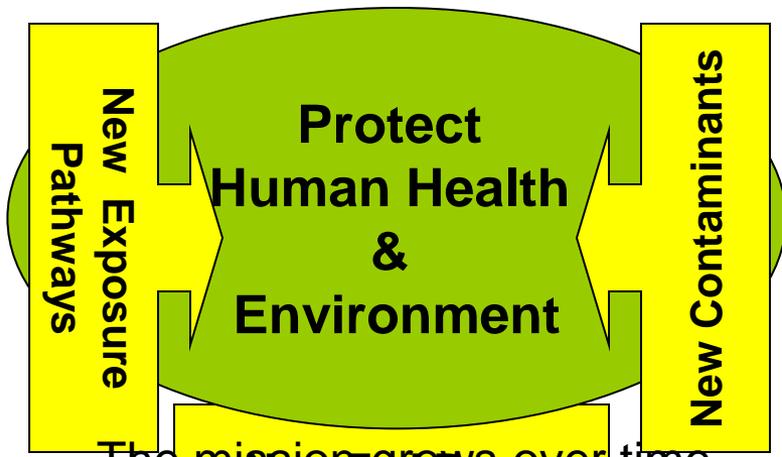


The Transformation of ADEQ

October 25, 2012

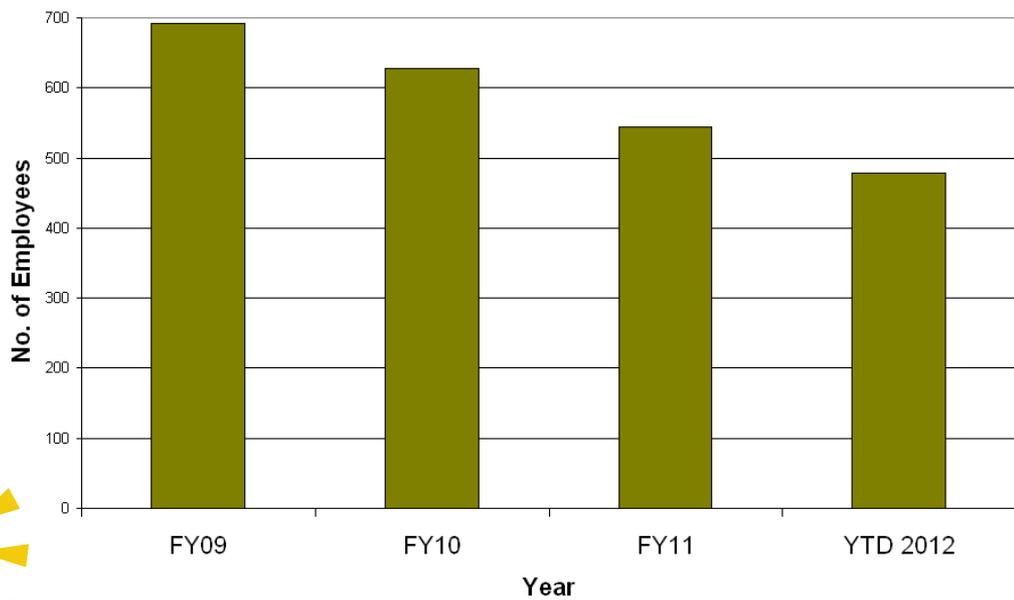
- Why do we need to do process improvement?
- Why use Lean techniques?
- What's the plan?
- Progress to date
- Lessons learned so far
- Next steps

Why?



The mission grows over time and there is more to do

Fewer Resources



New Reality



Unhappy Customers Set Off Bombs



Andy was more effective

Why (cont'd)

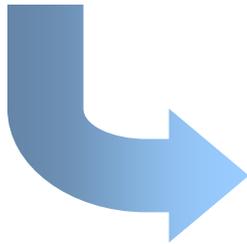
THIRD CORNERSTONE OF REFORM – 2012 CENTENNIAL

STATE GOVERNMENT

EXTREME MAKEOVER: THE CENTENNIAL ARIZONA EDITION

"[G]overnment . . . to be successful must be prudently, systematically, energetically and economically conducted."

