

**WELCOME!!!**  
Introduction to Lean Government #PM130  
Starting top of the hour.  
You're muted. Please use the Question Panel.  
Sorry, no tech support  
Try: Closing apps and browsers, logging in and out,  
changing browsers, or rebooting your computer.  
GoToWebinar support site:  
<http://support.citrixonline.com/GoToWebinar/>



Certificate? [pat@sieralearn.com](mailto:pat@sieralearn.com)  
twitter hashtag: #LEANPM130  
0

---

---

---

---

---

---

---

---

*Introduction*  
To Lean Government #PM130  
Steve Elliott, President  
Constant Improvement Consulting, Inc.  
with Pat Wagner, Siera: Learn. Teach. Inspire.™



July 9, 2013-12:00 pm to 1:00 pm-Mtn Time  
with Tim Sullard, Operations Manager  
Pattern Research, Inc.  
[www.sieralearn.com](http://www.sieralearn.com)  
Twitter Hashtag: #LeanPM130

1

---

---

---

---

---

---

---

---

**Welcome!**

- Post your Do Not Disturb sign.
- Pop and butter your popcorn.
- Try out the Questions Panel.
- Materials Needed
  - Pen and paper
  - Post-It notes
  - Slide handout

2

---

---

---

---

---

---

---

---

**Introducing Steve Elliott**

- Manager, business owner, consultant, trainer, for 30+ years
- Worked in public, private, and nonprofit sectors
- Chief Deputy Treasurer in Boulder Cty, CO
- Helped make Colorado a Lean Government

3

---

---

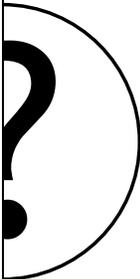
---

---

---

---

---



**Exercise #1:  
What Does This Meeting Cost?**

Materials Needed

- Sticky notes
- Pen
- Your hourly wage
- Coworkers

**Next time everyone  
in the room is  
“on the clock” ...**

4

---

---

---

---

---

---

---



**Exercise #1:  
What Does This Meeting Cost?**

1. Ask them to write down what they make per hour. (No names.)
2. Add up the numbers.
3. Announce the total.
4. Shred notes.

5

---

---

---

---

---

---

---



Exercise #1:  
What Does This Meeting Cost?

If my customer  
was in the room right now...

**Would they think  
this meeting was  
valuable?**

6

---

---

---

---

---

---

---

---

**Agenda**

What Is Lean?  
Customer Value  
The Eight Kinds Of Waste  
Next Steps

7

---

---

---

---

---

---

---

---

**The History of Lean**

- Created by Toyota
  - Remains its guiding precept
- Originally introduced to manufacturing in the US
- Has migrated through health and services to government

8

---

---

---

---

---

---

---

---

**What Is Lean?**

*Lean is based  
on two simple concepts:*

1. Improve customer value.
2. Reduce waste.

9

---

---

---

---

---

---

---

**Improve Value**

If the customer values  
a service or product,  
**produce it.**

If the customer does not value  
a service or product,  
**stop.**

10

---

---

---

---

---

---

---

**Reduce Waste**

**Waste** Isn't just stuff you  
throw away or recycle.  
Deserves serious study  
and scrutiny.

11

---

---

---

---

---

---

---

Lean is about

**layoffs.**

It's about using resources

**efficiently.**

SIERA  
S I E R A

12

---

---

---

---

---

---

---

---

**Customer Value**

*First step:*

- Who are your customers?

*Second step:*

- What do your customers really value?

13

---

---

---

---

---

---

---

---

External Customers

Internal Customers

Can they be segmented?

14

---

---

---

---

---

---

---

---

 Exercise #2:  
Who Are Your Customers?

Materials Needed

- Paper
- Pen

1. List all of your internal and external customers.
2. List the products, reports, and services you create for each customer.

15

---

---

---

---

---

---

---

---



Lean  
requires  
change

SIERA  
Simplify. Inspire. Transform.

