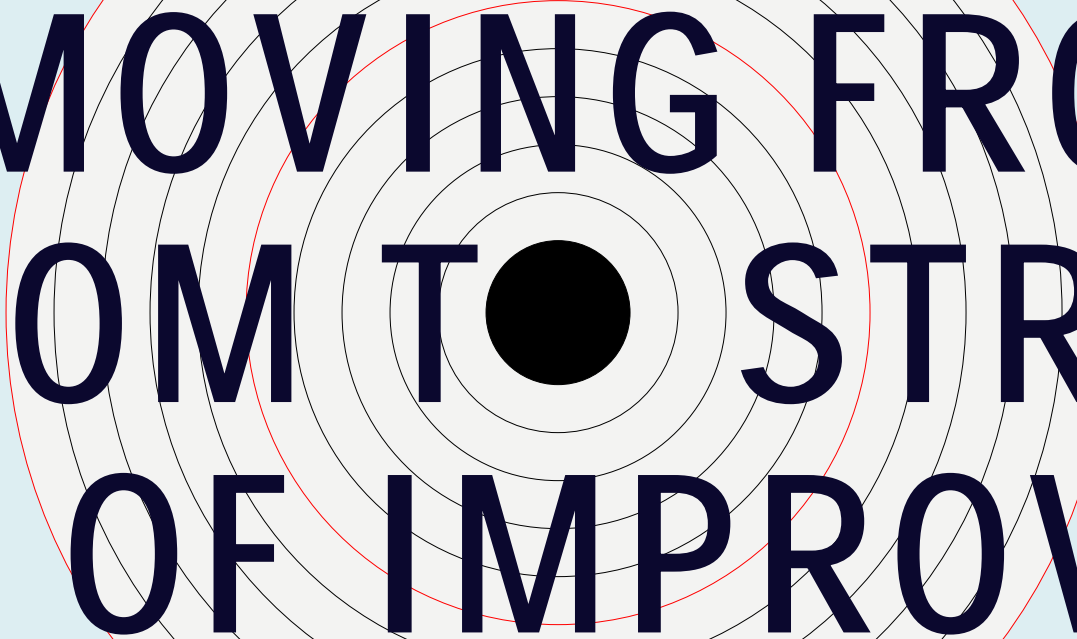


Justin Kenney
Agency of Administration



Dru Roessle
Agency of Human Services

A large target graphic with a black bullseye in the center, surrounded by several concentric circles. The innermost circle is black, and the subsequent circles are thin black lines, with the outermost circle being a thin red line.

**MOVING FROM
RANDOM TO STRATEGIC
ACTS OF IMPROVEMENT**

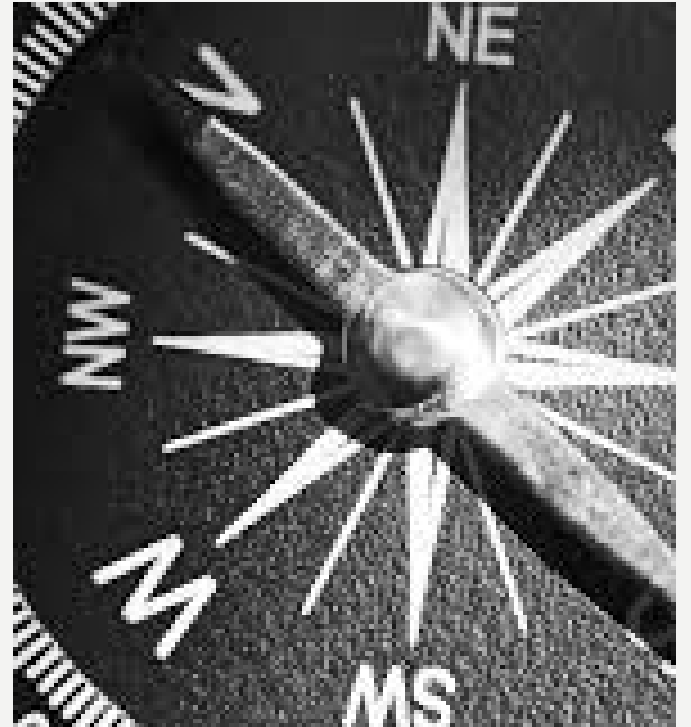
Vermont's Approach to Continuous Improvement

AGENDA

- Hoshin Kanri Framework
- Vermont Story as a Case Study
 - What we've done
 - What we've learned: Random vs. Strategic Acts of Improvement
- Recommendations for Moving Forward:
 - Performance Management, Performance Improvement, and Project Management
- Discussion and Questions

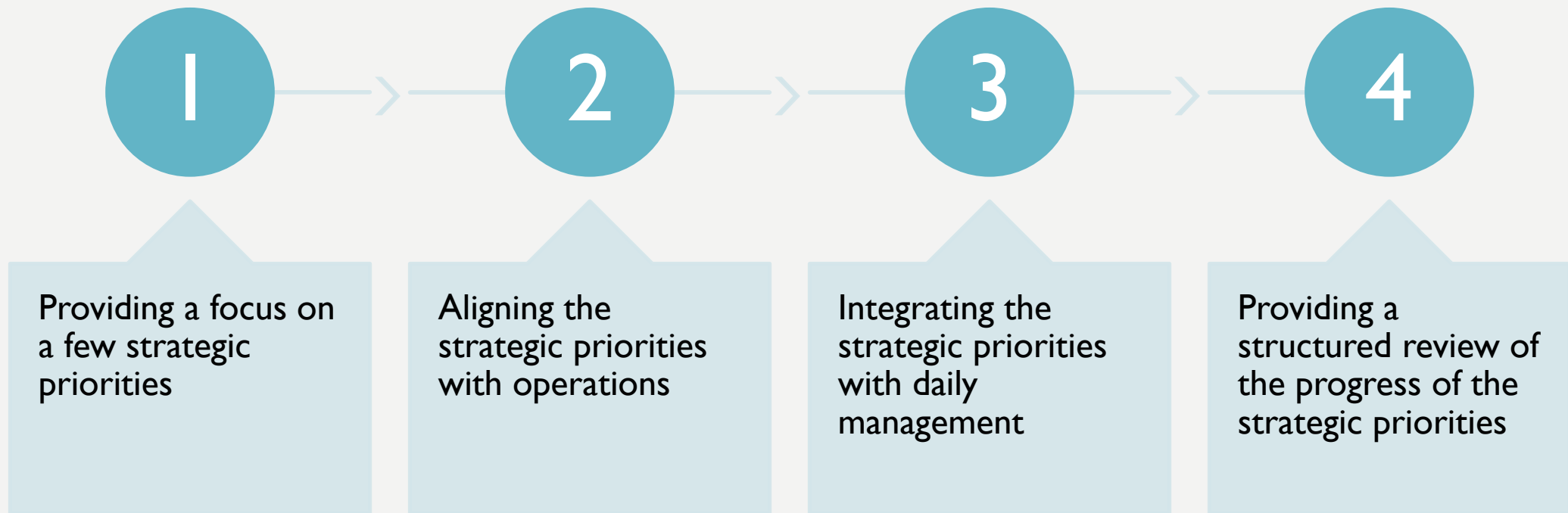
HOSHIN KANRI OVERVIEW

- **The Hoshin process** was developed in Japan during the 1960s and is used by roughly 90% of Japanese companies.
- The Japanese words **hoshin (shining needle)** and **kanri (management)** can be generally interpreted as controlling the direction.



