Performance Management and Lean

American Association of Motor Vehicle Administrators
August 2016
The Big Questions

1. What business are we in?
2. What do we want our organization to be known for?
3. What beliefs are going to guide our actions?
4. What accomplishments will define our success?
5. What routine work must we do well and how do we measure our effectiveness?
6. How does that work get done across the organization?
7. What initiatives must we ensure are successful?
8. How will we monitor and review our progress?
9. What is each of us accountable for?
10. What do we do when we fall short of our goals and targets?
Governor’s Framework

A New Strategic Framework

Vision

A Working Washington built on education and innovation ... where all Washingtonians thrive.

Mission

- Foster the spirit of continuous improvement
- Enhance the conditions for job creation
- Prepare students for the future
- Value our environment, our health and our people

Foundation

- Create a responsive, innovative and data driven culture of continuous improvement.
- Recognize Washington’s rich natural resources, diverse people and entrepreneurial drive, and build upon our legacy.
- Operate state government with the expectation that success is dependent on the success of all.
- Create effective communication and transparency on goals, measures and progress in meeting expectations.
- Deepen our focus, understanding and commitment to our citizens: Know our customers.

Goals

| World-Class Education | Prosperous Economy | Sustainable Energy and a Clean Environment | Healthy and Safe Communities | Efficient, Effective and Accountable Government |

Measure & Improve

Building a more responsive, data-driven state government to get results:

www.results.wa.gov
Making Our Connections

- The Governor’s Strategic Direction
- Fundamental Map Our Daily Work
- Our Strategic Direction
- How we Measure our Results
- Employee Performance Plans
# Fundamentals vs Strategic Plan

<table>
<thead>
<tr>
<th>Fundamentals Map</th>
<th>Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine daily work</td>
<td>Strategic long term work</td>
</tr>
<tr>
<td>Working “in the business”</td>
<td>Working “on the business”</td>
</tr>
<tr>
<td>Represents about 85% of our work</td>
<td>Represents about 15% of our work</td>
</tr>
<tr>
<td>All employees can see themselves in it</td>
<td>Executives set the agency’s strategic direction</td>
</tr>
<tr>
<td>Contains process and outcome measures</td>
<td>Contains strategic actions and measures</td>
</tr>
</tbody>
</table>
Mission & Vision Statements

Our Mission

With a strong commitment to great service, we advance public safety and consumer protection through licensing, regulation and education, and we collect revenue that supports our state’s transportation system.

Our Vision

Proudly earning Washington’s confidence every day through the highest level of service and commitment to public safety.
# The Fundamentals Map

**Mission:**
With a strong commitment to great service, we advance public safety and consumer protection through licensing, regulation, and education, and we collect revenue that supports our state’s transportation system.

**Vision:**
Proudly earning Washington’s confidence every day through the highest level of service and commitment to public safety.

**Values:**
Integrity, Inclusion, Respect, Results, Service Excellence

## Engaged Employees

<table>
<thead>
<tr>
<th>Metric</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of positive response to DOL employee engagement poll</td>
<td></td>
</tr>
<tr>
<td>% of workforce diverse compared to population diversely available</td>
<td></td>
</tr>
</tbody>
</table>

## Customer Focus

<table>
<thead>
<tr>
<th>Metric</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of customers reporting impersonation service meets or exceeds their ideal expectation</td>
<td></td>
</tr>
<tr>
<td>% of customers reporting phone service meets or exceeds their ideal expectation</td>
<td></td>
</tr>
<tr>
<td>% of customers reporting online interactions met or exceeded their ideal expectation</td>
<td></td>
</tr>
</tbody>
</table>

## Efficient Effective Services

<table>
<thead>
<tr>
<th>Metric</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of driver license customers with timely wait times under 30 minutes</td>
<td></td>
</tr>
<tr>
<td>% of customer calls answered timely</td>
<td></td>
</tr>
<tr>
<td>% of customer emails answered timely</td>
<td></td>
</tr>
</tbody>
</table>

