



2023 Lean Transformation Conference

Engaging Leadership in Your Lean Transformation Journey

Cyndee Baugh, Lean Administrator
Department of Revenue (DOR)

October 25, 2023

Objectives

- Learn secrets to success in integrating Lean into a culture.
 - Leadership Buy in
 - Leadership Support
 - Leadership Walking the Talk
- Ideas to take back to your workplace.
- Share lessons learned.

Why Lean – Sell it!

We are building a culture where employees are:

- Excited to come to work.
- Valued for their skills and talents.
- Included in process improvements.
- Respected.
- Trusted to make decisions.
- Empowered to fix what bugs them.
- Creating more value for our customers.
- Build trust in government.



Your Energy

What do leaders get when employees are:

- Excited to come to work.
- Valued for their skills and talents.
- Included in process improvements.
- Respected.
- Trusted to make decisions.
- Empowered to fix what bugs them.
- Creating more value for our customers.
- Build trust in government.

Put it in Chat



Strategy

- Help them understand the why - Lean/Continuous Improvement Strategy.
- Help them understand what's in it for them and the agency.
- Help them understand their role in helping achieve it.
- Provide them opportunities to engage and fulfill their role.
- Sell opportunities.

Strategy

- Action planning in advance – build in Leadership
 - Change Management (communication and training to start)
 - Culture
 - Daily Lean
 - Projects
 - Resources
 - Results

Change Management – Sell it

- What
- Why
- What's in it for them
- What's in it for the agency
- How it supports current efforts



What and Why Lean – Sell it!

We are building a culture where employees are:

- Excited to come to work.
- Valued for their skills and talents.
- Included in process improvements.
- Respected.
- Trusted to make decisions.
- Empowered to fix what bugs them.
- Creating more value for our customers.
- Build trust in government.





Governor Jay Inslee

A New Strategic Framework

<p>Vision</p>	<p>A Working Washington built on education and innovation ... where all Washingtonians thrive.</p>
<p>Mission</p>	<ul style="list-style-type: none"> ➤ Foster the spirit of continuous improvement ➤ Enhance the conditions for job creation ➤ Prepare students for the future ➤ Value our environment, our health and our people
<p>Foundation</p>	<ul style="list-style-type: none"> ➤ Create a responsive, innovative and data driven culture of continuous improvement. ➤ Recognize Washington's rich natural resources, diverse people and entrepreneurial drive, and build upon our legacy. ➤ Operate state government with the expectation that success is dependent on the success of all ➤ Create effective communication and transparency on goals, measures and progress in meeting expectations. ➤ Deepen our focus, understanding and commitment to our citizens: Know our customers.
<p>Goals</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>World-Class Education</p> </div> <div style="text-align: center;">  <p>Prosperous Economy</p> </div> <div style="text-align: center;">  <p>Sustainable Energy and a Clean Environment</p> </div> <div style="text-align: center;">  <p>Healthy and Safe Communities</p> </div> <div style="text-align: center;">  <p>Efficient, Effective and Accountable Government</p> </div> </div>
<p>Measure & Improve</p>	<p style="text-align: center;">Building a more responsive, data-driven state government to get results:</p> <div style="text-align: center;">  </div> <p style="text-align: right;">www.results.wa.gov</p>

1

The Governor's Strategic Direction

Governor Jay Inslee
A New Strategic Framework

Vision
A Working Washington built on education and innovation... where all Washingtonians thrive.

Mission

- Foster the spirit of continuous improvement
- Enhance the conditions for job creation
- Prepare students for the future
- Value our environment, our health and our people

Foundation

- Create a responsive, innovative and data driven culture of continuous improvement.
- Recognize Washington's rich natural resources, diverse people and entrepreneurial drive, and build upon our legacy.
- Operate state government with the expectation that success is dependent on the success of all.
- Create effective communication and transparency on goals, measures and progress in meeting expectations.
- Deepen our focus, understanding and commitment to our citizens: know our customers.

