

2015

**Arizona Government Transformation Office
Annual Report**

December 2015

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I. Executive Summary

Transformation of Arizona State Government is a multifaceted approach intended to rethink how state government operates and conducts business with internal stakeholders and external customers. As part of Governor Ducey's vision to modernize and streamline state government we must transform the culture of working in isolated silos and instead emphasize continuous collaboration and improvement across the enterprise of Arizona State Government.

In 2015, significant progress has been achieved to further align the Governor's Office, state agency leadership, and frontline employees to the Governor's vision and goals for state government. To ensure our state agencies have the tools and support to effectively engage and implement new methods, procedures, and processes, we will continue our work to:

- Develop measurable agency-specific outcomes that drive performance, ensure accountability, and further implements the Governor's vision for state government.
- Foster a culture of continuous improvement for all state employees to identify problems and develop solutions
- Lead projects that improve resource utilization and improve cost efficiency

The State has demonstrated its commitment to leadership by initiating the development of key performance indicators (KPI's) for each agency. The "mission measures" workshops facilitated with each agency ensure that KPI's are aligned with the key outcomes related to an agency's mission. In addition, state leaders are creating deployment plans to implement the Lean Management System over the coming two years. By setting aggressive performance targets and implementing a system of daily improvement, the State will ensure continuous improvement becomes the way we operate.

Early success is a key factor, and the State conducted a "Permit Blitz" to demonstrate that our teams could successfully apply a set of best practices to similar processes across 23 different agencies. Although the agencies involved in the Permit Blitz serve different customers, the challenges in the processes are largely the same. Issues such as incomplete applications, excessive handoffs, internal review loops, and lack of overall tracking affected virtually all of the processes. The creation of a set of permit/licensing best practices equipped our agencies to continue to improve these processes as a category. In the end, the average improvement across the 23 agencies exceeds 60% faster delivery of services while improving process standardization and eliminating wasteful process steps.

The Permit Blitz also serves to demonstrate the capability of the talented team members in State government. For the Permit Blitz, internally trained lean coaches mentored each of the project teams. In fact, between the Arizona Department of Environmental Quality and the Arizona Department of Health Services, nearly 20 leaders guided all the participating agencies through the improvement process. By developing our people, we will continue to build sustainability into all of our lean efforts.

II. Permit Blitz Summary

"Permit Blitz" Summary						
# of Agencies	23 agencies					
# of Projects	40 projects					
Service Improvements	24 projects implemented, demonstrating 65.7% reduced lead time 6 projects in pilot, initial results of 67.5% reduced lead time 3 additional projects in pilot (pre-results) and 7 additional future projects designed, with an estimated 59.1% reduced lead time					
Capacity Improvements	62,239 hours of employee capacity redirected to higher value-add activities.					
Training	29 Coaches trained to lead Lean projects and initiatives. 185 participating team members experienced in Lean Foundations.					
PROJECTS FULLY IMPLEMENTED						
Agency	Project	Annual Vol	Base Lead Time Touch Time	Current Lead Time Touch Time	% Imp. LT TT	Improvement LT Days Reduced Redirected Hrs Yrly
Administration, Dept of	ASET – PIJ	85	144 Days 25 Hours	14.5 Days 12.6 Hours	90% 50%	129.50 Days 1054 Hours
Administration, Dept of	ASET - Service Desk	21000	5.5 Days 5.3 Hours	1.3 Days 5 Hours	76% 6%	4.2 Days 6300 Hours
Administration, Dept of	HR - Dismissal (Kaizen Blitz Series)	24	2.5 Days 0.62 Hours	0.08 Days 0.62 Hours	97% --	2.42 Days --
Administration, Dept of	Risk - Vehicle Incident Report (VIRC) Simple	104	144 Days 2.5 Hours	3 Days 0.75 Hours	98% 70%	141 Days 182 Hours
Administration, Dept of	Risk - Vehicle Incident Report (VIRC) Complex	26	144 Days 2.5 Hours	18 Days 1.25 Hours	88% 50%	126 Days 33 Hours
Agriculture, Dept of	Brands	1004	278 Days 15.5 Hours	36 Days 0.70 Hours	87% 95%	242.00 Days 14000 Hours
AHCCCS	Medicaid Provider Registration	15948	56.5 Days 2 Hours	4.36 Days 1.25 Hours	92% 38%	52.14 Days 11961 Hours
AHCCCS	Policy Clarification Review	460	16 Days 6 Hours	2.78 Days 2.13 Hours	83% 65%	13.22 Days 1702 Hours
Building/Fire Safety, Dept of	Plan Review - Construction Permit	397	50 Days 4 Hours	4 Days 4 Hours	92% --	46.00 Days --
Corrections, Dept of	Prisoner Intake	14442	7 Days	3.42 Days	51%	3.58 Days
Economic Security, Dept of	Developmental Home License	150	82 Days 8 Hours	33 Days 8 Hours	60% --	49.00 Days --
Economic Security, Dept of	Unemployment Insurance Appeals	25000	9.1 Days 0.48 Hours	9 Days 0.36 Hours	1% 25%	0.10 Days 3042 Hours
Financial Institutions, Dept. of	Sales Finance Company	100	62 Days 2 Hours	12 Days 0.75 Hours	81% 63%	50.00 Days 126 Hours
Game and Fish, Dept of	Disabled Veteran's License	52	38 Days 18 Hours	7 Days 3.5 Hours	82% 81%	31.00 Days 750 Hours
Insurance, Dept of	Insurance Professional/Individual/Residence License	7154	7.5 Days 2.1 Hours	4 Days 2.1 Hours	47% --	3.50 Days 506 Hours

