



Lean Process Improvement (LPI) in IT

MISA – Fall 2018
Conference

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and Transformation

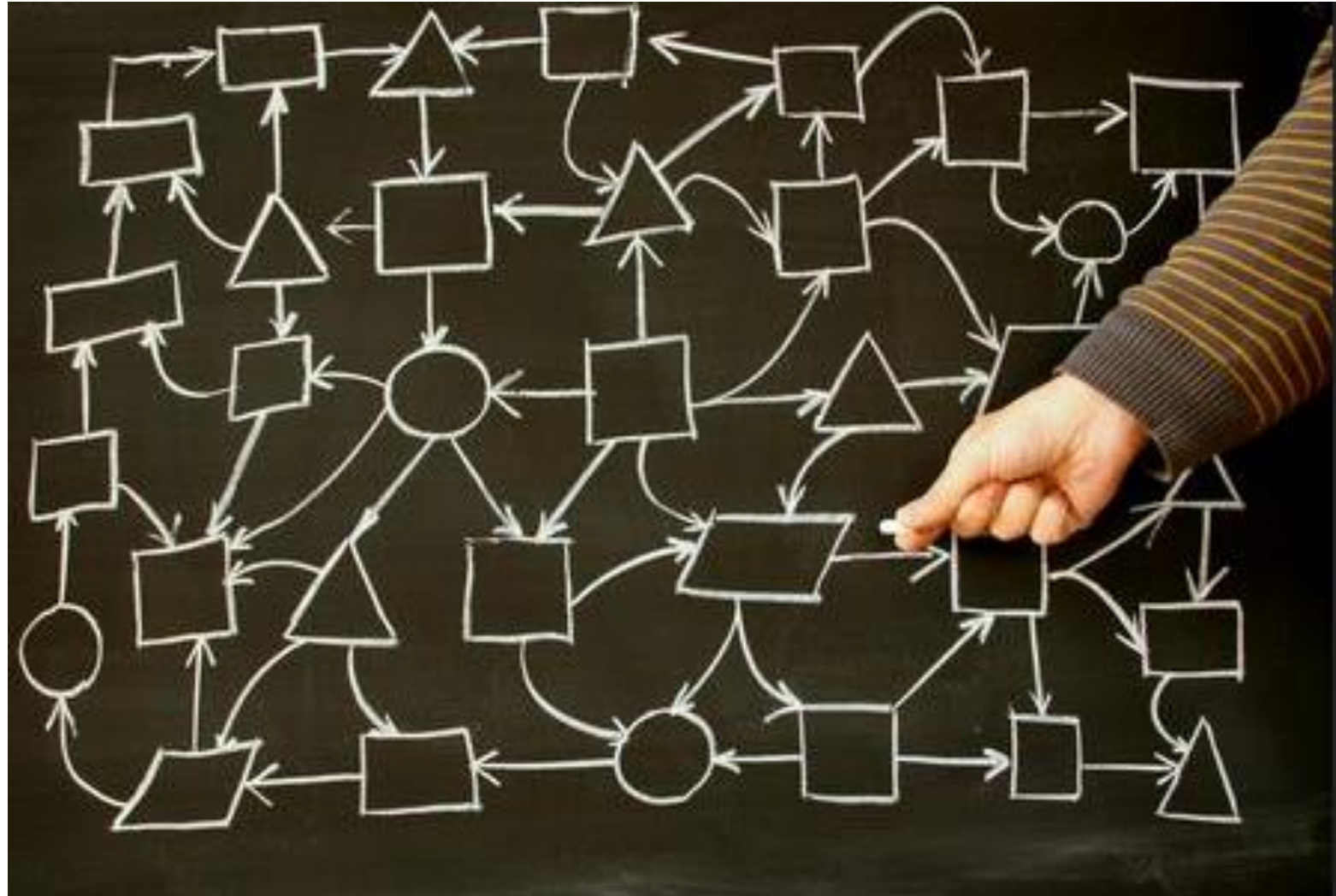
Millerh1 @Michigan.gov



Getting Started

30 Precious Minutes

- Why You Stayed!
- Working 4 Basic Questions.
- Just enough info on LPI.
- LPI works for us.



4 Basic Lean Q's

- What is working?
- What are Customer Needs? How can customers work with us?
- What should we change?
- What New/Futuristic advancement should we explore?

Basic questions we help teams explore - prior to automating

WHAT IS LPI ?