HOSHIN KANRI OVERVIEW

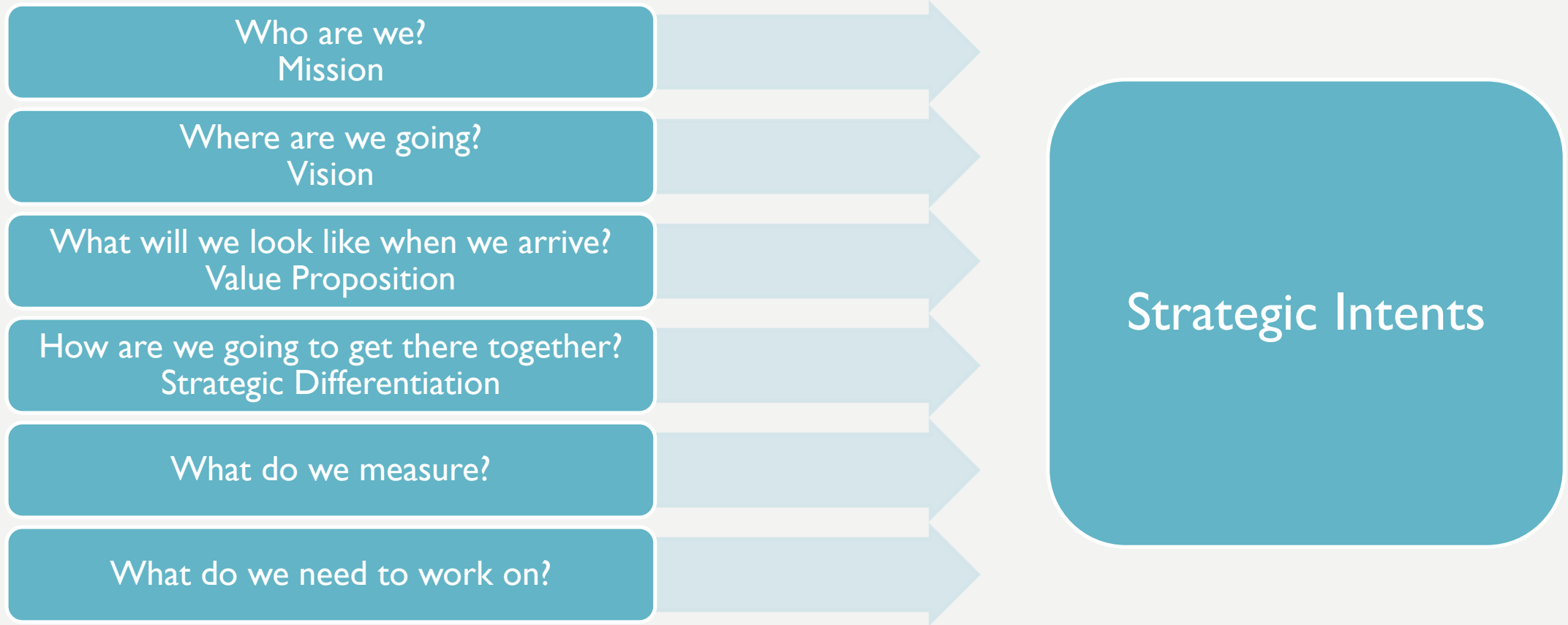
Hoshin Kanri is an organizing framework for strategic management which is concerned with the following four primary tasks:



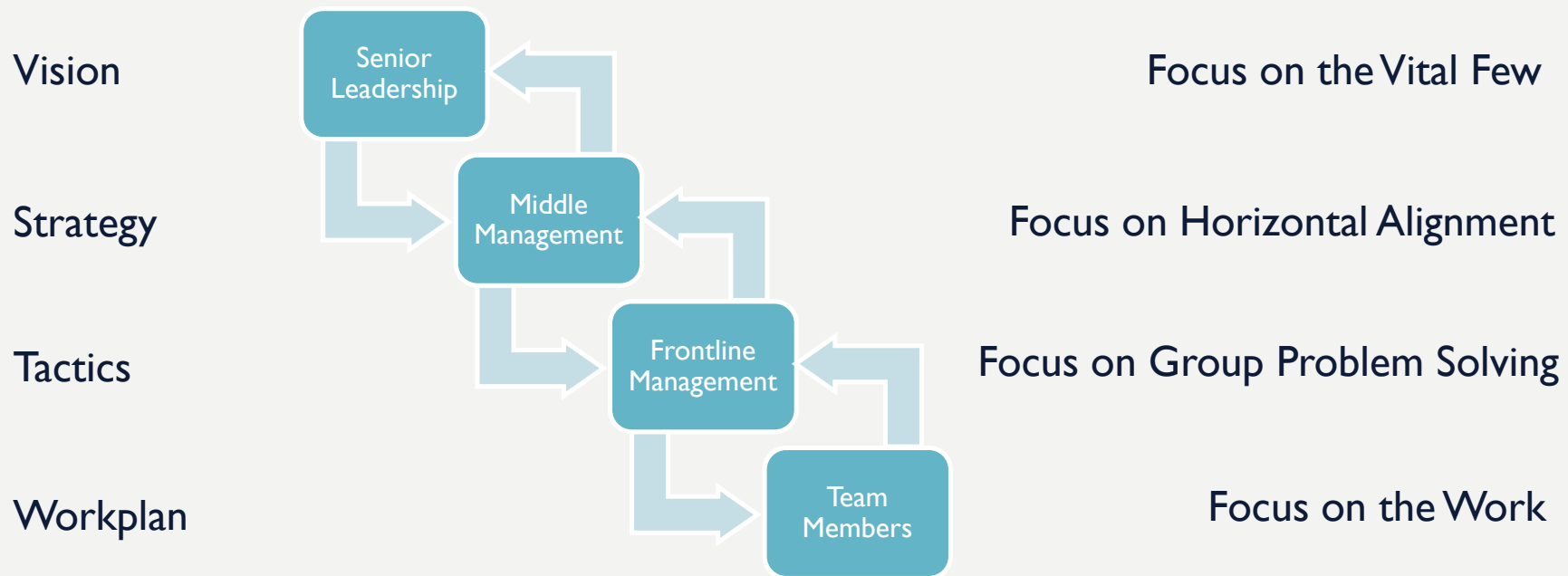
HOSHIN KANRI GUIDING PRINCIPLES

- All must work be driven by an organizational vision
- The organizational vision must be translated into tangible, measurable and realistic objectives
- Input on objectives must come from management
- Day to day work must be aligned with objectives
- Sufficient time and thought must be given to the process