Liquor Licenses Control, Dept of	Series 12 Restaurant	4089	145 Days 1.5 Hours	77 Days 1.3 Hours	47% 13%	68.00 Days 818 Hours
Lottery	Retailer Permit	106	30 Days 10.75 Hours	14 Days 11.08 Hours	53% -3%	16.00 Days --
Public Safety, Dept of	Bus Driver Certification	1291	46 Days 2 Hours	4 Days 0.42 Hours	91% 79%	42.00 Days 2040 Hours
Real Estate, Dept of	Amendment Public Report Administration	228	35.7 Days 17.8 Hours	9 Days 6 Hours	75% 66%	26.70 Days 2691 Hours
Real Estate, Dept of	Expedited Public Report Application	285	7 Days 5 Hours	6 Days 4 Hours	14% 20%	1.00 Days 20 Hours
Registrar of Contractors	New Applications	3165	38 Days 3 Hours	36 Days 1.3 Hours	5% 57%	2.00 Days 5381 Hours
Revenue	TPT License Application	41000	19 Days 0.58 Hours	2.83 Days 0.22 Hours	85% 62%	16.17 Days 8400 Hours
State Forester	IGA Billing and Receivables	877	71 Days 8 Hours	37 Days 4.6 Hours	48% 43%	34.00 Days 2982 Hours
Transportation, Dept of	Vehicle For Hire (New Vehicle Licensing)	3000	14.4 Days 1 Hours	1.29 Days 0.91 Hours	91% 9%	13.11 Days 270 Hours
Weights and Measures, Dept of	Commercial Device Licensing	100	185 Days 2.78 Hours	125 Days 2.6 Hours	32% 6%	60.00 Days 18 Hours

PROJECTS IN PILOT

Agency	Project	Annual Vol	Base Lead Time Touch Time	Prelim Results Lead Time Touch Time	% Imp. LT TT	Projected Improvement LT Days Reduced Redirected Hrs Yrly
Corrections, Dept of	Correctional Officer Recruitment and Hiring Process	10678	120 Days	56.2 Days	53%	63.8 Days
Water Resources, Dept of	Notice of intent to drill wells	1600	12 Days 7.93 Hours	6.40 Days 7.66 Hours	47% 3%	5.6 Days 375 Hours
Medical Board	Medical Licensing Board Process	1512	141 Days 9.7 Hours	38.5 Days 3.9 Hours	73% 60%	102.5 Days 8770 Hours
Transportation, Dept of	Design Consultant	175	172 Days 102 Hours	82 Days 102 Hours	52% --	90 Days --
Administration, Dept of	SPO – RFP (DES Pilot)	3	172 Days	35 Days	80%	137 Days
Gaming, Dept of	Vendor Certifications	30	244 Days 243 Hours	45 Days 56.14 Hours	82% 77%	199 Days 4080 Hours

PROJECTS DESIGNED OR IN PILOT (PRE-RESULTS)

Agency	Project	Annual Vol	Base Lead Time Touch Time	Designed Lead Time Touch Time	% Imp. LT TT	Projected Improvement LT Days Reduced Redirected Hrs Yrly
Gaming, Dept of	Commercial Racing Permit Renewal	1	766 Days 200.7 Hours	164 Days 63.5 Hours	79% 68%	602 Days 137 Hours
Child Safety, Dept of	Family Foster Homes	1400	240 Days 67 Hours	120 Days 55 Hours	50% 18%	120 Days 16800 Hours
Land Department	Grazing Improvement Application	60	175 Days 17.5 Hours	68 Days 6.7 Hours	61% 62%	107 Days 648 Hours
Administration, Dept of	GSD - Pre-construction Process	61	320 Days 106 Hours	115 Days 44 Hours	64% 58%	205 Days 3782 Hours
Land Department	Mineral Materials Lease Process	3	513 Days 208 Hours	181 Days 100 Hours	65% 52%	332 Days 324 Hours
Public Safety, Dept of	New Officer Hire	--	240 Days 168 Hours	120 Days 30 Hours	50% 82%	120 Days --

Military Affairs, Dept of	State Reimbursement	80	581.5 Days 186 Hours	274 Days 208.5 Hours	53% -12%	307 Days --
Transportation, Dept of	Third Party Authorization	15	110 Days 20 Hours	35 Days 20 Hours	68% --	75 Days --
Revenue	TPT Residential Rental (New process, no data reported yet)	--	-- --	-- --	-- --	-- --
Water Resources, Dept of	Underground Storage Facility Permits	5	385 Days 253 Hours	185 Days 204 Hours	52% 19%	200 Days 245 Hours