## Trusted Credible Partner

<table>
<thead>
<tr>
<th>Metric</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Lean projects with measured improvements</td>
<td></td>
</tr>
<tr>
<td>% of process steps saved through Lean projects</td>
<td></td>
</tr>
<tr>
<td>% of process hours saved through Lean projects</td>
<td></td>
</tr>
</tbody>
</table>

## Improved Public Safety

<table>
<thead>
<tr>
<th>Metric</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of compliance findings on DOL from internal audits</td>
<td></td>
</tr>
<tr>
<td>% of fatalities involving young drivers</td>
<td></td>
</tr>
<tr>
<td>% of fatalities involving vehicle &amp; vessel theft</td>
<td></td>
</tr>
<tr>
<td>% of fatalities involving motorcycles</td>
<td></td>
</tr>
</tbody>
</table>

## Operating Processes

### Core Processes

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage &amp; Provide Records</td>
<td>DOL</td>
</tr>
<tr>
<td>Issue</td>
<td>Simsbury</td>
</tr>
<tr>
<td>Ensure</td>
<td>Knittel</td>
</tr>
</tbody>
</table>

### Sub-processes

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educate</td>
<td>DOL</td>
</tr>
<tr>
<td>Develop</td>
<td>Simsbury</td>
</tr>
<tr>
<td>Ensure</td>
<td>Knittel</td>
</tr>
</tbody>
</table>

### Operating Processes

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage</td>
<td>DOL</td>
</tr>
<tr>
<td>Revenue</td>
<td>Simsbury</td>
</tr>
<tr>
<td>Review</td>
<td>Knittel</td>
</tr>
</tbody>
</table>

### Supporting Processes

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage</td>
<td>DOL</td>
</tr>
<tr>
<td>Income</td>
<td>Simsbury</td>
</tr>
<tr>
<td>Report</td>
<td>Knittel</td>
</tr>
</tbody>
</table>

## Process Measures

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comply</td>
<td>DOL</td>
</tr>
<tr>
<td>Ensure</td>
<td>Simsbury</td>
</tr>
<tr>
<td>Manage</td>
<td>Knittel</td>
</tr>
</tbody>
</table>

## Core Process Measures

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of forms improved with customer input</td>
<td></td>
</tr>
<tr>
<td>% of website users responding that website was helpful</td>
<td></td>
</tr>
<tr>
<td>% of website updates made within 4 days</td>
<td></td>
</tr>
<tr>
<td>% of mailed documents returned undeliverable</td>
<td></td>
</tr>
</tbody>
</table>
Lobby Wait Times

Average Lobby Wait Times In Minutes

- Improved from previous years by increase in online transactions
- Improved summer peak
- Typical summer peak
- Real ID media attention causing increased EDL transaction volume and longer wait times
- Added drive tests at Driver Training Schools
Call Center Wait Times

% of Calls Answered Timely by the Customer Service Center

- Added an additional supervisor and split staff into 3 teams
- Improved schedule management; clear, measurable expectations; and adjusted training priorities all increased staff productivity
Quarterly Results Review starts with...

### OUTCOME MEASURES

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Owners</th>
<th>Measure Number and Title</th>
<th>Current Status (shown by color)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Engagement</td>
<td>Milligan, Myers</td>
<td>OM1 - Employee engagement poll</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Fetterly, Richards</td>
<td>OM2 - In-person service</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>OM3 - Online transaction service</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wait Times</td>
<td>Simchuk, Clawson</td>
<td>OM4 - Lobby wait times</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Improvements</td>
<td>Wade, Baugh</td>
<td>OM5 - Lean projects w/ measured improvements</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Records &amp; Data Integrity</td>
<td>Knittle</td>
<td>OM6 - reported directly to executive team</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Outcomes</td>
<td>Wade, Black</td>
<td>OM7 - Audit findings (external only)</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic Fatalities &amp; Serious</td>
<td>Zhang, Zhang</td>
<td>OM8 - Fatalities involving young driver</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic Fatalities &amp; Serious</td>
<td>Zhang, Zhang</td>
<td>OM9 - Fatalities involving motorcycle</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serious Injuries</td>
<td>Knittle, Ball</td>
<td>OM10 - Identity fraud corrections</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Protection</td>
<td>Knittle, Illing</td>
<td>OM11 - Vehicle/vessel fraud corrections</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OPERATING PROCESS MEASURES