PHASE 1 - SETTING TRUE NORTH



PHASE 2 – CATCHBALL



PHASE 3 – STRATEGY DEPLOYMENT

Visual
Management

Leader
Standard Work

Kaizen/Kaikaku

Daily
Management

PHASE 4 – REVIEW

- Strong communication up and down the organizational chain of management
- Continuous tracking and review of progress
- Control and adjustment of programs and processes
- Refinement of objectives and targets

HOSHIN KANRI SUMMARY



VERMONT INTRODUCTION

The Governor's Top Priorities

- Strengthening the economy
- Making Vermont more affordable
- Protecting the most vulnerable
- [Modernization and Efficiency]

“These goals will drive every initiative we undertake”

~Inaugural Address 01-05-2017

[E.O. #04-17](#): Establish Program to Improve Vermont Outcomes Together (PIVOT)

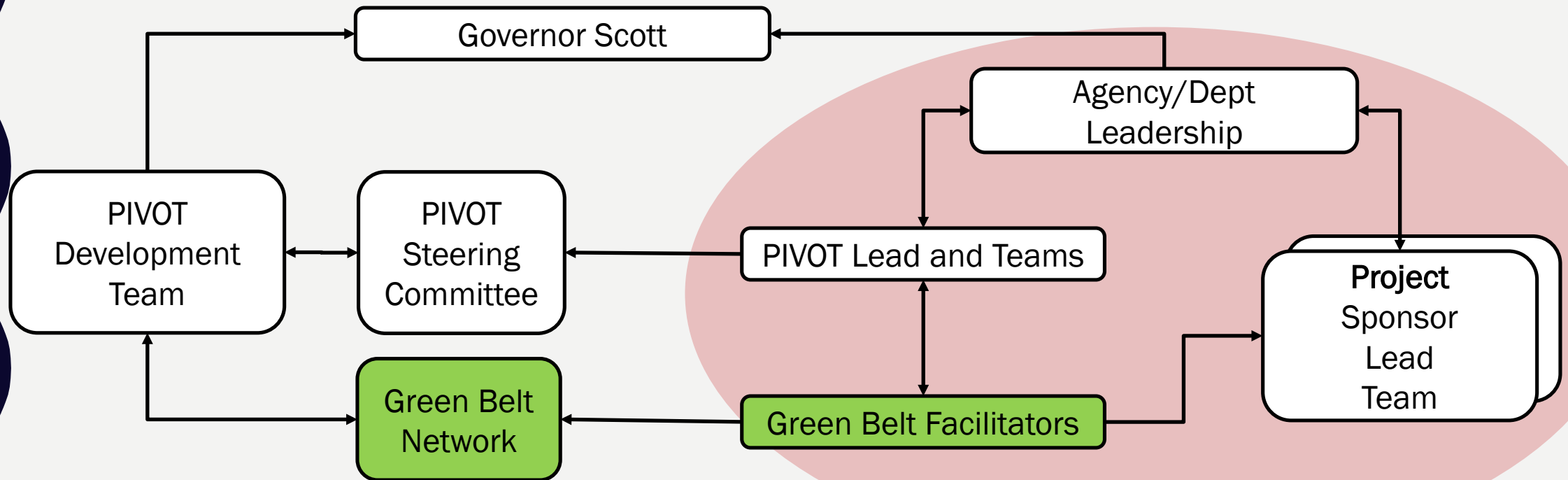
PIVOT INTRODUCTION

- Key Elements

- **Inventory of Service Domains, Programs, and Activities** (SPA Matrix v.1) ✓
 - Assign each Program to Service Domain (SPA Matrix v.2) ✓
 - Cross-Walk Service Domain to Act 186 Outcomes (SPA Matrix v.2) ✓
 - Revisit Program “level” for standardization across agencies and departments (SPA Matrix v.2.1 – based on Strategic Plan goal)
 - Inventory each IT solution for Activities (SPA Matrix v.3)
- **Targeted Action Planning** (initial process improvement action plans while Strategic Plan being developed)
- **State Strategic Plan** [completed – waiting for roll-out] ✓
- **Coordinated Continuous Improvement Activities and Culture**

COORDINATED IMPROVEMENT ACTIVITIES

Accountability



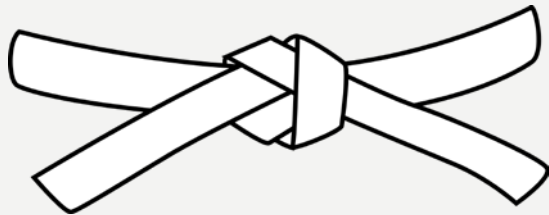
STRATEGIC PLANNING



CONTINUOUS IMPROVEMENT CULTURE

Performance and Process Improvement Training

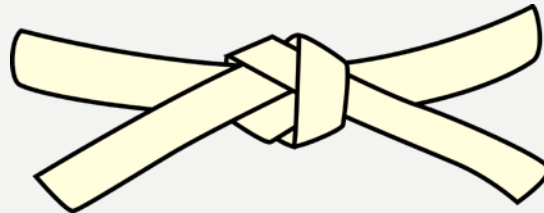
White Belt



1 Day

Basic introduction to
CI principles and tools

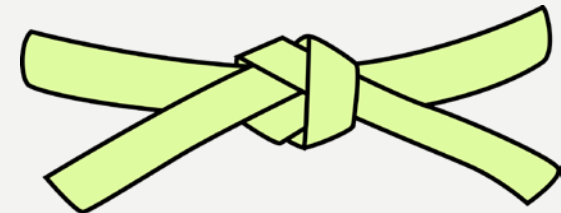
Yellow Belt



2 Days

Hands-on experience
in a mock setting

Green Belt



3 Days

Facilitation and change
management

TWO FRAMEWORKS

Results-Based Accountability

- Developed by Mark Friedman
- A disciplined way of thinking and taking action that can be used to **improve the quality of life** in communities, cities, counties, states, and nations