Goals

Measure & Improve
 Building a more responsive, data-driven state government to get results:

 www.results.wa.gov

4

How we Measure our Results

Department of Revenue Washington State
Aug 2023

Customer Experience

- 67% - 67% Goal 100%
- 77% - 77% Goal 100%
- 96% - 96% Goal 100%
- 100% - 100% Goal 100%
- 93% - 93% Goal 100%
- 71% - 71% Goal 100%
- 97% - 97% Goal 100%

Measure	2022		2023		2024	
	Actual	Target	Actual	Target	Actual	Target
Number of business licenses issued	225,000	225,000	225,000	225,000	225,000	225,000
Number of business licenses renewed	225,000	225,000	225,000	225,000	225,000	225,000
Number of business licenses expired	225,000	225,000	225,000	225,000	225,000	225,000

2

Our Daily Work and Customer Experience

Fundamentals Map

The diagram shows a pyramid with four levels: Vision, Mission, Foundation, and Goals. Below it is a table with columns for Outcomes, Initiatives, and Measures. The table lists various business processes and their associated performance metrics.

Department of Revenue Washington State
Aug 2023

Workforce Management

- 100% - 100% Goal 100%
- 100% - 100% Goal 100%
- 100% - 100% Goal 100%
- 0.9% - 0.9% Goal 100%

Department of Revenue Washington State
Aug 2023

Program Administration

- 94% - 94% Goal 100%
- 69% - 69% Goal 100%
- 0% - 0% Goal 100%
- 38% - 38% Goal 100%
- 4.7% - 4.7% Goal 100%
- 110 - 110 Goal 100%
- 163 - 163 Goal 100%

3

Our Strategic Direction

Strategic Business Plan
July 2022 - June 2027

Vision
Achieve the highest level of voluntary compliance by being the trusted leader in tax administration and public service.

Mission
Be efficiently administrator tax laws and public service programs with integrity.

Values
Integrity, Cooperation, Accountability, Respect, and Excellence.

5

How we Improve



Lean
Data Driven Decisions
Internal Audit
Internal Controls
Voice of Customer
Information Management

Your Alignment Thoughts

How could you sell alignment of your Lean or Process Improvement efforts with other agency efforts?

Put it in Chat



Training

- Executives
- Leadership Team
- Employees



Green Belt Class of 2013

Engage Leadership!
Regularly put data in front of them!



Green Belt Class of 2014



Green Belt Class of 2016



Green Belt Class of 2022



*Engaging employees
and customers.*

Respect for People | Value for Customers | Continuous Improvement

**Think
Lean!**



To learn more, contact the
Lean Transformation Office
at 360-596-3631.

Culture – embedded into everyday work

How we do things around here:

- Green belts in every division
- Yellow belts in every division
- Quarterly check ins with Executive Team

