Holistic Government Transformation Management by TOC with proof of concept case study in Miyazaki Prefecture

Presented By: Yuji Kishira  Director Goldratt Consulting
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So many UDE’s in Japan government

- Financial problem
- Too slow decision
- Too slow actions
- So many actions not delivering desired effects at all
- Waste of tax
- Tax increase
- Too much bureaucracy
- So much lip services to tax payers but not result
- Politics everywhere
- Too many scandals

The word, “politics” means refer to above?
Can we say Japan as a system?

“A system is a network of interdependent components that work together to try to accomplish the aim of the system.”


Is a system “Japan” effective?
Big political scandal in Miyazaki

Governor of Miyazaki Prefecture arrested due to rid-rigging for public works 2006 Dec 8
Miyazaki prefecture win-win-win
Public work transformation

2006 Aug  Win-Win-Win public work article Nikkei Construction
         Sept  Construction Management Meeting in Kyushu
           CCPM Seminar by Yuji Kishira
           Nomination of pilot project
           Nov   Tried to start the project
           Nov 15 Scandal

Discussion among team members

Let’s do it! Because we are at the bottom of the rock bottom!
2006 Dec 08 - This is the very date The Governor arrested.
Miyazaki prefecture building 6 meeting room
Joint meeting contractor and Government official  Let’s fight with time together!

http://www.daiichi-kensetsu.jp/
CCPM saved citizen of Miyazaki prefecture

We have been working very hard through the joint efforts with Government officials to protect local residents.
New Governor with new manifesto

NEW INITIATIVES
- Disaster protection and recovery program
- Children program
- Education program
- Healthcare program
- Environmental friendly energy program
- Food business program
- Employment program
- Tourism program
- Sustainable region program
- Safe and full life program
Dilemma of introduction of new initiatives

A: Provide good life to tax payers

B: Secure current service to citizen

C: Incorporate new manifesto

D: Not Change

D’: Change

New initiatives again and again…
It was requested by Gemba Government officials who worked through difficult time together.
Win-Win solution
Management transformation project chart

- Break silo mentality in the organization by designing lead section with supporting section shared the same ODSC
- Share project plan considering continuity of service to gain the public opinions (encourage tax players participation)
- Based on new governor’s Manifesto
- Third party committee to evaluate progress and performance
- Objective, Deliverable, Success Criteria (ODSC) clearly stated
- Evaluate NOT what you did (spend budget) BUT what you achieved based on success criteria
Discover something special in Government

Evaluate
- What you did
But
- Not what you achieved

Spend budget according to the budget plan properly

Did you achieve the goal?
No, I ask did you achieve the goal?

Yes, I executed budget properly
Yes, I executed budget accordingly to the budget plan
Simple actions taken

1. Set clear “Success Criteria” with timeline for each category
   - Develop “Miyazaki Management transformation project chart”

2. Simple audit process – asking two questions
   - How is the progress compared with timeline
   - How is the result compared with success criteria
   Actions discussed are shared with tax payers

The audit committee - “Miyazaki New Creation Plan”
The chairman is vice Governor, Mr. Kohno
Meet all success criteria A: 41%
Meet almost success criteria B: 57%
Total 98% of all category showed excellent performance improvement

Learning:
Everybody wants to make his/her own prefecture better!
More insight: Cause and effect evaluation

“How is the progress compared with timeline?”

“How is the result compared with success criteria?”

Effect

Enable to logically check if action causes Predicted effect!

Action

Cause

<table>
<thead>
<tr>
<th>Progress</th>
<th>Result</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>Good</td>
<td>Continue</td>
</tr>
<tr>
<td>Good</td>
<td>No good</td>
<td>Re-evaluate budget (freeze action, cut budget, etc)</td>
</tr>
<tr>
<td>No good</td>
<td>No good</td>
<td>Analyze what prevent them from taking actions</td>
</tr>
</tbody>
</table>
| No good  | Good     | Analyze what other action caused the result
            | Re-evaluate budget (freeze action, cut budget, etc)        |

Continuous learning from what “reality tells”
Major paradigm shift

From
Government spend precious money of tax payers.
Must use properly.

To
Government spend precious money of tax payers.
Must NOT waste money by not delivering result.

If Government officials are tax payers,
and
If They want to do something good for tax payers,
Their motivation/collaboration goes up!
Message to TOC society
from Mr. Shunji Kohno, Governor of Miyazaki prefecture

Shunji Kohno, Governor of Miyazaki prefecture
Launched holistic Government management community
2012 Feb
Insight gained in Government management

If you use money, it will decrease. But If you use knowledge, it will accumulate.

A: To be ever-flourishing country
B: Stimulate economy
C: Secure healthy financial status
D: Increase budget
D’: Cut budget

Use knowledge
Thank You!

We have autonomy, mastery and purpose
To bring WA by making TOC main way in Japan and in the world

Science paper – one case with logic
Will appreciate if you validate it.
As an author, speaker and change management leader, Yuji Kishira has been supporting holistic management transformation in various industries and government organizations. Some of his implementation are actively being picked in the mass media frequently. One of his works, “Win-Win-Win public work reform” was adopted by Ministry of Land, Infrastructure, Transport and Tourism and many prefectural, city Government all over the Japan. As a director of Goldratt Consulting, he is involving in various big companies holistic change initiatives to be ever-flouring companies. His special interest in the change initiatives is people’s harmony – WA in Japanese. Inspired by it, he has been rediscovering Japanese implicit best practices and making them into practical explicit body of knowledge. His various books are best and long sellers throughout Japan.

He publish many best seller books in Japan and has regular article in Asahi News Paper, one of the most respected national news paper with 8 millions circulation.

Born in 1959, Yuji Kishira lives in Kyoto with his wife, Mayuko, author of children picture books. His spare-time interests include Japanese painting and music (as a vocalist of hard rock band)