Lean

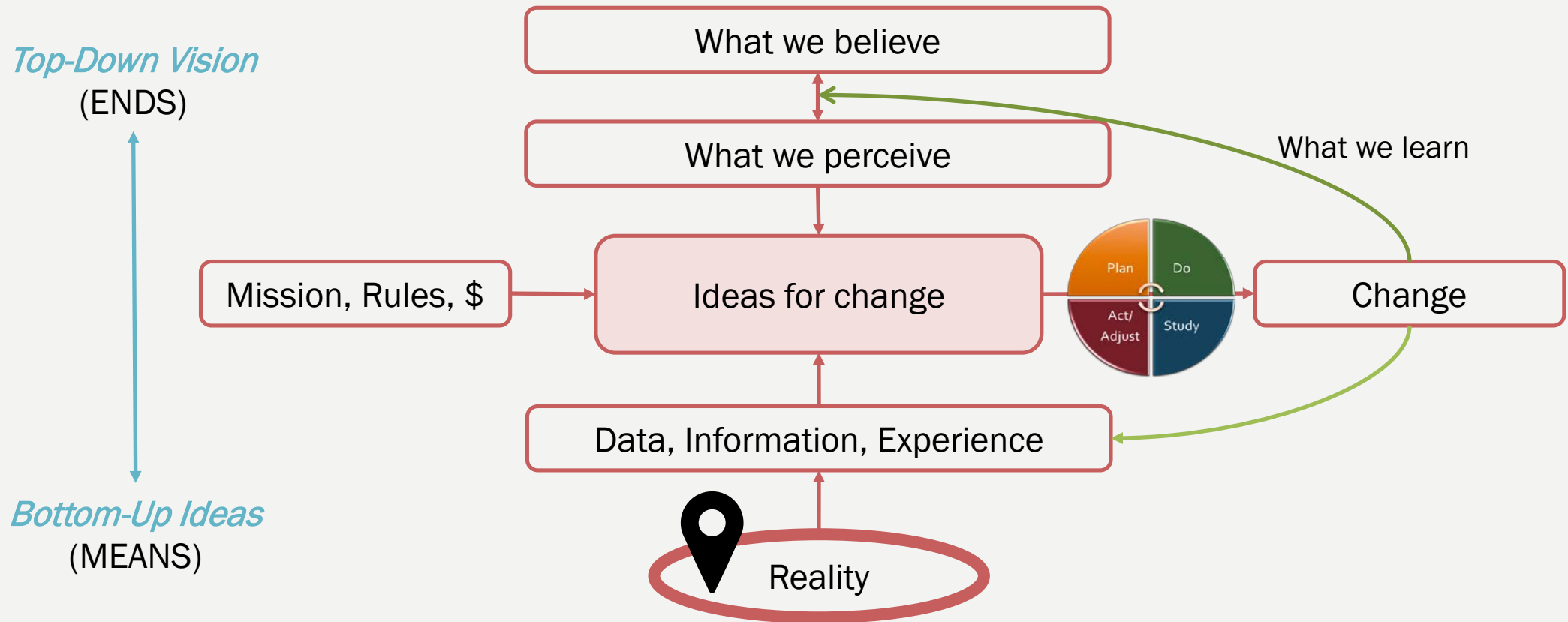
- Popularized by Toyota
- Focused on developing the highest quality products or services, at the lowest cost, with the shortest lead time by systematically and continuously eliminating waste

ENDS TO MEANS THINKING

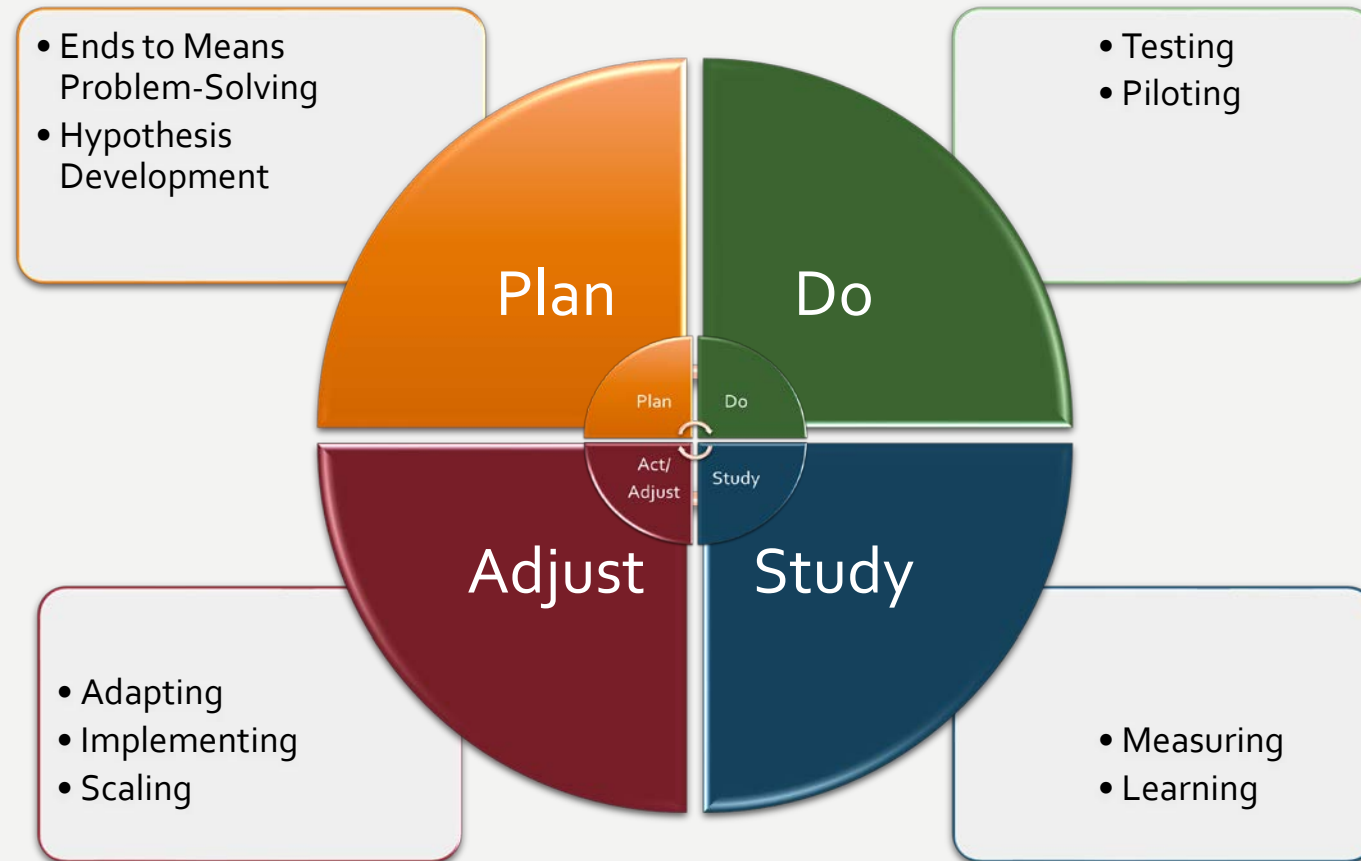
- Ends to Means Thinking
 - What are we trying to accomplish? (ends)
 - How are we doing?
 - What works well? What doesn't?
 - How could we do better? (means)
 - Try Something.