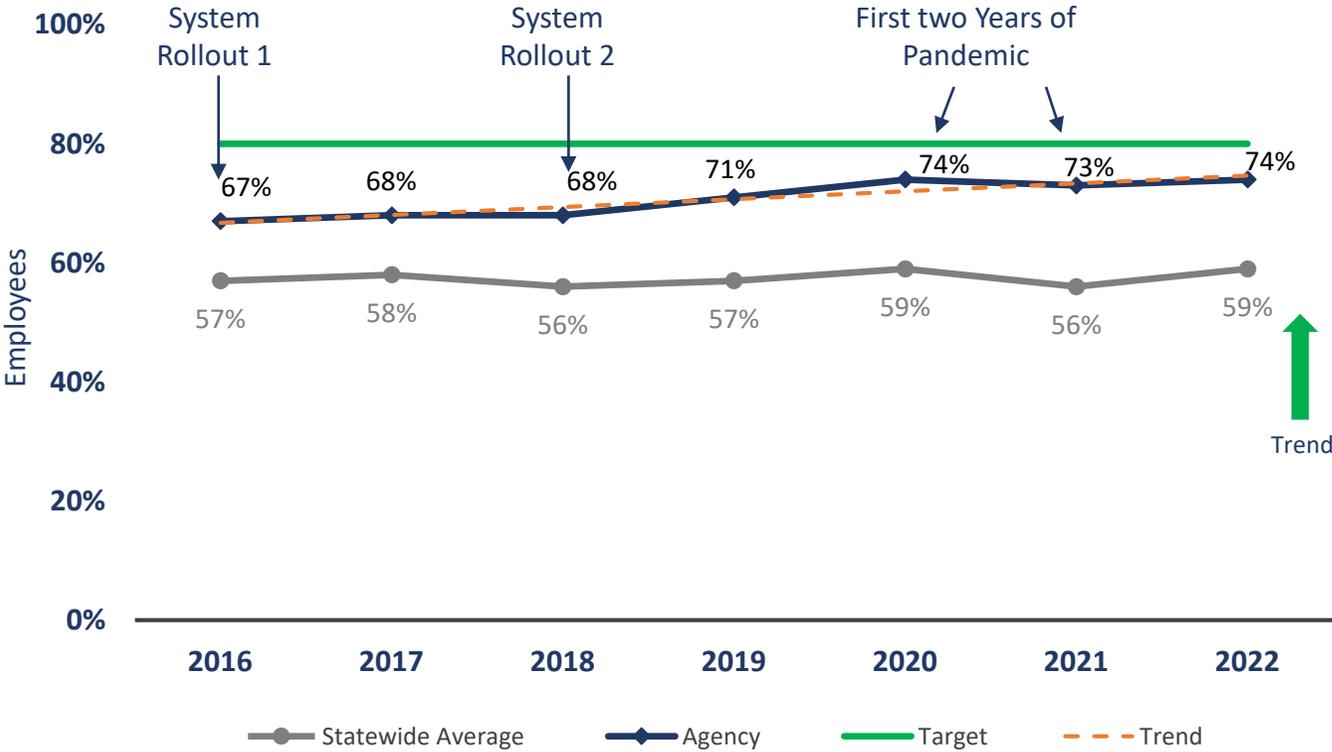
Culture – embedded into everyday work

How we do things around here
continued:

- Quarterly check ins with Assistant Directors – how can we help you.
- Engage them in recognition.
- Share their division data.
- Share learning opportunities.
- Check in on their division projects.

14. I am encouraged to come up with better ways of doing things.

**% of employees responding positive
(usually or almost always or always: 4 or 5)**



TOP 5 WAYS TO ENGAGE REVENUE EMPLOYEES

1 Get to know your employees as individuals and build trusting relationships.

2 Give honest feedback to help them achieve their goals.



3 Listen and welcome their perspectives.

4 Recognize them often.



5 Collaborate with them to solve problems.

I am encouraged to
come up with
better ways of
doing things.

Analysis 2022

- Results remain strong.
- 74% of responses were positive, with an average rating of 4 out of 5.
- Revenue is a leader and exceeds the statewide average by 15%.
- 80% remains an ambitious target, but we can do it!

2018 Compared to 2022

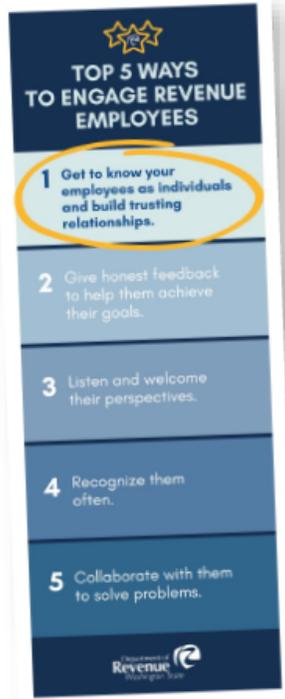
- Increased from 2018 (6% points).

Lean Transformation Office Action

- Continue to offer Lean Leadership and Lean 101 training.
- Yellow Belts.

TAA Manager Collaboratively Problem Solves with Team to Improve Customer Experience

Collaboratively problem solving with employees is a top way to engage them!



Danielle Brock, Tax Administration Manager, and her team established a practice of meeting every other month to review their performance and collaboratively problem solve to continually improve their processes.



The problem

Examiners on the team noticed that there were unnecessary appeals being filed. They received feedback from customers stating that the permit denial correspondence was insufficient, leading them to appeal.