Team based examination of every task in a process to look for data to reveal issues and opportunities for a customer focused redesign of the process.



Recommendations and implementation plans are developed for execution.


Think Process **FIRST** Then Technology


Technology is NOT the driver for process improvement.
Technology is the most expensive way to improve a
process ... and most of our processes can be vastly
improved without it.

No Tech Changes

2016 Winner



 **Liquor Licensing** -reduced time a business can receive a liquor license by 200 days or more.

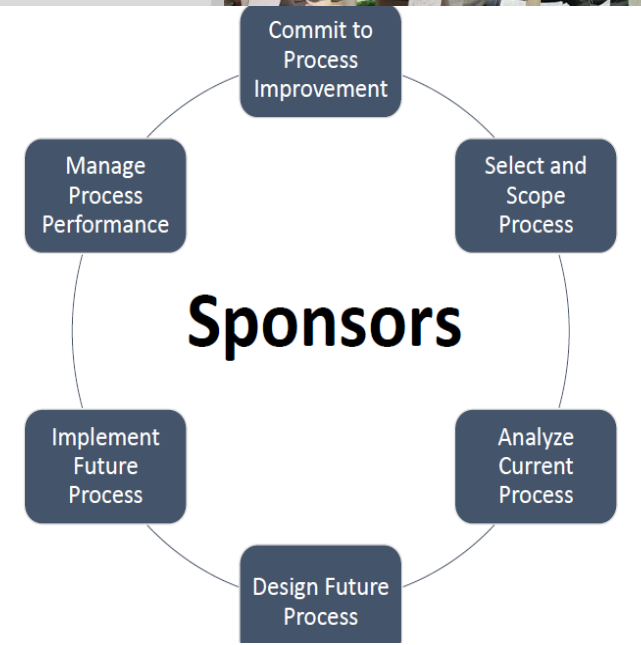
 **Low Interest First Time Home Loans** -In 90 days this team doubled the number of loans it made available and cut time by 85%.

 **First Responders** are hired quicker by cutting 792 hours from the licensing process.

 **Sexual Assault Kits** processed 59% faster by the Michigan State Police and was able to clear the city of Detroit's backlog and ensured the wheels of justice no longer stalled.

How Does it Work?

- People closest to the work are on the team
- Customers Needs Are Central
- Focus is on the process, not the people issues
- Activities build on each other to create understanding, ideas and ownership
- Implementation is supported



THEN

Tech Project

Before



Approximately
20% of prescribers
asked for an audit
of prescription
records



Auditors could take up to
90
DAYS



Prescriber may never see patient again to address potential issue

After

Prescriber can a
system (MAP
up front and
prescribing tre



Instant Real Time Data



approach

Lean Tools & Tech – Results



- 99% reduction in time to notify practitioners of issues.
Instantaneous (.04 seconds) verses 60-90 days
- A reduction of the most highly abused and diverted controlled substances being prescribed by 10%-20% depending on the prescription type
- Enabling the state to take action on over prescribers and increase safety



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

RICK SNYDER
GOVERNOR

DAVID B. BEHEN
DIRECTOR

From: David Behen, John Roberts and Jeff Bankowski 
Date: March 9, 2016
To: Department Directors
CC: Agency Data System Officers, Agency Procurement Liaisons and Agency Good Government Officers
Subject: IT Project Review Protocol

As you are aware, Governor Snyder launched the state's Strategic Excellence and Operational Excellence programs last year to identify key strategic objectives, link agencies to those objectives and provide the tools and resources to achieve the objectives.

DTMB's involvement in the Operational Excellence program has included an identification and evaluation of impediments to excellence in the development and delivery of information technology (IT) solutions to state agencies. Among those impediments are IT projects that automate ineffective business processes – that is, business processes that have not been first evaluated and improved in terms of the customer experience, efficiency and effectiveness. The potential results of automating such business processes include ineffective systems development and systems that will result in substandard performance.

As a result of this evaluation, DTMB will adopt a joint protocol with state agencies to prevent the expenditure of critical state resources on the automation of ineffective business processes. This protocol will involve assessments of current and future IT projects to determine the degree to which the underlying business processes require a comprehensive review and improvement. As a general rule, those IT projects that propose to automate ineffective business processes will be postponed until the underlying business processes are improved or redesigned. In many cases, automation will serve as a key enabling strategy to implement improvements in redesigned business processes. The protocol will also allow agency directors and DTMB to override the general rule for IT projects that, in management's judgment, must proceed. This override will be elevated and evaluated by the Enterprise Risk and Control Committee which is comprised of representatives of the Governor's Office, executive group Cabinet members and external experts.