ALIGNING CHANGE AND VISION

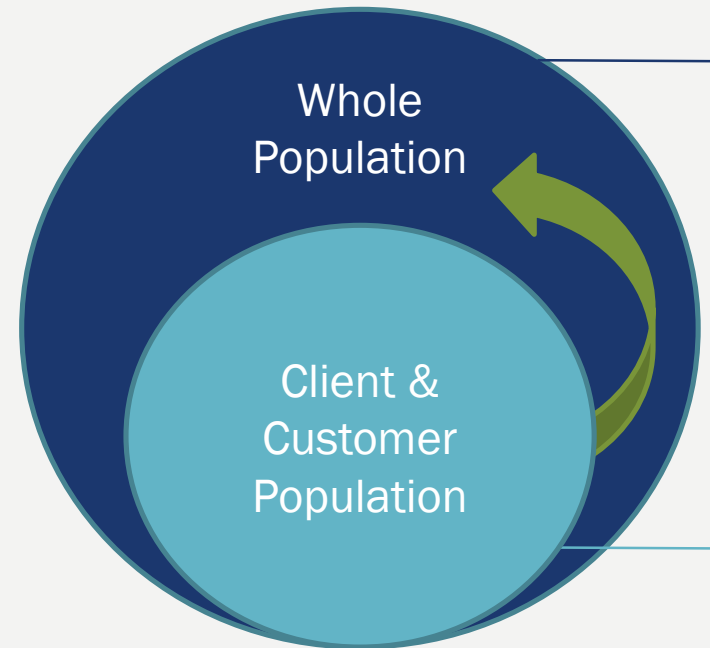


ONE FOUNDATION



TWO TYPES OF ACCOUNTABILITY

- 1. Respond to reality.**
Adapt our service delivery system to understand and shape conditions experienced by all Vermonters.
- 2. Deliver effective services.**
Make a difference within our spheres of influence, maximize value and return on taxpayer investments.



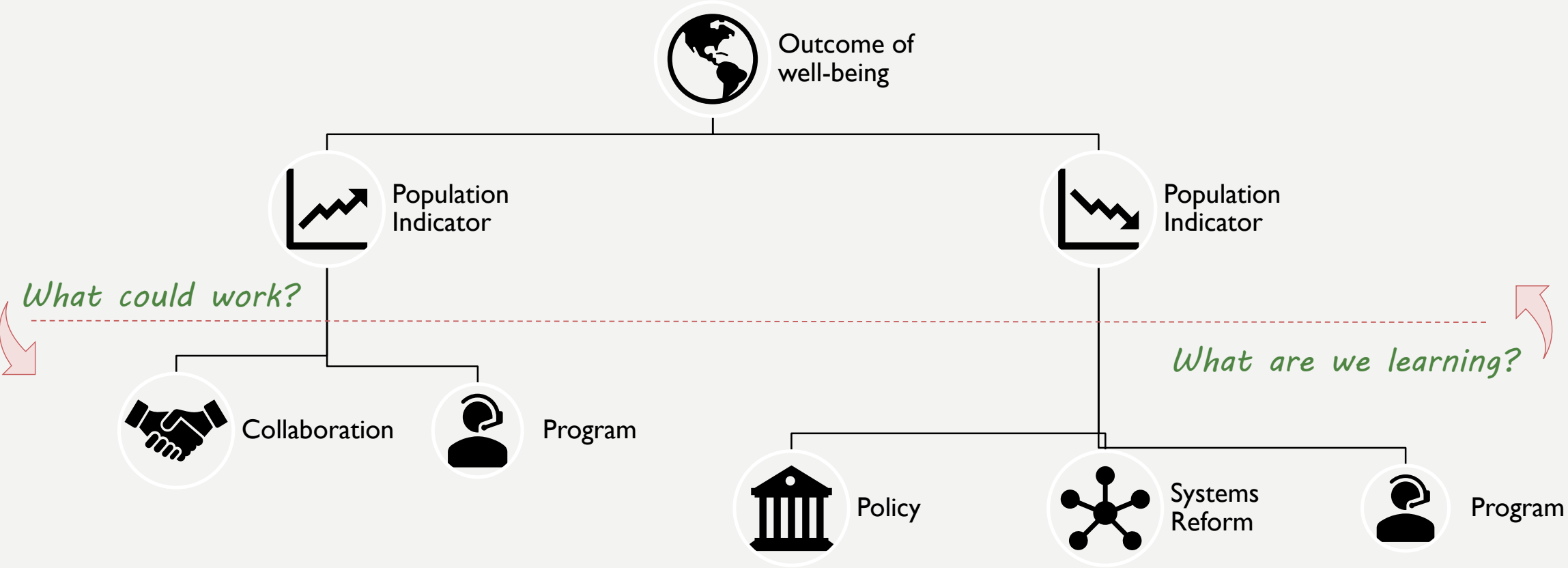
Population Accountability

- Well-being of a whole population in a geographic area
- Collective Responsibility across sectors and organizations