<table>
<thead>
<tr>
<th>Process</th>
<th>Owners</th>
<th>Measure Number and Title</th>
<th>Current Status (shown by color)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Benfield, Hill</td>
<td>OP1 - Forms improved with customer input</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Simchuk</td>
<td>OP2 - Pre-licensure inspections timely</td>
<td>[Color]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance</td>
<td>Simchuk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Danniel, Ball</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Japhet, Clawson</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What do you do if something is Red or Yellow?

Time for an Action Plan!
Basics of Lean Thinking

Focus on Customer Determine Value

Every process has a customer
We work to serve customers not satisfy bosses
Facts reveal truth about how effectively we are meeting customer needs
Continuous customer feedback drives continuous process improvement

Respect for People Create Value

Customers define what value is
People are our most valuable asset
People who do the work know it best
People want to be a part of something bigger than themselves
People want to do good work
People need to have the skills to do their work well and to improve it
People will engage if they feel safe making decisions
Why Lean in Washington

We are building a culture where employees are:

• Excited to come to work
• Valued for their skills and talents
• Included in process improvements that impact their work
• Respected
• Trusted to make decisions
• Empowered to fix what bugs them
• Creating more value for our customers
• Helping build trust in government
Alignment with Organizational Efforts

• Agency Goals and Culture Statements
• Customer Satisfaction
• Employee Satisfaction
• Talent Management
• Performance Management System
• Fundamentals Map
• Strategic Planning
Lean Leadership: Flipping the Pyramid

**Conventional**
- Leaders boss, tell and direct
- Employees take directions and don’t question or offer ideas

**Lean**
- Leaders coach, mentor, teach
- Customers are problem solvers, trusted and respected as capable experts
Role of Employees

- Learn about Lean thinking, methods, and tools
- Become skilled at problem solving
- Look for and implement continuous improvements to their jobs to improve quality, improve safety or decrease waste
- Serve on process improvement project teams when needed
- Support implementation of process improvements from other projects and in work group
- Are trusted subject matter experts on their work
Role of Facilitators

- Facilitate process improvement projects
- Use Lean thinking, methods and tools
- Act as a neutral third party to guide process
- Manage group dynamics, resolve conflict, foster high-functioning team, apply appropriate Lean tools for the situation, build capability of team
- Maintain process ownership by the team and manager

Lesson Learned: not everyone is or should be a facilitator
Role of the Lean Program and Coaches

• Actively champion the agency’s Lean efforts
• Train and equip employees and leaders in their roles and skill needed
• Establish tools and standards
• Serve as coaches and facilitators
Role of Leaders

- Actively champion the agency’s Lean vision, direction and efforts
- Adopt Lean thinking and practices
- Mentor, coach and teach employees scientific problem solving
- Engage with line employees to reinforce Lean mindset
- Devote time and energy to developing a Lean culture
- Set expectations and remove roadblocks
- Celebrate learning along with success
- Promote taking calculated risks for process improvement
- Ultimately responsible for outcomes and answerable for culture change
Two Sides to Lean

Hard Side
- Is about:
  - processes
  - measurement
  - tools
  - structures
  - procedures

Soft Side
- Is about:
  - buy-in
  - commitment
  - attitude
  - overcoming resistance to change
  - self-leadership
OR/WA Suspensions and Adjudications

