



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office
(831) 454-2100

Subject: Presentation on the Continuous Process Improvement Initiative

Meeting Date: October 2, 2018

Recommended Action(s):

- 1) Accept and file report and conduct a study session on the County's continuous process improvement initiative known as the PRIMO Santa Cruz program; and
- 2) Direct the County Administrative Office to return in February 2019 with a status update on the program.

Executive Summary

The Santa Cruz County Strategic Plan for 2018-2024 is an anchor point for several initiatives including continuous process improvement. This initiative aims to promote Lean strategies and tools through a countywide program called PRIMO, which will support demonstration projects, training and communication.

Background

In September 2017, the County Administrative Office (CAO) presented a three-year work plan to introduce the management concepts of countywide strategic planning, two-year operational plans to implement the strategic plan, performance measurement, and continuous process improvement as a set of phased efforts to increase the focus and efficacy of county resources in meeting the needs and priorities of the public it serves. Over the course of FY 2017-18, the CAO engaged in a strategic planning process with robust input from the Board of Supervisors, County staff and the community. On June 26, 2018 the Board of Supervisors adopted the County's first strategic plan that includes vision and mission statements, values, and focus areas with goals for the County. The County Strategic Plan is the anchor point for several new initiatives including: the County's leadership academy, the Learn, Engage, Apply and Perform (LEAP) Program; an operational plan; a new two-year budget format; and continuous process improvement (CPI). Over the past year, the CAO began research on different schools of thought in CPI, its use in public sector settings, identification of past CPI efforts, formal and informal, in various departments, and the initiation of a steering committee to develop a CPI program for the County.

Analysis

Introducing Continuous Process Improvement and Lean

CPI is a workplace philosophy that engrains improvement as a part of everyday work; where processes are evaluated and innovated upon by all levels of an organization. CPI seeks to improve processes incrementally overtime instead of radically at once by engaging employees who work within the process and empowering them to pursue

process innovations themselves.

While CPI has been practiced in the private sector for several decades and has taken many forms, the current most widespread methodology of CPI is known as Lean. Lean focuses on identifying and eliminating wastes within a process only preserving process steps that add value from a customer's perspective or are required from a legal or regulatory purpose. Lean packages together analytical tools and strategies that empower employees to critically address any type of process, whether complex or mundane. Lean thinking shifts management leadership to a coaching mindset that focuses on supporting employees as they experiment with process innovations and encourages staff to challenge the status quo. Additionally, Lean focuses on tracking performance through process measurement to check on improvement efforts and inform employees and managers on future adjustments on a continuous basis.

What holds a Lean work environment together is not just the tools, techniques and strategies for identifying and eliminating wastes in a process, but a shift in work culture centered on addressing customer value and recognizing employees as the experts that do the work. From that foundation, lean relies on five values or principles:

1. Challenge the Status Quo: set goals and question the current state of a process
2. Way of Life: improvement is part of daily work
3. Root of the Problem: pursue the source of the problem by asking why, why not and what if
4. Respect: value others, establish trust, seek understanding and take responsibility
5. Teamwork: share and communicate

As eluded to earlier, CPI and Lean are not new concepts. Rather, they are tried and tested methods for improving organizational effectiveness and efficiency that have been adopted by state and local governments across the country. Below is a sample list of local governments that have Lean programs:

- County of Ventura, California
- City/County of Denver, Colorado
- City of Jacksonville, Florida
- City of Des Moines, Iowa
- City of Chattanooga, Tennessee
- King County, Washington
- Brown County, Wisconsin

PRIMO

CAO staff convened a steering committee over the past four months with department heads and deputy department heads to research, develop and organize a Lean program for the County. Out of that effort the steering committee announced PRIMO Santa Cruz, a program aimed at weaving CPI / Lean principles, tools and thinking into

everyday county processes. To guide this program, the steering committee established a PRIMO vision and mission:

Vision: Value people to improve the way government works

Mission: Common culture of improvement centered on customers, driven by employees and focused on measurable outcomes

To accomplish its vision and mission, PRIMO will set up a three-pronged work plan that is designed as a soft launch of demonstration projects, training and communication that can be scaled up in future years as the County gains experience, insight and skills in continuous improvement. Given the number of management initiatives underway, the first-year activities of PRIMO are scaled such that the training, tools, and problem solving are actively shared and tested in a manageable way.

Work Plan

Starting in November/December 2018 and lasting throughout the remainder of the fiscal year, PRIMO will support demonstration projects of various size and complexity with the goal of gaining practical experience with Lean tools and strategies as well as build momentum in the overall PRIMO program. The program will support one major process improvement project, two intermediate level process improvement events (known as Kaizen Events), 12 lower-intermediate projects (usually called 'Bursts'), and numerous spontaneous improvement events called 'Just Do Its' designed to be quick process fixes for simple tasks.

Lean tools and strategies are hands on, tangible methods for improving processes of every size and complexity. Mastering these skills will take training and opportunities to practice. PRIMO will provide resources for would be County Lean practitioners and leadership training for managers wanting to learn how to manage in a Lean work environment. An example of Lean strategies and tools include:

- 5S
- Plan, Do, Check, Act (PDCA) Cycles
- Process and Value Stream Mapping
- Fishbone Diagrams
- A3 Documentation
- Continuous (Pull) Flow Modeling

In developing PRIMO, the steering committee was committed to ensuring that information on demonstration projects, training and general facts on CPI / Lean would be consistent and relevant to the County's workforce. The PRIMO program will establish a central website for all employees to access status on projects, training opportunities and general information on the program. Additionally, the CAO's office through PRIMO will push out relevant Lean information, exercises and project opportunities to individual departments to foster active engagement on Lean topics with every department.

Next Steps

The PRIMO team expects to begin offering Lean training in late October or early November and will have a call for demonstration projects by mid-November. Additionally, the PRIMO website and early introductory information will be sent to departments in the next few weeks. Staff expects to report back to the Board of Supervisors in early 2019 with a status update on the program and will present the successes and lessons learned of the first year of the PRIMO program to the Board during budget hearings next June.

Financial Impact

Resources to support the PRIMO program are included in the FY19 CAO budget.

Strategic Plan Element(s)

6.D (Operational Excellence: Continuous Improvement)

The PRIMO program is designed to support the county-wide continuous improvement goal by creating a supportive structure for all employees to engage in process improvements that optimize County operations.

Submitted by:

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Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a PRIMO Year at a Glance