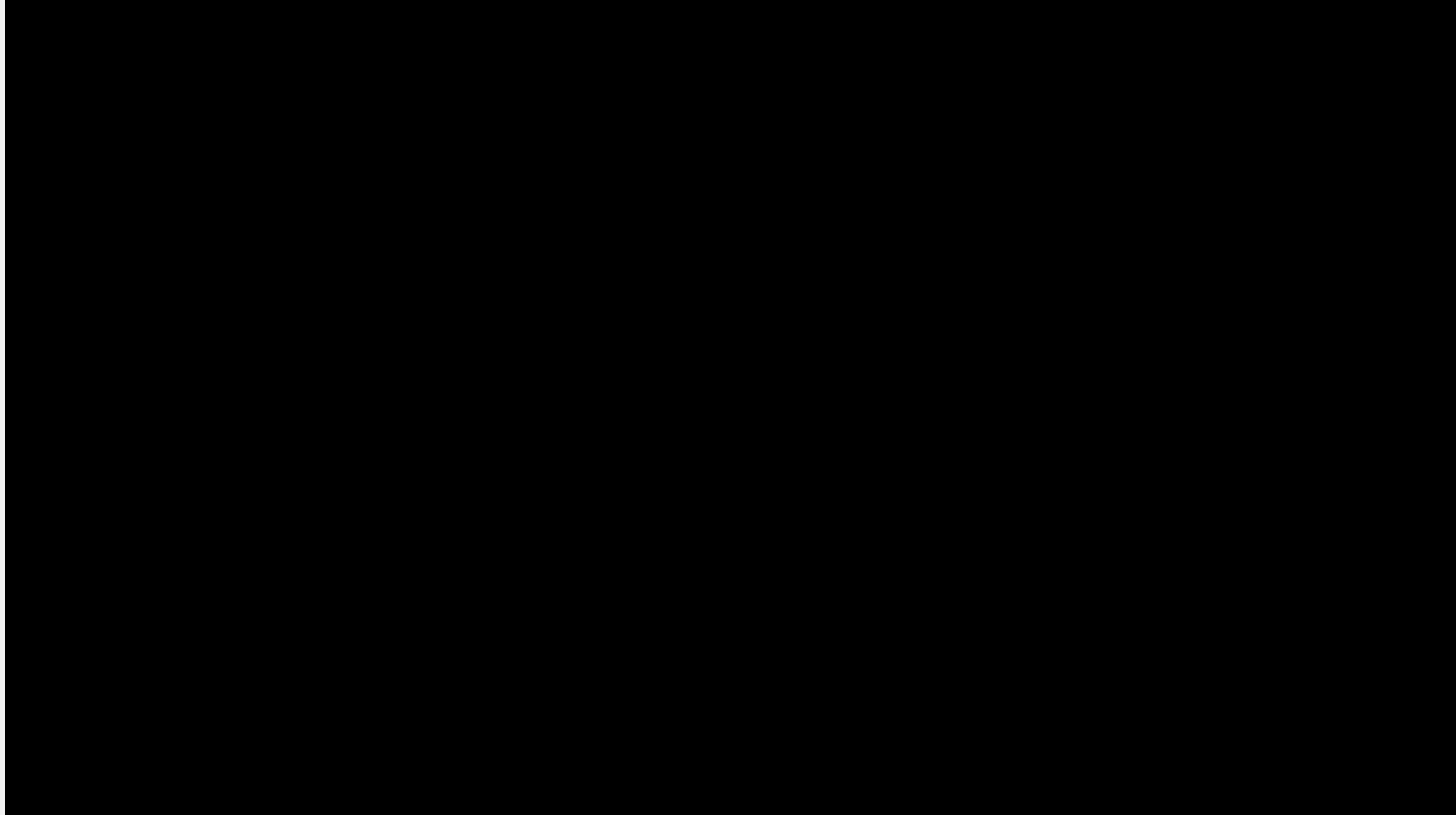
Performance Accountability

- Well-being of a client or customer population benefiting from a service
- Organizational and management responsibility