The state has adopted a standard approach to business process evaluation, redesign and improvement, known as Lean Process Improvement (LPI). Under the coordination by the Office of Performance and Transformation (OPT), IT projects will require that underlying business processes be examined and improved through an LPI project or similar and approved process improvement method. Projects must be performed by state-certified facilitators. Other process improvement methods may be performed by a pre-qualified service provider that participates in the Lean Process Improvement LPI contract which will be administered by the OPT.

In 2016, the SBO and DTMB directed agencies to complete an LPI before asking for IT funding.

WHAT IS LPI B4 IT?

Before approving budgetary funds for IT systems upgrade costs, the processes impacted must be improved.



Benchmark your
project against these
FOUR criteria



Is the IT system on the



If the IT system is on the "Red Card," it means that a system outage will have a significant negative impact on health, safety, well-being of citizens or operating costs for the organization.

Does the IT project cost

\$2 Million

or more?



**Does the system process
high-risk transactions?**



**Do a significant number of
customers interact with the
system?**



Did you answer

YES 

to any of these questions?

Then it is
EXPECTED
that an LPI on the
process is done.





**Also, your agency
may have additional
criteria**



WHEN TO PLAN FOR AN LPI?

1-2 Years

**before your budget
request is made.**



Example Timeline to Complete LPI for a Budget Ask



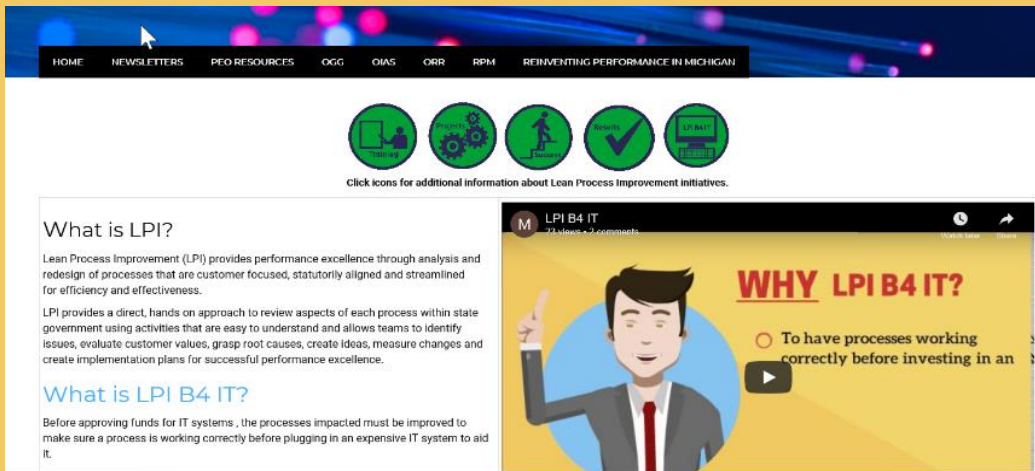
RESOURCES TO COMPLETE AN LPI

1

Use Internal Resources

2

Use OPT Resources



The screenshot shows the LPI website homepage. At the top is a navigation bar with links: HOME, NEWSLETTERS, LPI RESOURCES, OGG, OIAS, ORR, RPM, and REINVENTING PERFORMANCE IN MICHIGAN. Below the navigation bar are five circular icons representing different LPI initiatives: Training, Process, People, Results, and LPI B4 IT. A text prompt below the icons says "Click icons for additional information about Lean Process Improvement initiatives." The main content area features a section titled "What is LPI?" with a brief description of LPI and its goals. Below this is a video player showing a man pointing upwards, with the title "WHY LPI B4 IT?" and a subtitle "To have processes working correctly before investing in an IT system".



Do I need LPI?



Requesting IT Funding



FAQ's



Click icons for additional information about Lean Process Improvement initiatives.

Michigan's LPI Journey To Date



- In the 90's MDOT started LPI
- Grass roots LPI
- 2016 Received International PEX for best LPI under 90 days
- Statewide Lean Office created via Executive Order in 2016
- In 3rd year of Statewide Initiative
 - 7 Agencies have in house full time facilitators
 - Certified 60 LPI facilitators
- LPI Training offered for all State employees
 - Trained 3% of employees