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Expand efforts to make the state government lean

IOWA VIEW

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SPECIAL TO THE REGISTER

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

These comments were made recently by the deputy director for Iowa's 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.

Companies wishing to continue operations, expand existing facilities or construct new buildings in Iowa could do so only after completing a process that could take weeks, months or sometimes years.

That, however, was before introduction of Lean Enterprise to state government.

Successful businesses worldwide subscribe to the philosophy behind Lean — the continuous, critical evaluation and improvement of administrative and production processes. Lean allows for redeployment of scarce human and financial resources in the most efficient 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.

Limited introduction of Lean Enterprise to state government has provided significant benefits to departments and their constituencies. A proposal now before the Legislature would allow hiring an employee to coordinate and facilitate Lean events throughout state government. It deserves approval.

Business efficiency experts assert that up to 35 percent of the average employee's time is wasted on inefficient procedures. In health care, that number jumps to 60 percent. Statistics like these spurred the University of Iowa Hospitals & Clinics to host a series of week-long Lean "events" within several of its patient-care areas. The results: Treatment procedures and wait times improved 32 percent to 100 percent.

Such success inspired the Iowa Business Council to introduce a similar culture of continuous process improvement to the public sector. In 2003, the council collaborated with DNR to conduct the first Lean event in state government - examining procedures for air-quality permits for construction. A paperwork-routing process that once took 62 days was reduced to six, an efficiency improvement of up to 90 percent.

According to DNR Director Jeff Vonk, Lean did not diminish the actual time required for a permit's review by air-quality engineers. Efficiency improvement was realized in the days that paperwork sat on desks.

"A competitive business climate means regulatory functions need to perform as efficiently as possible," Vonk said. "Iowa now leads the nation in expediting the completion of required construction permits, accomplished without sacrificing any environmental benefit."

Thirty-three Lean events have now been conducted within 13 agencies of state government. The most recent occurred in Iowa Workforce Development. Director Richard Running and his staff examined the complaint process used for the Occupational Safety and Health Administration, which reviews more than 2,500 complaints annually.

The department sought to improve initial screening procedures and diminish complaint cycle times. The results: Procedural steps were reduced 58 percent, process handoffs declined 57.1 percent and delays dropped 50 percent.

"This is remarkable evidence of how seasoned employees can improve long-established processes," Running said. "Service levels for employees injured on the job are enhanced, and the employer doesn't wait as long now for a complaint to be resolved."

This record of success justifies creating an Office of Lean Enterprise within the Department of Management. The department submitted a request to the Legislature for \$222,000 for fiscal year '07. Having a dedicated advocate for Lean Enterprise within the executive branch would produce an enormous return on investment for Iowa.

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Leaner, more efficient

Lean is a philosophy that calls for the continuous evaluation of administrative and production processes. The following table lists significant results from the use of Lean processes in state government since 2003.

Dept.	Business process	Old System	Post-Lean process	Date
DNR	Leaking underground storage tank Corrective-action decision	1,124 days	90 days	2004
	Wastewater permitting	425 days	15 days	2004
	Landfill permitting	187 days	30 days	2004
DCA	Historical preservation office: HUD submittals	50% defective	100% complete	2004
	Great Places program	Concept only	Program designed in four days	2005
IDED	Financial-assistance application	45 days	22 days	2005
IWD	New elevator inspections	6days	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 and distribution		Steps reduced 75%; delays reduced 98%	2006
DIA	Health facilities complaint intake		Steps reduced 56%; delays reduced 80%	2006

Source: Department of Management

DNR = Department of Natural Resources; DCA = Department of Cultural Affairs; IDED = Iowa Department of Economic Development; IWD = Iowa Workforce Development; DPS = Department of Public Safety; IVH = Iowa Veterans Home; DOC = Department of Corrections; DIA = Department of Inspections and Appeals.
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