

PERSPECTIVE

Process Improvement

Saving time, money and stress

BY KATHERINE BARRETT AND RICHARD GREENE



Until recently, Fort Collins, Colorado, Senior Accounting Coordinator Renee Reeves was frustrated by the amount of time it took her to reconcile the city's credit receipts with its bank records. But after a summer-long improvement project in the city's Financial Services Division, she was able to celebrate a dramatic decrease from an average of 100 hours a month spent on this activity to only 65 hours in October 2022. The goal is to reduce the number of hours even further.

"The primary issue was inconsistent processes, manual processes, and submissions that were often delayed or missed," Reeves said. Having addressed many of these issues, Reeves found herself with more time to get her work done, and "this definitely decreased my stress," she says.

Fort Collins is a prime example of an effort that is taking place in a number of cities and states to improve the smooth flow of their processes. At the state level, the National Association of State Chief Administrators (NASCA) listed operational excellence and process improvement among the top ten core strategies for state chief administrators for fiscal 2023. It held its first summit on the topic last fall.

Current notions of improving and simplifying business and government processes stem from manufacturing innovations in the middle years of the 20th century when the seeds of Lean Process Improvement methods were planted. But the effort to get at the root causes of inefficient approaches to work "has been in existence since the beginning of time," said Sheila Montney, an alderperson in Bloomington, Illinois.

Montney used process improvement at State Farm Insurance before retiring in May 2021 and starting a company called Win Together, to help governments “build cultures of performance excellence.”

Why the acceleration in activity now? With critical staff shortages, the pressure is on to reduce unnecessary steps that eat up employee time. What’s more, as technology becomes central to a growing number of governmental operations, it’s important to redesign and improve a process before you try to automate it. Or, as Montney says, “When you automate a process mess, you get an automated mess.”

Core principles of continuous improvement

While Lean methods of process improvement currently dominate, governments often borrow from a variety of approaches—sometimes holding with almost religious fervor to the tools and jargon of Lean, although many places avoid the language of any one method. “It’s ideal if you don’t call it anything,” Montney said. “There is value in a common language for improvement methods, though. It makes it easier to collaborate and learn from each other.”

Whatever approach is used, one key is chronicling the steps that go into government work to puzzle out what may be unnecessary. Practitioners are taught to avoid “jumping to a fix,” in the words of one expert. Instead, the idea is to follow a deliberate “walk through the process,” with a lot of attention paid to the observations of the individuals who have that job.

Projects often focus on the time it takes to complete a task, or the number of instances in which an employee “touches” that task. But time is only one factor. Continuous improvement requires an engineering mindset and is a skill learned by study and application. The goal is to make work easier, better, and faster, which results in lower costs, Montney said.

The way governments progress in these efforts often evolves over time. Like many places, Snohomish County, Washington, began its venture into process improvement using basic Lean methodology and principles—how to identify problems, use root cause

analysis, and spot and remove waste. After three years, it moved into using more advanced Lean tools and created a training program to generate Lean leaders. Still, it follows the path of many other organizations in shying away from too much jargon in order to keep language accessible to all staff and leaders.

One important point that seems to stretch across governments that are engaged in operational excellence programs is that improvements are not imposed from above, instead focusing heavily on the input of employees who are familiar with what they can see needs changing—because they’ve experienced it themselves through their own job duties. “The frontline worker knows what does and doesn’t work,” said Kristi Hoagland, director of Operational Excellence in Snohomish County.

