We Develop Our People, to Develop Our Culture, to Achieve Results: Lean at the University of Washington
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FACTS AND FIGURES

OUR PROFILE

• We are a multi-campus university: UW Seattle, UW Tacoma and UW Bothell
• We have a world-class academic medical center, several hospitals and clinics, and 50 international locations
• UW Seattle has 16 colleges and schools offering 1,800 undergraduate courses each quarter.
• UW Seattle situated on the banks of Lakes Washington and Union, on the original site of the 1909 Alaska-Yukon-Pacific Exposition; over 20M square feet of built space.

OUR PEOPLE

• 4,300 faculty. Honors and awards: 2 Pulitzer Prizes; 5 National Medals of Science; 6 Nobel Prizes; 15 MacArthur Fellows; 81 Members of the American Academy of Arts & Sciences; 162 Fellows in the American Association for the Advancement of Science; Over 150 Members of the Institute of Medicine and the National Academies; and most importantly 8 NASA Astronauts.
• UW has an annual enrollment of 53,072
FACTS & FIGURES

OUR REPUTATION, AS GLOBAL CHALLENGE PEER INSTITUTION

Top-ranked academic programs

#1 School of Nursing – U.S. News & World Report
#1 School of Medicine in training primary-care physicians, family medicine, and rural medicine – U.S. News & World Report
#4 Coolest School in America: Greenest College – Sierra Club
#3 School of Social Work – U.S. News & World Report
#6 School of Public Health – U.S. News & World Report
#7 Impact of research productivity – High Impact Universities- Performance Ranking of Scientific Papers for World Universities by HE and Evaluation Assessment Council of Taiwan

#13 Nation’s top public universities – U.S. News & World Report
#14 Academic Ranking of World Universities – Institute of Higher Education Shanghai Jiao Tong University
#17 Best Values in Public Colleges – Kiplinger’s Personal
#24 Best university in the world, #4 among U.S. public universities – The Times of London

Top 24 “Best Buys” among public institutions in the United States and Canada – Fiske Guide to Colleges
One of the largest administrative units on Campus: over 1,400 employees

Diversity a key strength—accountants, landscapers, electricians, architects, investment advisors, truck drivers, graphic artists, project managers, tax experts, investigators, custodians, analysts...

One mission aligns and guides priorities—focused on “helping people who change the world,” reflecting UW’s preeminence as a research powerhouse and “Global Challenge” university.
Lean Results

- Recycling and Solid Waste has diverted 700 tons of waste in FY 2014 avoiding $1.8 million in tonnage fees to date.
- UW Purchasing Covered Spend—increased 58% to 75% (master contracts; eProcurement), saving $12M so far.
- Materials Management (Shops Stores) improved on-time delivery by 44%.
- Creative Communications increased revenue $285K last year and $340K this year.
- Copy Services overtime is down 44% for printing and copying.
- Parking Citation Appeals processing time dropped from 56 days to 2, and dismissed citations due to errors are down 58%.
- UW’s suppliers are paid on time 92% of the time; average discrepancy resolution dropped from 45 days to 14.
- Research equipment transfer from UW is 66% faster—using a staff of 3.
- Grant and Contract Accounting—5,500 backlogged closings are gone, 1-day turnaround for budget set up; sponsor reporting backlogs are down 90%.
- Processing construction drawings dropped from 4 hours to 30 minutes, costs are down $100K annually.
Teams Launched (3-day events): 185 since Jan. 2010

Team Support: 35 embedded Lean coaches

Employee Engagement: 35,164 ideas implemented

Customer Involvement: 180 on F2 teams; 20 external teams

Aligned Strategy: Strategy aligned down to the team level
... WITH A LEGACY OF PROCESS IMPROVEMENT

• Balanced Scorecard (Kaplan & Norton)-based Strategy Map and F2-level Dashboard (campus-facing)

• Operational Dashboards and some Scorecards in play across units—M&R Team launched in 2008 to coordinate

• 20-year focus on process improvement, efficiency and QI orientation in Finance areas

• PI teams were initiative-focused
OUR LEAN JOURNEY BEGINS IN 2008...

- Budget reductions of 34% (net)
- Layoffs of permanent positions; loss of all vacancies
- Business impacts to self-sustaining units
- Shrinking capital-project budgets
- Increasing workload in many areas (more students; more research dollars)
- Heightened customer expectations

*We chose Lean to build morale while discovering efficiencies—to deliberately engage the remaining employees in improving their own work*
WHY LEAN? WHY NOW?
LEAN THINKING

BANISH WASTE AND CREATE WEALTH IN YOUR CORPORATION

James P. Womack and Daniel T. Jones

Authors of The Machine That Changed the World
IDENTIFYING THE 8 KEY WASTES

Overproduction  Waiting  Transportation  Extra Processing

Inventory  Defects  Motion  Under-utilized talents
Focus on eliminating the wasted time and activity.
OUR APPROACH

“Improving the work IS the work.”

Mike Martyn, Lean Consultant, in “Own The Gap: Building a Team-Based Daily Kaizen Culture”
Four Key Systems for Implementation

- Team Based Daily Kaizen Culture
- Visual Management
- Strategy Deployment
- Shared Accountability

Purpose • Co-Creation • Appreciation
OwnerShip • Kaizen Daily
Stability • Follow-Up
T²H Leaders • Improving the Work Is the Work
Improving the Work Is the Work
Improving the Work Is the Work
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STRATEGY DEPLOYMENT

“What does it mean to win or lose?”

