Using TOC to Improve the Effectiveness and Efficiency of State Government

Presented By: Kevin Fox, Managing Partner, Viable Vision, LLC.

Date:
Politics...is politics

WE ALL WANT THE MOST EFFICIENT AND EFFECTIVE USE OF OUR MONEY
"The Constraint is between our ears"
Constraints in Government Operations

- Frozen Budgets
- Increasing Service Demands
- Interest groups
- Legislative Intervention
- Federal Mandates
- Every citizen is a stakeholder
- Mounting Workloads
What is the goal?

“If you don’t know where you’re going, any road will get you there.”

- Lewis Carroll
Alignment

Throughput is a TEAM sport
Starting point

- Kaizen
- Underpaid
- Over-worked
- Under-appreciated
- BPR
- TQM
- Pay for performance
- Balanced Scorecard
- Six Sigma
- Agile
- Lean

GOVERNMENT AS A BUSINESS
Is Real Change Possible?
Focusing TOC—what’s really needed

• Clear goal, Throughput measure, “system” view
• Use the five steps—strategically
  − Select the Control Point
  − Decide how to exploit the control point
  − Ensure everything else can always subordinate to the control point
• Define “What good looks like”—Throughput Operating Strategy
• Use this picture to select and drive focused improvement
• Communicate and use the TOS as “the way to manage the organization”
Goal and System - WOTC

Measures
- $T = \text{Determinations/ day (week)}$
- Quality rate (accuracy)
- Turn-around time/ backlog
TOS – “what good looks like”

Feeding
• We always have applications ready for review
• We are getting the correct data entered into the system faster and faster

Paper Application → Mail processing → Data entry → Eligibility matching → Staff Review → Re-determinations

Electronic Application

Certification determination

Needs determination

Denial determination

QR

Determinations Issued

Document Storage

Measures
• T = Determinations/ day (week)
• Quality rate (accuracy)
• Turn-around time/ backlog

Control point
• Analysts are spending their time processing applications
• More and more “correct” determinations are being made

Following the control point
• Determinations made are issued quickly (no back log)
• Determinations are issued faster and faster
WOTC Results

Thank you! We are very excited and supremely proud of the team!

-WOTC Director

Average Days to Process

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<thead>
<tr>
<th>Month</th>
<th>Days to Process</th>
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<tbody>
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<td>Jan</td>
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<td>Jun</td>
<td>102</td>
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Annual Operating Costs cut more than $14 million

Days to determination down 33%

Call wait times down 55%
Before: 10 Weeks:
“For at least 5 years the Legislature has been concerned with processes and processing of Tax income. The state government takes 45-60 days to deposit tax payments.”

- Sen. David Ige

After:
“The Committee is overwhelmed by the phenomenal change within the department. The statistics were phenomenal...a remarkable difference in a short period of time.”

- Sen. David Ige
Kristen Cox appointed to run Governor’s Office of Management and Budget, Charged to roll out Operational Excellence statewide

All 24 cabinet agencies now have TOS’s, transformation of the budget process is underway

"Improve operational efficiency by 25%" - Utah Governor Gary Herbert, in his state of the state address
What They’re Doing- Hawaii

“Aloha with urgency”

Modernizing Hawaii’s IT and Business infrastructure…with TOC at the leading edge

Sonny Bhagowalia
Hawaii CIO
What They’re Doing - Texas

Control Point
- Attorneys are fully loaded and spending their time producing accepted recommendations
- We are making more and more accepted recommendations

Following the Control Point
- Cases move swiftly, no backups in the flow
- Cases are mailed quicker and quicker

Measures
- Average case age
- % mailed in 45 days
- Decisions mailed
- Work-in-Progress files

Feeding the Control Point
- We always have plenty of the right cases to assign to attorneys
- We are reducing the time to get cases to attorneys

All divisions being managed by Throughput Operating Strategies
Igniting the process

Inherent Simplicity + People are good =

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