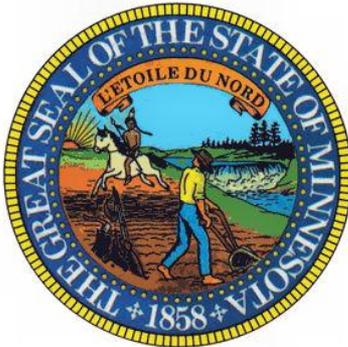
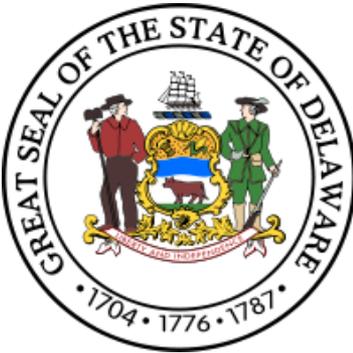
- Governor George W.P. Hunt
Inaugural Address, February 14, 1912



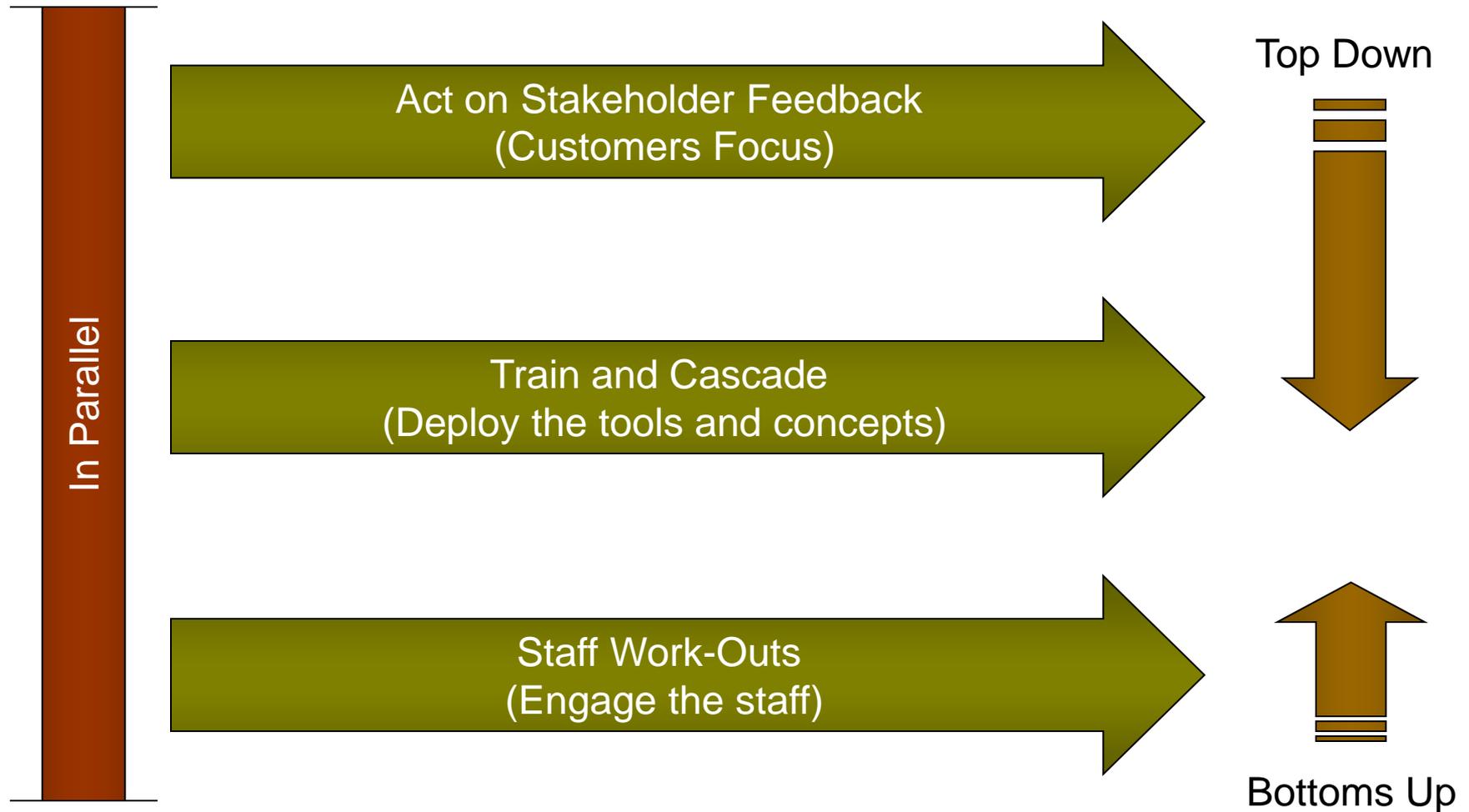
+ GTO



States Using Lean



ADEQ Plan Overview





ADEQ Goals

- Support Environmentally Responsible Economic Growth by reducing permit processing time and by assisting facilities to stay in compliance and avoid the cost and time associated with illegal releases.
- Enhance Arizona's Unique Environment by measurably improving the quality of our air and water and making our State more attractive to all.
- Accelerate Cleanups to reduce the cost and time it takes to restore our impaired land and water so that it is increasingly available to support future development.