THE WHOLE PICTURE

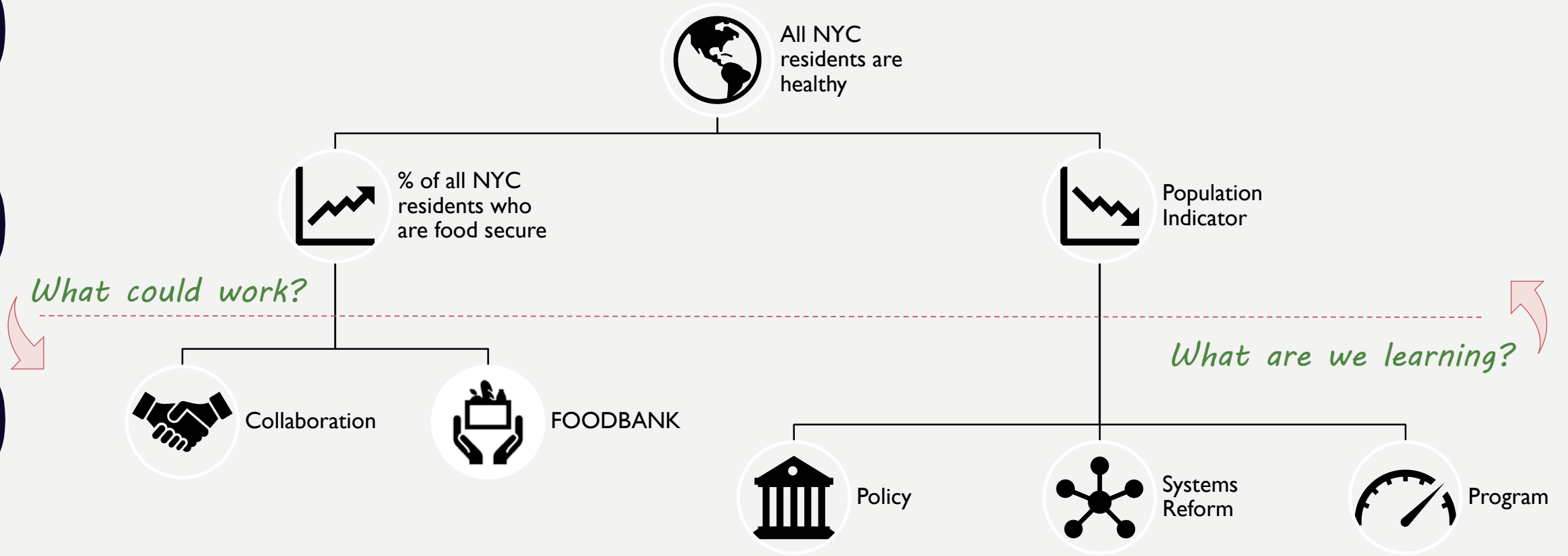


ENDS TO MEANS, TALK TO ACTION

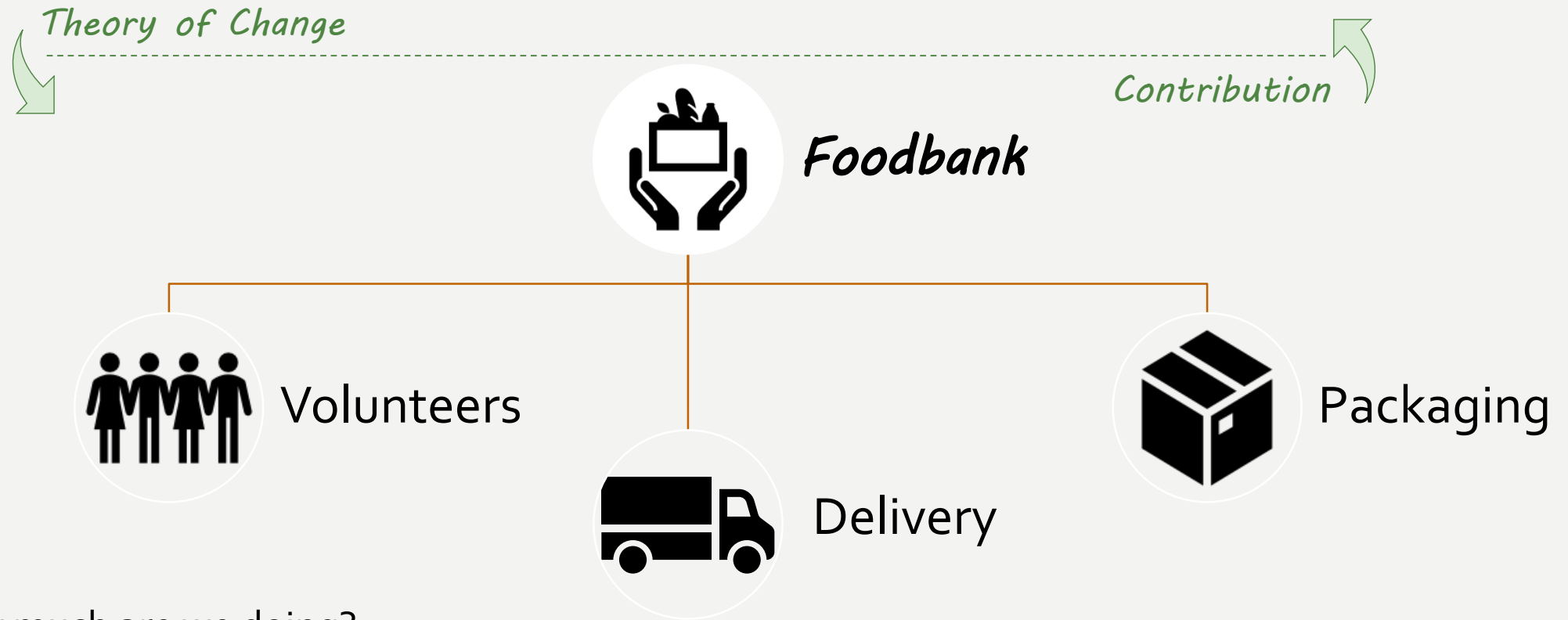


<https://youtu.be/EedMmMedj3M>

TEST THE "WHOLE" HYPOTHESIS



TEST THE "PART" HYPOTHESIS



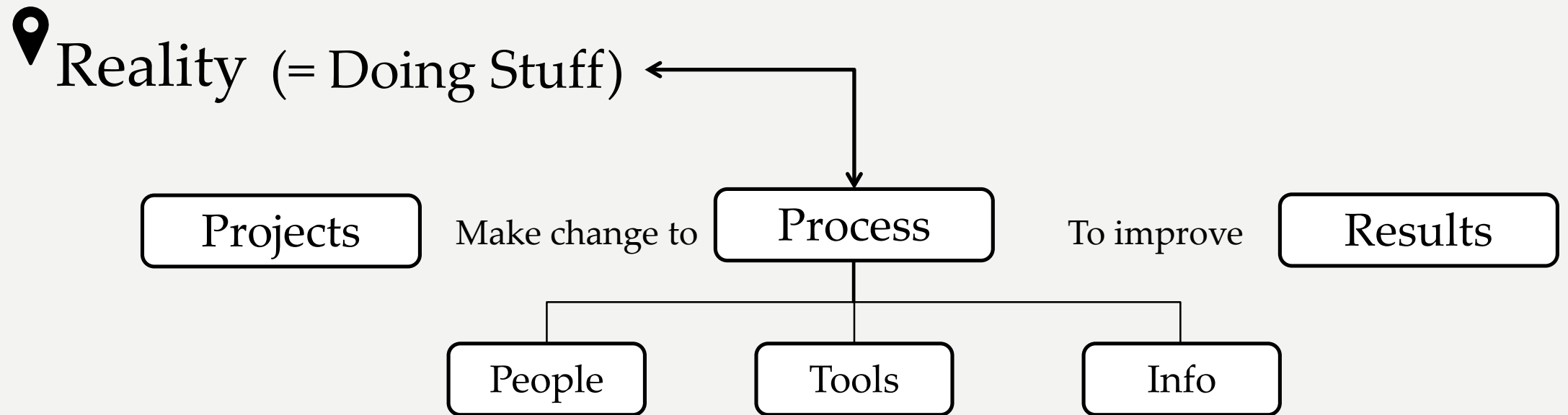
How much are we doing?
How well are we doing it?
Is anyone better off? Are we making a difference?

MANAGING THE STRATEGY (PERFORMANCE MEASURES)

<p><u>How much did we do?</u></p> <p># Clients/customers served</p> <p># Activities (by type of activity)</p>	<p><u>How well did we do it?</u></p> <p>% Common measures <small>e.g. client staff ratio, workload ratio, staff turnover rate, staff morale, % staff fully trained, % clients seen in their own language, worker safety, unit cost</small></p> <p>% Activity-specific measures <small>e.g. % timely, % clients completing activity, % correct and complete, % meeting standard</small></p>
<p><u>Is anyone better off?</u></p> <p>#</p> <p>#</p> <p>#</p> <p>#</p> <div data-bbox="912 1019 1174 1203" style="border: 1px solid black; padding: 5px; display: inline-block;"> Point in Time vs. Point to Point Improvement </div> <p>% Skills / Knowledge <small>(e.g. parenting skills)</small></p> <p>% Attitude / Opinion <small>(e.g. toward drugs)</small></p> <p>% Behavior <small>(e.g. school attendance)</small></p> <p>% Circumstance <small>(e.g. working, in stable housing)</small></p>	

 Reality
(= Doing Stuff)

IDEAS FOR CHANGE



IMPLEMENTING CHANGE CORRECTLY

Process
Creation

Process
Standardization

Process
Improvement

Process
Re-engineering

RANDOM VS. STRATEGIC

- Current Concerns:
 - Still developing intake process – many projects are hidden, under-supported, or not strategically selected
 - Still understanding appropriate scope – many projects take more time and resources than anticipated
 - Still understanding resource management – lack of project and change management support
 - Concerned about the project → implementation drop-off

RANDOM VS. STRATEGIC

One root cause is that we are driving toward:

- # of projects
- # of facilitators
- # of trainings
- # of participants
- % of people trained by Dept/Agency

Instead of:

- % of projects completed that demonstrate a measurable improvement

RANDOM VS. STRATEGIC

How could we be more strategic?