16

---

---

---

---

---

---

---

---

The Eight Kinds Of *Muda* (Waste)

Unused resources	Defects
Waiting	Motion
Inventory	Overproduction
Transportation	Processing with no results



17

---

---

---

---

---

---

---

---



### Unused Resources

Hard to see because they've always been there

Examples

- Material, equipment, or facilities you already have may be repurposed
- People with talents you aren't using

18

---

---

---

---

---

---

---

---

# Waiting



19

---

---

---

---

---

---

---

---



### Waiting

- Monopolies allow you to treat customers as hostages.
- Waiting creates more work.

“Where’s my stuff?”

20

---

---

---

---

---

---

---

---



**Inventory**

Stop buying stuff

on sale  
just in case  
because Costco only sells by case

*Inventory on hand costs you money.*

21

The slide features a forklift icon at the top left, a barcode icon in the middle left, and a person with a checkmark icon at the bottom left. A bracket underlines the text 'on sale just in case because Costco only sells by case'. At the bottom, there are four dollar signs (\$\$\$\$).

---

---

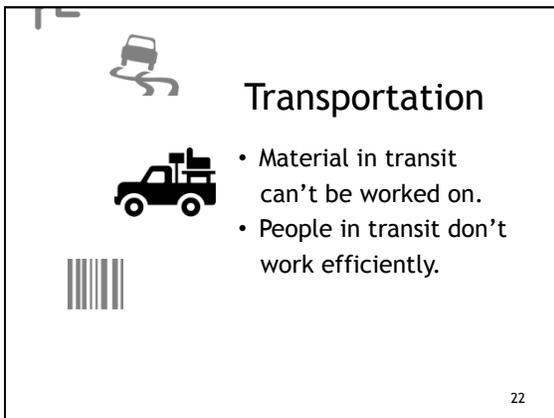
---

---

---

---

---



**Transportation**

- Material in transit can't be worked on.
- People in transit don't work efficiently.

22

The slide features a car icon at the top left and a forklift icon in the middle left. A barcode icon is at the bottom left.

---

---

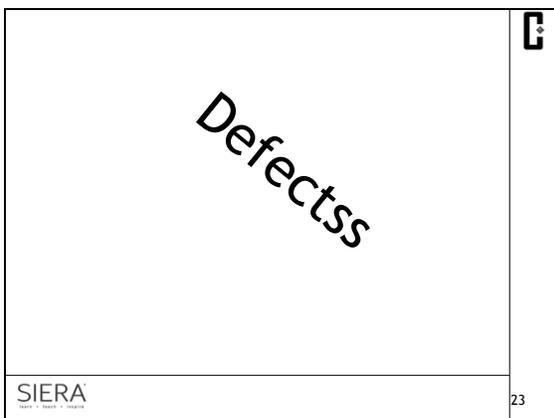
---

---

---

---

---



**Defectss**

SIERA  
23

The slide features a large 'C' icon in the top right corner. The word 'Defectss' is written diagonally across the center. The Siera logo and the number '23' are in the bottom left corner.

---

---

---

---

---

---

---



### Defects

- Early detection reduces cost of repair.
- Mistake proofing a process is best.
- Identifying mistakes can be culture change.

*Start rewarding people who point out mistakes.*



24

---

---

---

---

---

---

---

---



### Motion

- Any motion that doesn't add value to a product or service is *Muda*.



25

---

---

---

---

---

---

---

---

# Overproduction

# Overproduction

# Overproduction

# Overproduction

# Overproduction



26

---

---

---

---

---

---

---

---



### Overproduction

- Don't produce more than the customer wants or is willing to pay for.

27

---

---

---

---

---

---

---

---



### Processing with no results

- Make it expensive.
  - Charge for waste when you buy a product.
  - Charge to haul waste away.
- Six approval signatures on a form don't make it any better.

28

---

---

---

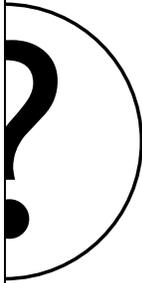
---

---

---

---

---



### Next Steps: Find Out More About Your Customers

Materials Needed

- List from Exercise #2

For each customer:

1. How do you interact?
2. Special considerations?
3. Describe patterns.

29

---

---

---

---

---

---

---

---

## Resources

[The Change Agent's Guide to Radical Improvement](#) (Ken Miller)

[Good to Great](#) (Jim Collins)

[Lean for Dummies](#)  
(Natalie J. Sayer and Bruce Williams)

See *Lean Thinking Reading List*:  
[www.sieralearn.com/introduction-to-lean-government-reading-list/](http://www.sieralearn.com/introduction-to-lean-government-reading-list/)

30

---

---

---

---

---

---

---

---

## The Lean Series

Individual, group, and series prices contact: [pat@sieralearn.com](mailto:pat@sieralearn.com).