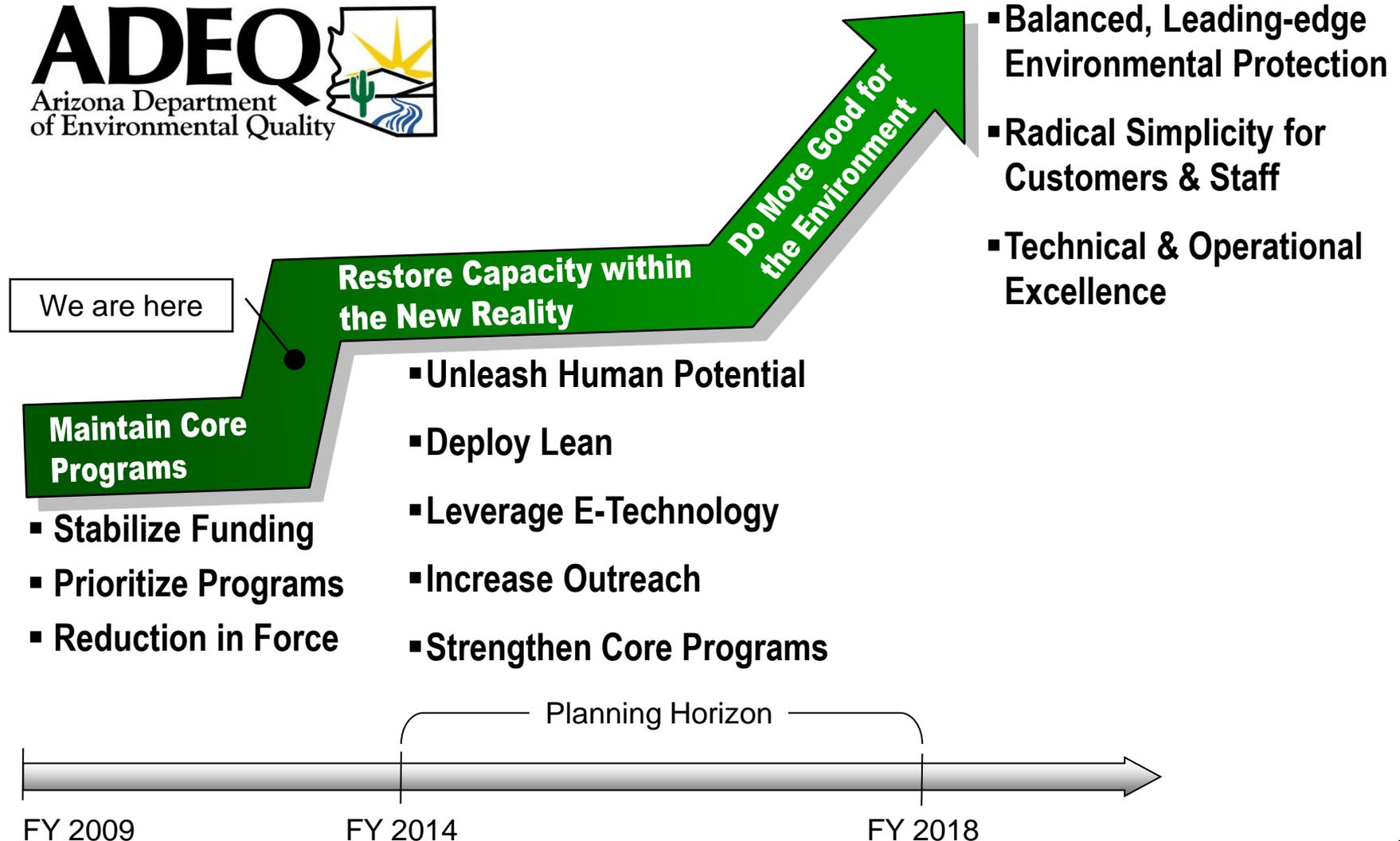
Strategies

- Unleash Human Potential
- Deploy Lean
- Leverage E-technology
- Increase Outreach
- Strengthen Core Programs

Projects

- Lean Awareness Training for all ADEQ staff
- Fundamentals of Process Improvement training for select staff
- Staff Workouts to identify opportunities to increase value and eliminate waste throughout ADEQ
- APP Process Improvement
- Title V Process Improvement
- Permits service family evaluation to leverage lessons learned on APP and Title V across all permits
- UST State Lead Procurement Process Improvement
- WQARF Process Improvement
- UST Corrective Action Process Improvement
- Compliance & Enforcement Process Improvement

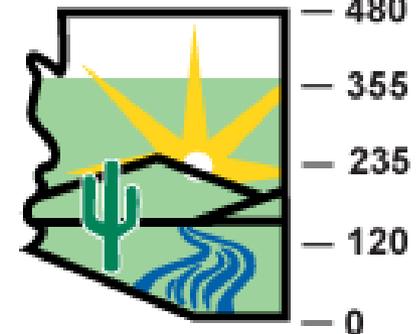
Overall Strategic Direction



Progress

- Reduced the total elapsed time for admin review on our Aquifer Protection Permit **from 100+ calendar days to a single meeting.**
- Reduced the total elapsed time for admin review on our Title V Permit **from 60+ calendar days to a single meeting.**
- On track to **double the amount of State Lead UST Corrective Action work** in FY 2013 as compared to FY 2012.
- Will **close our first WQARF Site in 10+ years** by December 2012
- **Doubled the capacity** of our field vehicle loading bays
- Will have delivered **Lean awareness training to all agency employees** by December 2012

Lean Awareness Training
Employee Total



Lessons Learned

Private Sector

Investors

Board of Directors

CEO

Business Unit (BU)