Examiners spend about 2 hours preparing a permit appeal. By analyzing their process, the team implemented an employees' improvement idea to update the language used in the letter to the customer.

The result



Customers have an increased understanding of why their permit was denied and don't spend time applying for an unnecessary appeal.



The appeals rate dropped from 18% to 15%, from August to December 2021. That's a 16.7% reduction in appeals.



Examiners saved a total of 124.5 hours preparing appeals.

Based on the results, the team has decided to keep the updated language in the permit denial correspondence.



Daily Lean

- Lean 101
- Set goals to increase knowledge
- Recognition

"Process improvement is a way of life in TAA. These past two years have highlighted that more than ever. Our staff and their process improvement ideas are key to our success."

- Debora Conn, Assistant Director

Projects

- Things already focused on
 - Strategic
 - Operational
- Results report outs at Leadership Team
 - Learning
 - Recognition
 - Celebration
 - Keep it in front of them

= FUN

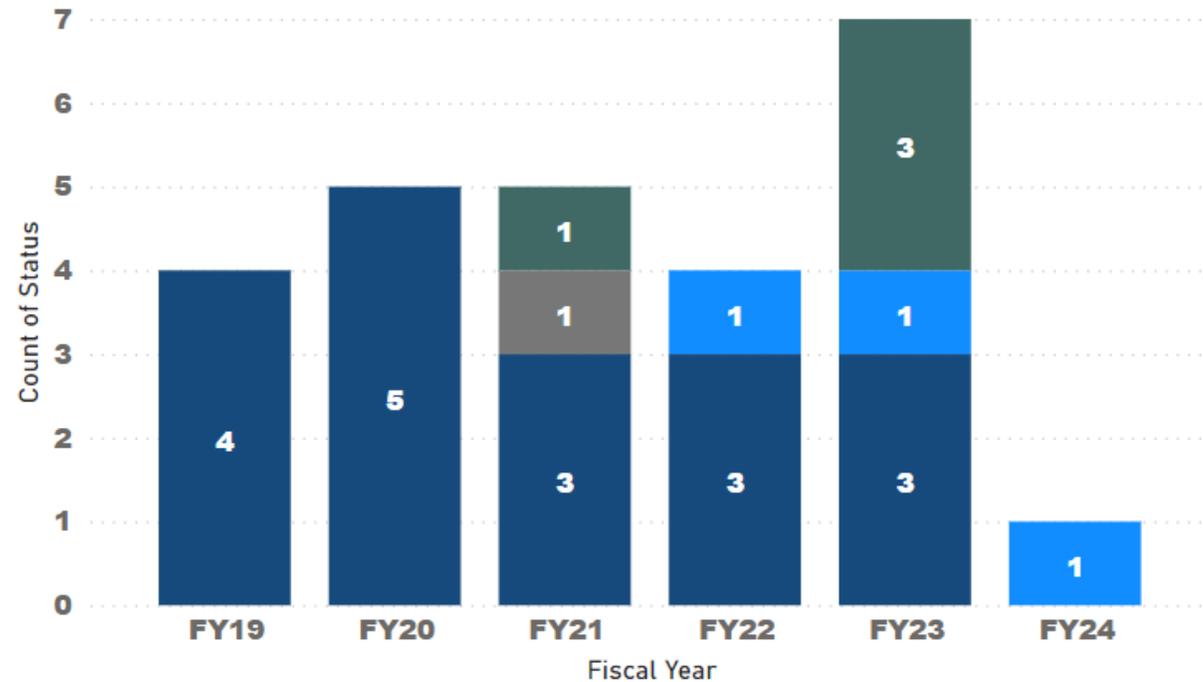
Results



[Details](#)

Lean Project Status

Status ● Results received ● In progress ● Discontinued ● Completed, p...



Analysis:

General

- Average 5 Lean projects each year.
- The LTO is a service and divisions request assistance when needed.
- The LTO does not establish a target number of Lean Projects.
- Following up with results (completed pending results) tends to lag.

Action:

- Have met with the project leads and sponsors of the four projects pending results. Will meet again with three in September/October to button up results.
- Assist in celebrating results by developing mini posters to share in offices, Inside Revenue, and ReveNews when results are received.
- When chartering and during action planning the last day of workshop, stress the importance of selecting improvements that can be completed within 90 days.