Background
- Non-Resident Violators Agreement
- 24,000 per year

Problem
- Too much time
- Up to 170 errors per month

Improvements
- Improved own processes
- Access to check status
- Technology
- Stop sending non-suspendable customized letters
- Added language to notice
- Eliminated proofreading
- Stopped stamping documents

Results to WA
- 1,664 hrs. per year
- Errors from 170 down to 0
- $41,387 per year (staff time, paper and postage)

Results to OR
- At least 1,738 hrs. per year
- Overall at least 17% reduction in costs associated with process
Overtime Approval

Background
• 2,150 per year
• Audit

Problem
• Missing proper documentation
• Multiple forms that don’t match
• Difficult and confusing
• 30% Errors

Improvements
• Streamlined, standard process
• Improved form
• E-signatures
• Accept complete forms
• Train employees

Results
• 1612 staff hours redirected to payroll
• $58,000 per year (staff time, paper)
• Error rate reduced from 30% to 3.4%
• Eliminated 13 steps
• Cycle time reduced from 14 business days to 6.2 business days.
Daily Lean

- Everyone solves *problems and improves everywhere, all the time*

- For an improvement culture to be sustainable it must not be an event or Workshop, but a daily practice, a way of life for everyone

- Components of Daily Lean include: Huddles, Idea Boards, Visual Management, Problem Solving, and Coaching
Huddles

Benefits

• Employee engagement
• Better communication
• Helping each other
• Teamwork
• Promoting culture of continuous improvement
• Less meetings
• Talk about problems
• Solve problems
Huddle Tools

Visual Management tools used in the huddle:

• Kanban Boards

• Idea Boards

• Project Boards

• Performance Measure/Data Boards
# Huddle Example

## Call Center

### Huddle Board

**Green is the New Red**

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Daily</th>
<th>Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td>Yellow</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Calls</th>
<th>2189</th>
<th>46,972</th>
</tr>
</thead>
<tbody>
<tr>
<td>True demand</td>
<td>2204</td>
<td></td>
</tr>
</tbody>
</table>

- 1 hr. lunches

- Outs: P - 3 U - 3

2015 YTD

- Calls answered: 392,949

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>99%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>19%</td>
<td>18%</td>
<td>23%</td>
<td>31%</td>
<td>42%</td>
<td>35%</td>
</tr>
</tbody>
</table>

- 2015: Jan 19%, Feb 18%, Mar 23%, Apr 31%, May 42%, Jun 35%
- 2016: Jan 99%, Feb 98%, Mar 98%, Apr 98%

*THEME: WEEK NEXT WEEK FOR PDIN*:
- **MONDAY** (7): Use Monday to get the themes in order.
- **TUESDAY** (8): Use Tuesday to get the themes in order.
- **WEDNESDAY** (9): Use Wednesday to get the themes in order.
- **THURSDAY** (10): Use Thursday to get the themes in order.
- **FRIDAY** (11): Use Friday to get the themes in order.

*THEME: WEEK NEXT WEEK FOR PDIN*:
- **MONDAY** (7): Use Monday to get the themes in order.
- **TUESDAY** (8): Use Tuesday to get the themes in order.
- **WEDNESDAY** (9): Use Wednesday to get the themes in order.
- **THURSDAY** (10): Use Thursday to get the themes in order.
- **FRIDAY** (11): Use Friday to get the themes in order.
Performance Measure/Data Boards

- Count of requests open
- Average “open” 5 days
- **25 or less requests open = green:** stress is low
- **26-49 requests open = yellow:** starting to feel stressed
- **50+ requests open = red:** stress levels are high
  - Significantly longer cycle times
  - Need to identify root cause
Project/Task Board (Kanban Board)

Human Resources Recruitment

- Action Request
- Drafted
- Posted
- Screening
- Go / No Go
- Reference Checks
- Hired
Team Kanban Board
Information Services

[Image of a Kanban board with post-it notes and sections for 'To Do', 'Doing', and 'Done']