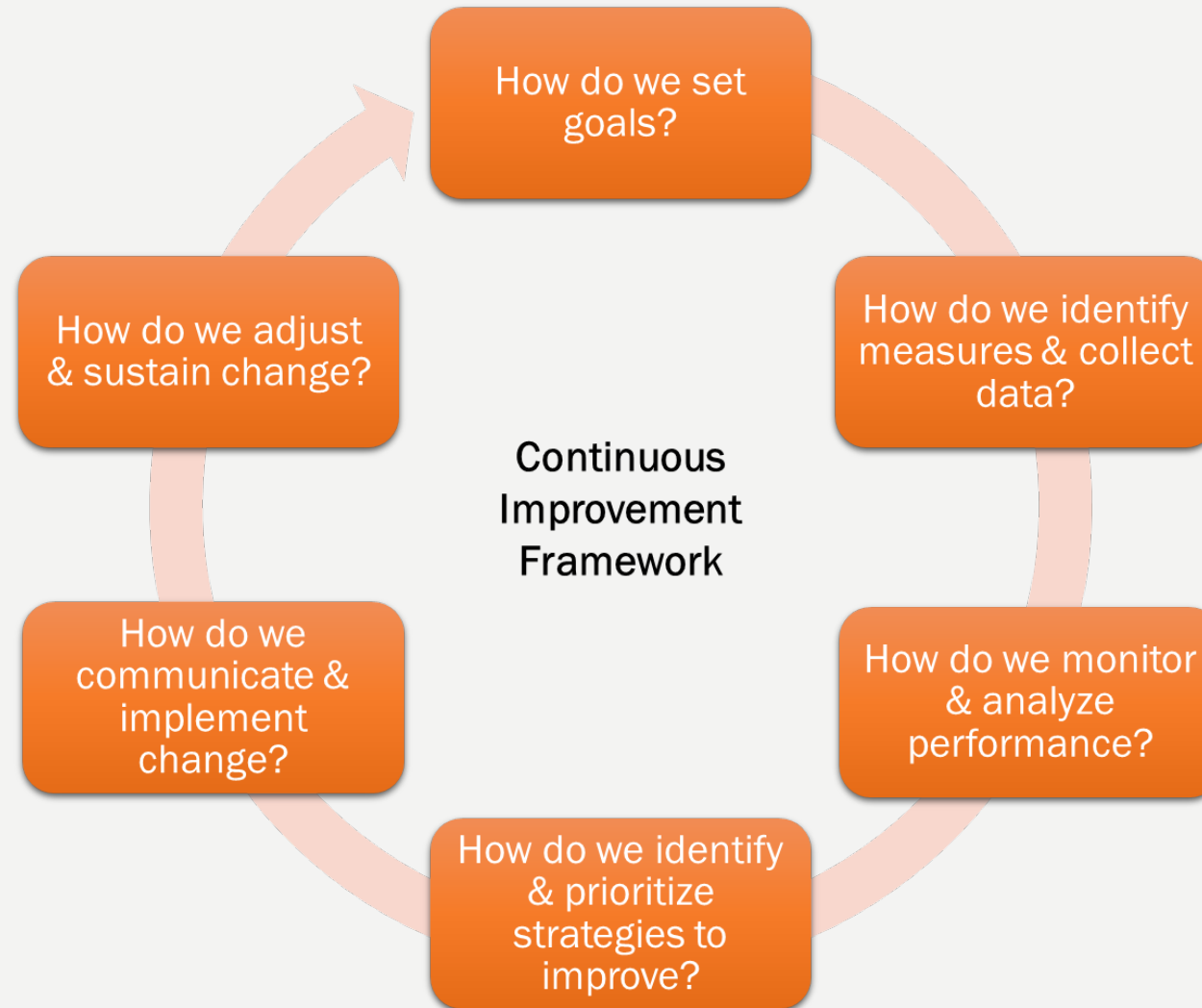
Focus on:

- Organizational and Programmatic Strategic Development
- Organizational and Programmatic Performance Management
- Organizational Business Process & Performance Architecture
- Enhancing relationship with project management office

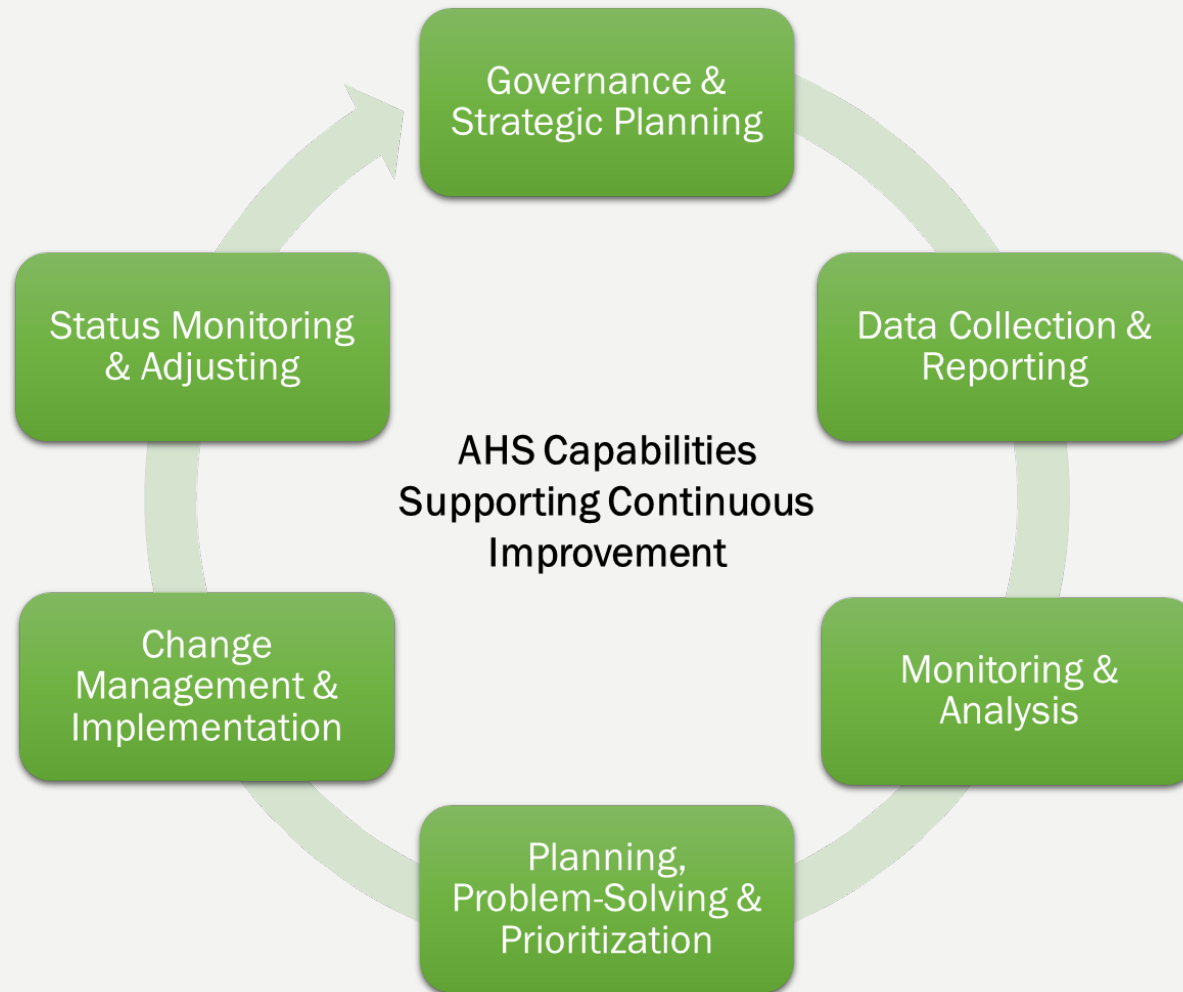
Also considering:

- Focus on fewer projects per year
- Create application process for higher-resource projects

PERFORMANCE MANAGEMENT



PERFORMANCE MANAGEMENT CAPABILITIES



DISCUSSION AND QUESTIONS

