ID # (assigned by CSG): 12-MW-02-MN

Please provide the following information, adding space as necessary:

State: Minnesota

Assign Program Category (applicant) (Use list at end of application): Administration

Program Name: Enterprise Lean Program

Administering Agency: Minnesota Department of Administration

Contact (Name and Title): Tom Baumann, Director, Statewide Lean Program

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1. How long has this program operated (month and year)? Note: the program must be between 9 months and 5 years old as of April 5, 2012 to be eligible for this year’s award.

   The program was first launched in January 2008.

2. Describe the program:
   • Why was it created?
   • Why is it a new and creative approach or method?
   • What are the specific activities and operations of the program in chronological order?
   • Is it effective? Provide tangible results and examples.

Minnesota’s Enterprise Lean Program was created by the Department of Administration to bring systematic innovation and continuous improvement methodologies to state and local government. The Lean approach aims to refine processes, reduce waste and ensure the highest levels of
efficiency and performance within an organization and it has been used to great effect by many of Minnesota’s leading private sector companies, most notably within General Mills. This served as the initial inspiration for Minnesota’s program, which looked to adapt and apply these principles to the state’s operations.

The state’s program is unique thanks to its enterprise-level, statewide scope and ground-up approach. The program was designed to cultivate a culture of continuous improvement throughout all of state government by equipping and empowering all employees from top to bottom from labor and management alike with a mastery of Lean principles. This has positioned the program to build from the ground up and continually thrive throughout the state’s many diverse offices and operations.

When the program first launched in 2008, the ultimate goal was to equip all 24 of the state’s cabinet level agencies with an understanding of Lean principles, eventually enabling them to apply and support Lean efforts of their own within their agencies. A first year goal of converting five agencies was set. Within the first six months of the program that goal was met and doubled, as 10 different agencies took part in a Lean process improvement exercise, known as a kaizen event, and worked with the Lean program to understand and apply Lean concepts.

By the end of the first year, 30 kaizen events had been completed in these 10 agencies and three agencies established their own Lean or continuous improvement offices, supported by a Lean manager or a team of employees with expertise in Lean principles.

Lean 101 trainings were introduced six months after program launch, giving all state employees a starting point to learn about the value of Lean. At the nine month mark, kaizen facilitator training was added to the mix, offering the next level in training, providing all the tools an employee would need to lead process improvement events in their agencies.

Over the last few years, these efforts have had a significant effect on the way the state performs its work and delivers services. That culture of continuous improvement has begun to take hold. Since the Lean program launched, over 2300 government employees across the state have been trained in Lean principles. There are nearly 600 kaizen facilitators in the state workforce. Only four agencies remain uninitiated to the Lean program, putting that ultimate goal of reaching all 24 agencies just within reach. Expanding from that original goal, employees at the local level are beginning to buy in to Lean. Currently, 19 of the state’s counties and five cities, including Minneapolis, have taken part in Lean trainings and events, bringing forth new levels of collaboration between the state and local governments.

All told, over 235 documented kaizen events have been completed since the program launched just under five years ago. To put that number in context, Iowa launched an enterprise-wide Lean program in 2003, and in the first nine years of its program 170 kaizen events were completed. This proves that the ground-up approach of the Minnesota program is working, making for a Lean program that is effective, sustainable, and always gaining momentum.

These kaizen events are having real results, saving money and improving the quality of services. Six months after each kaizen event, follow-up is completed with participating teams to assess level of implementation and achieved results. These follow-ups show that on average 80 percent of what is laid out in the kaizen event is ultimately implemented. Each kaizen event on average has resulted in $90,000 in cost savings (that makes for more than $20 million saved since program launch), 66 percent elapsed time savings and 45 percent work time savings. These numbers prove the effectiveness of the Lean approach and how it is being applied in Minnesota.

3. Did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number, and e-mail address.
The Lean approach did not originate in Minnesota, nor was Minnesota the first state to apply Lean methods in a government setting. That being said, Minnesota’s program was designed and deployed here by the Department of Administration, with initial inspiration taken from private sector and public sector Lean programs from around the state and the country.

4. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

When Minnesota’s Lean program was launched, two states, Maine and Connecticut, had deployed Lean within specific state agencies or service areas. At that time, Iowa was the only other state using Lean at an enterprise level. Today, a handful of states use Lean in different capacities, but Minnesota remains the national leader in driving Lean throughout state and local government.

Iowa’s program is the closest analogue, but Minnesota’s program is unique for its bottom-up approach focused on engaging and empowering all employees, and for the way that local governments have begun to get involved, in some cases holding Lean events in collaboration with those they work with at the state level. In addition, private sector partnerships are a distinct part of Minnesota’s program. Two representatives from General Mills are on the state’s Lean steering committee, and leaders from the company actively share Lean materials, and coach and mentor state employees. Other private sector participants have included 3M, HealthPartners, Ecolab and Goodrich.

All of these elements have contributed to growing momentum and continued support for the Lean program in Minnesota. The culture of continuous improvement fostered by the program has taken hold. While Iowa’s program is currently in flux due to a change in administration and shifting political tides, Minnesota’s program has spanned two governors of markedly different political backgrounds and has continued to thrive and gain momentum through shifting political tides.

5. What limitations or obstacles might other states expect to encounter when attempting to adopt this program?

There are very few limitations or obstacles for the state looking to adopt a Lean effort of their own. The Lean approach is highly transferable. States don’t have to reinvent the wheel. Minnesota’s program was initially adapted from existing thinking already being done in the private sector, and today there are a number of state and local programs that can be looked to when it comes to applying Lean in a government setting.

Furthermore, the Lean model does not require major restructuring, significant financial, infrastructure or IT investment, or legislative changes. With involvement of employees and support from top to bottom from labor and management alike, a Lean program can succeed.

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