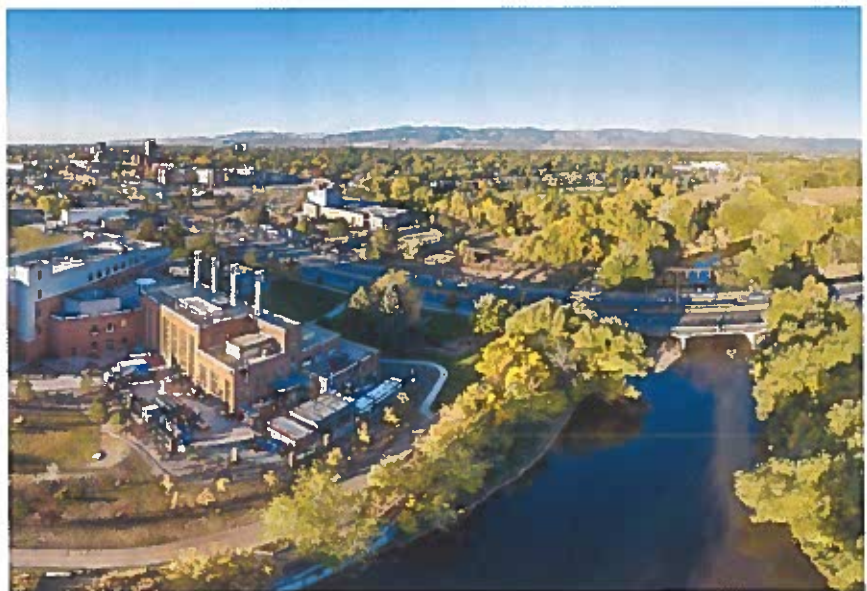
Impediments to success

Over decades, a consistent pitfall for performance management programs in general has been the difficulty of getting staff buy-in. Staffers can see extra work added and resist something that can sound like the management fad of the week. There’s sometimes also a fear that reducing work steps will also potentially reduce jobs. “But that’s far from the truth,” Hoagland said, adding that jobs may be changing, but not necessarily diminishing in number.

Another sticking point stems from the ability of busy, understaffed departments to set aside time for the analysis that is inherent in process improvement. Departments will often engage in the first step of a process improvement effort—brainstorming about problems. “But then we’d hear that people didn’t have dedicated time or that managers weren’t supportive of process improvement,” said Cate Eckenrode, Fort Collins process improvement specialist. “We’d brainstorm ideas and hand the ball over, but they wouldn’t take the ball and run with it.”

A closer look at Fort Collins financial pilot

Fort Collins is as good an example as any of a city that has thoroughly bought into the notion of process improvement. It started funding these efforts back in 2016 and expanded most recently with a new pilot launched in the Financial Services Department in 2021 to embed the techniques of process improvement throughout one entire department. The idea was to help make these concepts part of the fabric of doing business rather than a sporadic effort that comes and goes, based on the passions of individual proponents.



The City of Fort Collins, Colorado has made notable improvements in process efficiency through their pilot program, FC Lean.



Eckenrode explained that FC Lean, as the city calls its effort, seeks to reduce unnecessary time on a project, along with error rates and hard costs. Recently, the city has also included sustainability factors—the impact on the environment—or inequity.

The first step in Fort Collin's pilot project involved training all 50 members of the city's finance staff in basic principles of process improvement, with managers offered more advanced training so they could be mentors to their employees.

Adhering to the tenets of FC Lean, Reeves wasn't going to guess at potential solutions. Her summer journey began with intense research, asking, in typical process improvement style, the "five whys"—questions that would help point out the "failure points" in the credit reconciliation system. As Reeves recalls, "We went around to

each department gathering data. What is the system that you're using? What's your software? Do you have a backup person if you're the only one doing it? Does your system interface with our financial system?"

Devoting the time to talk with individuals on the other side of the monthly credit reconciliation activity helped Reeves map and understand the flaws of the current system, which included lax attention to deadlines and other problems that stemmed, in some cases, from a lack of departmental employee understanding about the reconciliation process. "The feedback I received was that some folks just didn't even know how to review their variances," she said.

The solution came in two parts. "We needed to establish a standard process meeting the varied requirements of stakeholders, as opposed to working

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around all that variability," said the city's controller, Randy Bailey. From there, providing adequate training and support such as on-demand videos that Reeves created increased consistency significantly across the city.

With that improved understanding and communication, and a tighter schedule for submitting credit revenue information, the Fort Collins accounting department was not only able to show a decline in the hours Reeves spent each month, but also dramatic drop in the number of reconciliation problems that needed serious attention from an average of 100 in previous months to 10 in October 2022.

These kinds of projects, some big and some very small—"Just Do Its" in FC Lean vernacular—are occurring throughout the Financial Services Division. The department-wide approach has had multiple payoffs, including the kind of ongoing support that Reeves received from the controller.

Well-trained Financial Services Division directors and managers not only help their staffs, but also each other. "That drives a lot of good discussions," Bailey said. "It's very helpful that a broader community is speaking the same language and having some of the same struggles." ■

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