

A Report to the Joint Committee on Appropriations  
Regarding Steps to Pilot the Implementation of Lean Practices within BIT Development.

BIT representatives Adam Emerson, Deanne Booth, and David Zolnowsky traveled to Brookings on Tuesday, July 5, to meet with SDSU Chief Librarian Kristi Tornquist, SDSU Director of Continuous Improvement Becky Degen, Daktronics Lean Director Ally Shepardson, and Senator Tideman to discuss support for implementing Lean practices/methodology within BIT. The conversation was instructive and we came away with a better understanding of how far we have to travel with Lean. Senator Tidemann indicated the Appropriations Committee would meet on July 22 to consider requests for funding from the LRC “Special Project” fund. He encouraged the BIT representative to plan to be present this meeting.

For additional background: Ally is the Lean Director at Daktronics – she supervises 18 trained Lean “facilitators” and arranges for training of other staff seeking specialized Lean training. She has been at Daktronics for 12 years. Becky is Ally’s former supervisor at Daktronics. Becky was hired by SDSU to begin efforts to utilize Lean in campus programs which have focused on those offices willing to embrace Lean, but the new President is now encouraging the utilization of Lean in select campus initiatives to ensure Lean is incorporated to sustain these efforts. Kristi came to SDSU from St. Cloud State where she oversaw both campus Library services and IT services which both utilized Lean practices. When Becky joined SDSU Kristi embraced the opportunity to provide Lean training for Library staff. These three are ardent and enthusiastic supporters of Lean practices.

Following the July 5<sup>th</sup> meeting Deanne Booth and Adam Emerson continued to converse, via phone and e-mail, with Ally Shepardson and Becky Degen. These conversations have resulted in a preliminary project plan with several key elements:

- Provide a one-day high level introduction to Lean to BIT senior managers, Development managers, and other key stakeholders. The goal is to build awareness, address any apprehensions, and to build enthusiasm for the project. Currently BIT anticipates this training to be delivered by Ally, either at no cost or funded by BIT.
- Facilitate a two to three day Kaizen Event workshop to staff identified and willing to engage in Lean practices. This pilot project will focus on improving an identified process within Development. The pilot project will utilize a limited scope, defined metrics, and a detailed schedule to assess project outcomes,. Currently BIT anticipates this pilot project will be facilitated by Ally and funded by BIT. An additional goal of this event is to continue to build the relationship between BIT and Lean practitioners at SDSU and Daktronics and begin to define “Lean Champions” within BIT.
- Continue the development of BIT “Lean Champions” by defining a second limited scope pilot project and associated metrics. This would be an “independent” effort by BIT with possible phone/e-mail support from Ally/Becky. The goal is to sharpen problem identification and solving practices and to reinforce the empowerment of BIT Lean Champions” to recommend process improvements.
- Concurrent with the steps above, develop and publish an RFP for a consultant to provide ongoing Lean training to BIT and assessment of the efforts within BIT to implement Lean methodology. It is BIT’s hope the consultant selected to provide these services would be well versed in utilizing Lean in an IT environment.

A summary of the potential implementation timeline with additional goals is provided as an Appendix.

As the invitation from the JCA to participate in a pilot project to inculcate Lean methodology into BIT practices was extended to BIT as an organization, there may be some questions as to why BIT is recommending this pilot project to be constrained within the Development Division. BIT had initiated “process improvement” within Development in an effort to provide common, consistent, and uniform services to agency clients. The current team structure within Development is organized by client agency. Three agencies – DSS, DOT, and DLR – are each supported by a team dedicated to that agency. The remaining agencies are supported by one of two teams. This is an historical structure that predates the consolidation of state IT services in 1996. Relationships between team staff and client agency staff are strong, and over time have led to disparate processes among the Development teams. While the service provided each agency is quite good, it is difficult to combine the project metrics across teams as each team has slightly different interpretations of a specific measure. It is our hope that Lean methodology will provide a structure for us to accelerate the definition and implementation of common, consistent, uniform, measurable (with objective and subjective assessment criteria) practices for Development activities.

BIT also attended a meeting of the Legislature’s Executive Board on Wednesday, July 12. From that conversation BIT understands there is a concern with assessing the accuracy of the Bureau’s authorized staffing level and expenditure authority. Some suggested a Lean Event would provide a way for the Bureau to define performance measures, become more efficient, and eliminate waste. It was thought that engaging with a consultant to provide training and guidance would be a necessary first step. Hopefully the initial steps identified above will provide the foundation for a collaborative effort to begin to address these concerns.

Earlier this week LRC representatives – Jason Handcock, Scott Darnall, Kevin Kumpf, and Jeff Mehlhaff – visited with Becky and Ally in Brookings. Following that discussion, members of the LRC staff, Becky, Ally, and BIT convened via conference call. From BIT’s perception the highlights of that call are:

- Jason noted Ally/Becky are available to assist BIT at the beginning of the process and the Legislature is willing to allocate funds to contract for Lean consultant services.
- Ally affirmed the possibility of a one-day high-level Lean training. She noted she remains willing to facilitate and coach BIT staff through the initial pilot project and to help define metrics and objectives. She particularly noted the need for each project to develop a Communication Plan to share successes, obstacles overcome, remaining challenges, etc. with others. She reiterated the goal of the initial pilot project is create a foundation upon which to successfully continue.
- Becky noted Ally would certainly help BIT grow in knowledge and understanding of Lean practices. She highlighted the need to develop consistent communication practices to document and share results of Lean Events. She cautioned that BIT staff involved in this pilot effort must commit to continued learning and be prepared to move into leadership and coaching roles. Finally, she advised BIT to be prepared to migrate from performing Lean with assistance to providing Lean leadership from within

To summarize, BIT is focusing efforts to define common, uniform, consistent practices within Development by engaging with Lean practitioners from SDSU and Daktronics to familiarize staff with Lean practices and to begin the process of implementing Lean methodologies and a Lean environment within the Development division. BIT appreciates the efforts of the JCA to introduce us to Lean practitioners in the state and the invitation to collaborate with JCA to accelerate progress with this effort.

Appendix  
 Potential Implementation Timeline  
 Original draft provided by Ally Shepardson, clarifying edits incorporated by BIT  
 This slide is also included in the attached PowerPoint Presentation

# POTENTIAL IMPLEMENTATION TIMELINE