©Mike Martyn - SISU Consulting Group, Inc
Finance & Facilities “Strategic Framework”

Finance and Facilities (F2) Strategic Framework

**Release Potential**
- **Enhance Student (Stakeholder) Experience**
- **Eliminate Administrative Burden**
- **Reduce Cost / Increase Revenue**

**Transform Service**
- **Build Capacity**
- **Embrace Innovation**

Core Values:
- Lead with Humility
- Respect Every Individual
- Assure Quality at the Source
- Create Constancy of Purpose
- Create Value for the Customer
“Are we winning or losing?”
“If we are not winning, what are we doing about it?”

**DAILY HUDDLES TO SEE THE GAP**

**GENERATE IDEA TO CLOSE THE GAP**

**PRIORITIZE AND ESCALATE**

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©Mike Martyn - SISU Consulting Group, Inc
STANDARD FOLLOW-UP

“How Can I Help You Win More Often?”

DAILY HUDDLES AND WEEKLY IMPROVEMENT

STEP BACKS AND MONTHLY REFLECTION

GENERATE IDEAS TO CLOSE THE GAP AND SHARE KNOWLEDGE

LEADER GEMBA WALKS

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F2 Implementation
Launch Process

1.) Team Identifies a Problem and Set Goals

2.) Team Maps Current State of Process

3.) Team Identifies Issues and Ideas for Improvement to Generate Focused Objectives

4.) Team Reflects on Progress and Updates Sponsors at Report Out

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F2 Implementation

Improvement Cycle

Establish Weekly Rhythm of Change

Team Visually Manages Board to Track Progress

Team Reflects and Updates Sponsors Monthly

Team Generates and Implements Ideas to Close Gaps in Performance
Four Key Systems for Implementation

- Purpose
- Co-Creation
- Appreciation
- Ownership
- Daily Kaizen
- Standardization
- Follow-Up
- Team Based Daily Kaizen Culture
- T²H Leaders
- Improving the Work is the Work
- Shared Accountability
- Stability
- Improving the Work is the Work

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Creative Communications
Creative Communications

- Self-sustaining unit for print, copy, mailing, web design, publication services
- 9 years of deficit operations; declining business
- Lean introduced in 2010
- $500,000 revenue swing in 1 year
- 3 years of profitable operations and debt payoff

- Daily huddles
- Visual management & board
- Employee generated ideas
- Value stream mapping

- Rapid Process Improvement Workshops
- Strategy deployment
- Employee training
This mature team, or “model area” in GCA engages all “streams” (work-cells) in daily huddles, tracking a variety of operational metrics to manage UW’s research budgets.
In Federal Research Funding volume, the University of Washington ranks...

TOP FIVE public & private, since 1969

In FY 2013 UW handled...

$1.2 billion + in grant funding

5,029 individual grants
Growth in research volume vs. staffing

1990 Base Year

NIH Doubling

ARRA Funding

196% INCREASE
Number of Budgets

135% INCREASE
Direct Expenditures

113% INCREASE
Awards

35% INCREASE
Number of FTE

(Inflation adjusted to FY1990 base year dollars)
Before lean in GCA

- Staff and leaders in cubicles. Senior leaders in offices
- Work completed by one person from beginning to end
- Traditional leadership roles and responsibilities
- Data showing progress stored in spreadsheets and systems
- Monthly review of results
- Monthly staff meetings
- Staff and leaders contributed to process changes through Process Improvement Teams
Huddling Daily
## Results

<table>
<thead>
<tr>
<th>GOAL</th>
<th>Prior</th>
<th>Current</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate backlogs by Dec 2014</td>
<td>564 Budgets</td>
<td>4 Budgets</td>
<td>99%</td>
</tr>
<tr>
<td>Budget Setup</td>
<td>October 2010</td>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>Cost Reimbursable Billing</td>
<td>$8.5 M</td>
<td>$1.0 M</td>
<td>88%</td>
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<tr>
<td></td>
<td>July 2010</td>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>Cash in Suspense 30+ Days</td>
<td>$4.5 M</td>
<td>$0.4 M</td>
<td>92%</td>
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<tr>
<td></td>
<td>September 2012</td>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>Aged Receivables 150+ Days From Invoice Date</td>
<td>$10.8 M</td>
<td>$4.3 M</td>
<td>60%</td>
</tr>
<tr>
<td></td>
<td>September 2010</td>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>Fiscal Reports</td>
<td>404 Reports</td>
<td>38 Reports</td>
<td>91%</td>
</tr>
<tr>
<td></td>
<td>September 2010</td>
<td>August 2014</td>
<td></td>
</tr>
<tr>
<td>Closing</td>
<td>5478 Budgets</td>
<td>248 Budgets</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>February 2010</td>
<td>August 2014</td>
<td></td>
</tr>
</tbody>
</table>
What makes a good team?
What kind of process improvement projects have you done in the past? What worked? What could have made it work better?
What makes a good leader?
Organize Work to Deliver Value

Are there areas here that could benefit from this?
Breaking Up the Work and Flowing It
Making the Work Visual
Focus on the Flow

Are there areas here that could benefit from this?
What other areas that would benefit from a Lean approach?
Call to Action

What’s next?