Data Note: counted by the fiscal year of the report out.

Source: SharePoint - LTO projects summary SharePoint.

Results

- Leadership Team
- Mini posters
- Inside Revenue
- ReveNews

APRIL 2022

Estate Tax Team decreases process time for customers

The Estate Tax Team was concerned the review of estate tax returns was not timely and wanted to decrease the time it took to review and close out an estate tax return by issuing a final release letter.



Pictured: Ken Dunbar, Ginger Bailey, David Hall, Angela Phillips, Jessica Clark (Project Lead), and Susan Shore

Not pictured: Kent Thompson (Project Lead), Renee Rhodes, Jeanette Bashaw, Thuy Huynh, Jonica Esmele, Malissa Antonelli, Allison Wentz, Charles Wilson, and Chris Vo

PROBLEM STATEMENT: In November 2020, 44% of estate tax return inventory was less than 9 months old. The team's target was to have 54% of inventory be less than 9 months old by June 2021.

A process improvement team of employees from Audit, B&FS, and TAA was formed to improve the estate tax return review and close out process.

The Team's improvements have already saved them at least 1,199 hours of staff time.

Improvements

-  Eliminated 3 process steps, saving at least 45 minutes per return.
-  Reduced the error rate by 25%, saving at least 5 minutes of examiner time.
-  Reduced the overall process time by 37 days, which means customers' returns are accepted quicker.
-  Created an estate tax Excel spreadsheet to help customers calculate taxes.

"Building the form in Excel is a fantastic idea! I was excited to use it!" – Christy Upton, CPA

RESULTS: As of March 2022, 73% of estate tax return inventory is less than 9 months old. That's a 66% decrease in aged inventory!

These improvements also allowed the team to focus on implementing an audit selection process to reduce the overall workload for the team and the program's first electronic return in My DOR.



"I LOVE the excel version of the estate form! This workbook makes so much sense, thank you for doing this! And thank you for making it calculate!"

– Pauline Woodman

"I am really proud of the Estate Tax Team. Change is hard, and they dove in and brought their energy and ideas to the Lean event and the work that comes after! Their commitment to making incremental improvements is benefiting their customers' experience."

– Monica Townsend, Audit Program Manager & Sponsor

Resources

01

Identify what
you need.

02

Ask for what
you need.

- Includes what you
need from them
individually.

03

Make the case.

04

Be persistent.

Inside Revenue - Lean

DOR.wa.gov

INSIDE REVENUE

Search

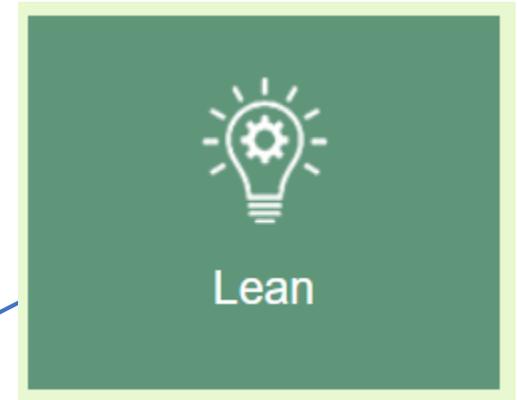
HOME ABOUT POLICIES & FORMS EMPLOYEE RESOURCES PAY & BENEFITS SAFETY & WELLNESS SERVICES

Agency News

Agency Spotlight: Ana Diaz
This week's Spotlight shines on Ana Diaz, tax information specialist in Compliance.

