



Lean Six Sigma

Overview for FOOD Stamp Symposium

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Lean Six Sigma

- What is Lean Six Sigma?
 - Combination of two schools of thought:
 - Lean, which focuses on eliminating waste to reduce cycle times; and
 - Six Sigma, which focuses on reducing variation to ensure a standard, quality output



Lean Six Sigma

■ What is Lean?

□ Business methodology for:

- Increasing value from the customer's perspective
- Eliminating waste and redesigning the value stream to improve flow and efficiency
- Making value flow at the “pull” of the customer
- Empowering employees to seek and implement process improvements
- Continuously improving the value stream in pursuit of perfection



Lean Six Sigma

- What is Six Sigma?
 - Business methodology for:
 - Eliminating defects and variation
 - “Six Sigma” is a statistical way of describing 99.99966% accuracy
 - Example: HSA takes 17,500 Food Stamp applications per year
 - 99% accuracy = 175 errors per year
 - 99.99966% accuracy = 1 error per 100 years
 - Producing predictable outcomes
 - Improving processes to do things better, faster, and at a lower cost



Lean Six Sigma

■ Advantages of Lean Six Sigma

- For the Individual
 - Eliminate low-value steps that take excess time
 - Increase certainty that a quality product is produced
- For the Team
 - Reduce training time for new employees
 - Improve teamwork
- For the Agency
 - Maximize staff resources
 - Ensure legal and regulatory compliance
 - Empower staff to implement solutions



Lean Six Sigma

- What is a Kaizen Event?
 - Rapid process improvement event that:
 - Takes 4-6 weeks
 - 2-3 weeks prep
 - 1-week activity
 - 1-2 weeks follow-up
 - Teams 6-8 people to tackle the issue
 - Transforms the process during the event!



Lean Six Sigma

- Advantages of Kaizen Events
 - Enable groups to drive improvement quickly
 - Produce significant and measurable results in a short amount of time
 - Tap the knowledge and experience of subject matter experts
 - Produce knowledge and promising practices that may be shared throughout the Agency

KAIZEN EVENT FINAL REPORT
Renewal Packets Project
July 2008

I. Kaizen Event Description & Results

Description: Standardize core renewal packets for CalWORKs, Medi-Cal and Food Stamp programs, and streamline the business process for preparing packets.

Team: Project Champions – Paul Bujold & Miguel Orozco; Team Leader – Kathy LeClair; Team Members – Luis Allon, Carmen Cervantes, Maria Gil-Moraga, Liza Rocha & Lynn Schroeder. Executive Leadership – Barry Zimmerman, Curtis Updike, Lauri Flack & Melissa Livingston. Green Belts: Myra Chavez, Gina Spierlein & Jennie Pittman.

Expected Outcomes: Reduce the variation among each core renewal packet type to zero. Finalize a new policy and business process for ordering, preparing and sending packets.

Results: Zero variation among core renewal packet types was achieved on 7/11/08, and a new policy and business process were implemented effective 7/14/08.

Program	Number of Packet Variations on 7/7/08	Number of Core Packet Variations on 7/11/08
CalWORKs	5+	0
Medi-Cal	5+	0
Food Stamps	4+	0

III. Estimated Cost Savings

Outcome	Annual Cost Savings (est.)
Removed 28 forms from packets	\$30,000 in GSA printing/storage fees

II. Communication, Training & Accountability

Communication Plan: *Pre-Event* – Center staff received information via the HSA Intranet about the Kaizen Event purpose and goals. Center staff were also given an opportunity to record problems and propose solutions on “newspapers” posted at their Centers. The newspapers were collected and brought to the Kaizen Event for the Team’s consideration. Project Champions and Executive Leadership provided additional information to Center Managers to garner support. *Kaizen Event Week* – Team Members, the Team Leader and the Project Champions communicated decisions to Center staff, answered questions, and provided support. *Post-Event* – Kaizen Event results and photos will be posted on the Intranet, and an Intranet-based feedback loop will be established.

Training Plan: Team Members provided training to impacted Center staff using documents and materials prepared during the Kaizen Event. Team Members recorded their progress on checklists.

Accountability: A new policy and business process were finalized and posted in the web-based PolicyTech system, making the information readily available to all staff. A follow-up / monitoring plan will be executed.

IV. Benefits

- Core renewal packets have been validated to ensure compliance with program regulations
- Packet contents have been reduced, resulting in time-savings for staff (ordering, stocking, preparing, and re-working) and clients (reading and completing), as well as cost-savings
- AWEXers / Learn-to-Earn participants will develop job skills through assisting in packet assembly per new business process