President

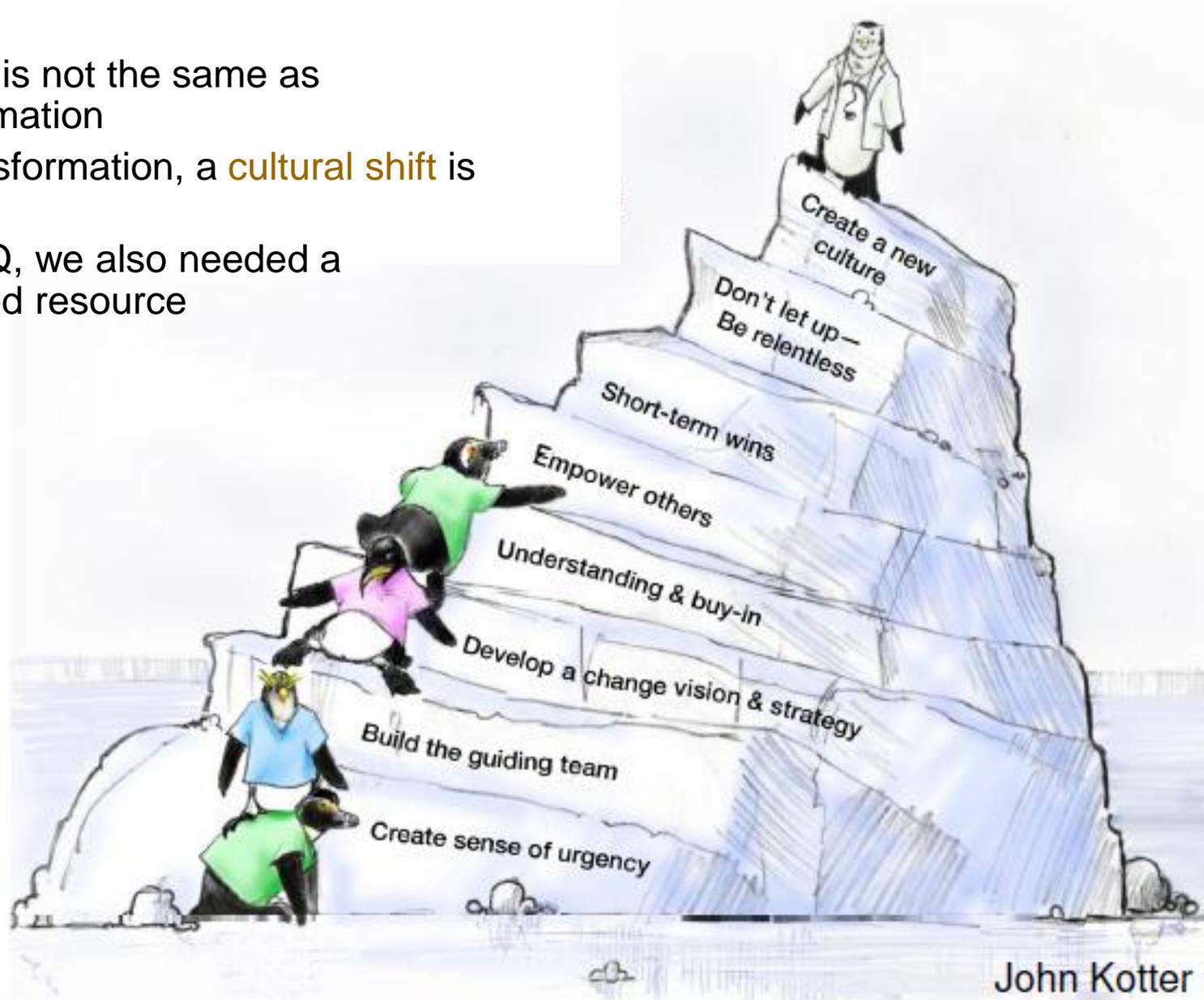
Customers

Products or Services

ROI = Profit

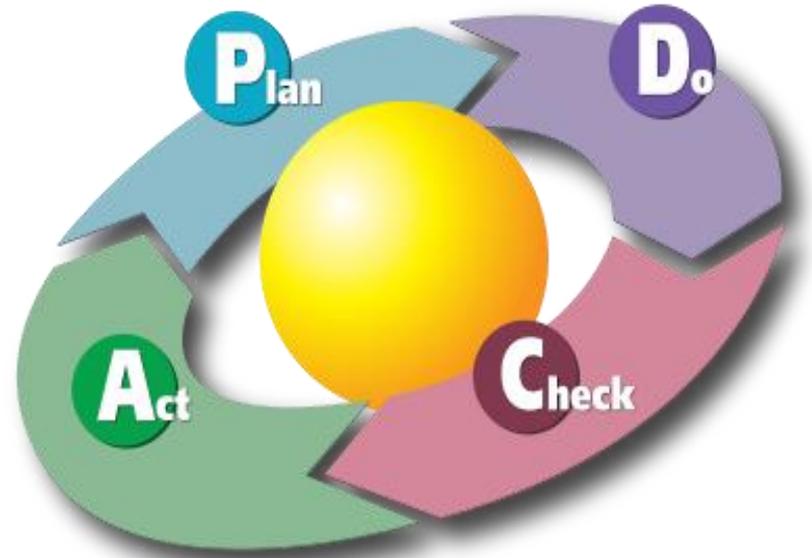
Simple Change is Not the Same as Transformation

- Change is not the same as transformation
- For transformation, a **cultural shift** is required
- At ADEQ, we also needed a dedicated resource



Next Steps

- ❑ ADEQ's success will not be a function of executing a single grandiose and perfect plan
- ❑ ADEQ's success will not be a function of haphazardly changing processes until something works
- ❑ ADEQ's success will be a function of thoughtful planning disciplined execution of the current plan, collecting data to see if the current plan is working, and taking action if it is not
- ❑ Problems are Gold!



Questions?