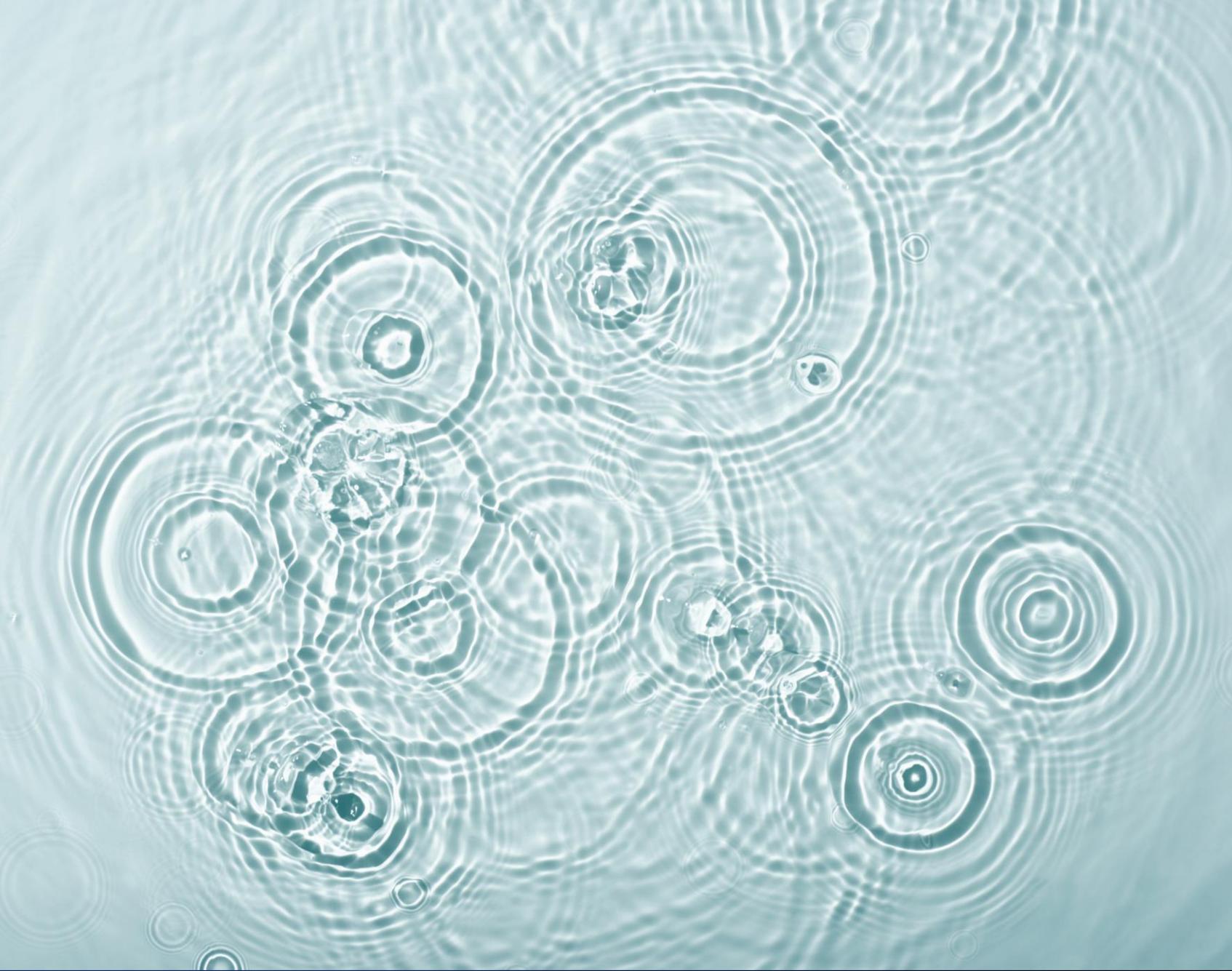
[MORE NEWS](#)

 Submit a HITS	 Leave & Attendance	 Lean
 Reve-News	 Training	 ATLAS Resources
 Records Retention	 Travel	 SharePoint Portal



What's one thing you're going to try?

Put it in chat.



Lessons learned



Show linkages



Show results often



Build coalition



Be persistent

Questions?



Contact



Cyndee Baugh
Administrator
cyndeeb@dor.wa.gov
360-596-3631



Jennifer Panco
Lean Capacity
Development Manager
Jenniferp4@dor.wa.gov
360-534-3811



Jerimiah Wedding
Data-driven Decisions
Program Manager
Jerimiahw@dor.wa.gov
360-534-3813