOVERNMENT

Success such as this inspired the Iowa Business Council to introduce a similar culture of continuous process improvement to the public sector. In 2003, the Council collaborated with the Department of Natural Resources to conduct the first Lean event in State government --- examining air construction permit procedures. What once was a paperwork routing process that took 62-days has been reduced to six, an efficiency improvement of up to 90%. According to DNR Director Jeff Vonk, the best result to come of this effort is that the actual time required for a permit's critical review process by air quality engineers has not diminished. The efficiency improvement is realized in the days previously spent by paperwork just sitting on desks. "A competitive business climate means regulatory functions need to perform as efficiently as possible. Iowa now leads the nation in terms of expediting the completion of required construction permits, accomplished without sacrificing any environmental benefit," says Director Vonk. This is an advantage Iowa can proudly showcase to companies interested in locating new facilities or seeking to expand existing capital assets in the state.



Over the last four years 33 Lean events have been conducted within 13 different agencies of State government, the most recent of which occurring in Iowa Workforce Development. IWD Director Richard Running and his staff examined the complaint process used for the Occupational Safety and Health Administration, an office which reviews over 2,500 complaints per year. IWD employees sought to improve initial screening procedures and diminish complaint cycle times. The results? Procedural steps were reduced 58%, process handoffs declined 57.1%, and delays dropped 50%. Said Director Running, “This is remarkable evidence of how seasoned employees can improve long-established processes. Service levels for employees injured on the job are enhanced, and the employer doesn’t have to wait as long now for a complaint to be resolved.”

The following table lists the significant results from a few of the other 33 Lean events that have occurred in State government since 2003:

<u>Dept.</u>	<u>Business Process</u>	<u>Old System</u>	<u>post-Lean event</u>	<u>Date</u>
DNR	Leaking underground storage tank corrective action decision	1,124 days	90 days	2004
DNR	Wastewater permitting	425 days	15 days	2004
DNR	Landfill permitting	187 days	30 days	2004
DCA	Historical preservation office: HUD submittals	50% defective	100% complete	2004
DCA	Great Places program	concept only	program designed in 4 days	2005
IDED	Financial assistance application	45 days	22 days	2005
IWD	New elevator inspections	45 days	6 days	2005
DPS	Private investigator licensing	14 days	7 days	2005
IVH	Vets Home medication administration, unit-to-pharmacy-to-unit lead time	8 hours	4 hours	2005
DOC	Procurement, inventory, management, & distribution		Steps reduced 75%; delays reduced 98%	2006



DIA Health facilities complaint intake Steps reduced 56%; 2006
delays reduced 80%

This ongoing track record of success serves as the basis for the Iowa Business Council’s support of legislation currently before the House and Senate Appropriations Committees that creates an Office of Lean Enterprise within the Department of Management. Fully funding this modest FY07 budget request, contained in House File 2521, will allow a full-time employee to coordinate and facilitate Lean events throughout State government. The Business Council believes having a dedicated advocate for Lean Enterprise within the executive branch will produce an enormous return-on-investment for Iowa.

The Iowa Business Council applauds those visionary State agencies that have conducted Lean events, the results of which are now providing significant benefits to their departments and all Iowans. Like their colleagues in the private sector, State employees have found that the use of Lean affords them a strategic and competitive advantage with the constituencies they serve. The Lean Enterprise system shines as an initiative that consistently succeeds in producing effective results.

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Key Web sites:

Iowa Business Council www.iowabusinesscouncil.org

State of Iowa www.iowa.gov

Donna Katen-Bahensky is Director & CEO of the University Of Iowa Hospitals and is the current Vice Chair of the Iowa Business Council, a non-profit, non-partisan, self-funded organization whose 24 members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents, and Iowa’s largest banking association. Collectively, these companies and institutions employ more than 180,000 Iowans and have made over \$25 billion worth of capital investments in the state.

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