- Tues, Jul 9, 2013: **Intro to Lean Government #PM130**
  - Tues, Sep 10, 2013: **Defining Customer Value #PM131**
  - Tues, Oct 8, 2013: **Learning to See Waste #PM132**
  - Tues, Nov 5, 2013: **The Value Stream #PM133**
  - Tues, Dec 3, 2013: **Change for the Better #PM134**
  - Tues, Jan 7, 2014: **Tools of the Trade #PM135**
  - Tues, Feb 4, 2014: **The Change Agent #PM136**
  - Tues, Mar 4, 2014: **Embracing Resistance #PM137**
  - Tues, Apr 1, 2014: **Lean Leadership #PM138**
  - Tues, Apr 29, 2014: **The Totally Lean Organization #PM139**
- Registration opens August 5, 2013.

31

---

---

---

---

---

---

---

---

## For More Information

Constant Improvement Consulting, Inc.  
Steve Elliott, President  
[constantimprovementinc.com](http://constantimprovementinc.com)  
303-775-5881  
[steve@constantimprovementinc.com](mailto:steve@constantimprovementinc.com)

Siera: Learn. Teach. Inspire.™  
[sieralearn.com](http://sieralearn.com)  
303-778-0880  
[pat@sieralearn.com](mailto:pat@sieralearn.com)

32

---

---

---

---

---

---

---

---

## Credits

<i>Slide Number</i>	<i>Image Attribution</i>
3	macaron*macaron 2006. Licensed under CC BY 2.0. <a href="http://www.flickr.com/photos/lonelycamera/226967856">http://www.flickr.com/photos/lonelycamera/226967856</a>
3	Ginny 2008. Licensed under CC BY 2.0. <a href="http://www.flickr.com/photos/ginrobot/3098219447">http://www.flickr.com/photos/ginrobot/3098219447</a>
3	Petras Gagilas 2009. Licensed under CC BY 2.0. <a href="http://www.flickr.com/photos/gagilas/3710480555">http://www.flickr.com/photos/gagilas/3710480555</a>
12	New York Public Library 1923. No copyright restrictions. <a href="http://www.flickr.com/photos/nyppl/3116117236">http://www.flickr.com/photos/nyppl/3116117236</a>
17	Bogdan Suditu 2008. Licensed under CC BY 2.0. <a href="http://www.flickr.com/photos/bogdansuditu/2607404802">http://www.flickr.com/photos/bogdansuditu/2607404802</a>
24	Smithsonian Institution 1938. No copyright restrictions. <a href="http://www.flickr.com/photos/smithsonian/2551232980">http://www.flickr.com/photos/smithsonian/2551232980</a>

33

---

---

---

---

---

---

---

---

## Credits

<i>Slide Number</i>	<i>Image Attribution</i>
Waiting	Lemon Liu, from The Noun Project <a href="http://thenounproject.com/noun/waiting-room/#icon-No8158">http://thenounproject.com/noun/waiting-room/#icon-No8158</a>
Moving Material	Luis Prado, from The Noun Project <a href="http://thenounproject.com/noun/moving-truck/#icon-No1428">http://thenounproject.com/noun/moving-truck/#icon-No1428</a>
Moving People	Jakob Vogel, from The Noun Project <a href="http://thenounproject.com/noun/running/#icon-No2377">http://thenounproject.com/noun/running/#icon-No2377</a>
Inventory	Muneer A. Safah, from The Noun Project <a href="http://thenounproject.com/noun/barcode/#icon-No10281">http://thenounproject.com/noun/barcode/#icon-No10281</a>
Wasted Material	Alex Quinto, from The Noun Project <a href="http://thenounproject.com/noun/trash-can/#icon-No11468">http://thenounproject.com/noun/trash-can/#icon-No11468</a>

34

---

---

---

---

---

---

---

---