



## **Staff Report for Audit Committee Meeting**

**Date of Meeting:** November 12, 2019

**Report Number:** SRCM19.05

**Department:** Office of the City Manager

**Division:** Strategy, Innovation and Engagement

**Subject:** SRCM19.05 Lean Program Update

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### **Purpose:**

Through the 2019 budget process, Council approved a business case to continue integrating Lean as a tool for service improvement at Richmond Hill. This report provides an update on the Lean Program for information.

### **Recommendation(s):**

- a) That staff report SRCM19.05 regarding the Lean Program Update be received for information.

### **Contact Person:**

Leah Zilnik, Manager, Service Innovation, ext. 6387

### **Report Approval:**

**Submitted by:** Meeta Gandhi, Director of Strategy, Innovation and Engagement

**Approved by:** Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

## Page 2

### Background:

***The City of Richmond Hill has a comprehensive service improvement approach.***

The City's service improvement activities include:

- Service improvement initiatives to provide an in-depth review of opportunities to enhance service delivery;
- Internal audit to focus on risk management and to ensure internal systems and controls are in place; and
- Key performance indicators to measure how well a program or service is working to inform decision-making and service improvement.



The City has undertaken 21 service improvement initiatives (since 2009). The City has also completed 4 internal audits and reports on 16 key performance indicators (since 2017).

The City's approach to service improvement will continue to evolve with the establishment of the Service Innovation section in the Strategy, Innovation and Engagement Division. The Service Innovation section is responsible for building capacity by improving the efficiency and effectiveness of services.

## **Page 3**

### ***The 2017 employee survey identified an opportunity to support more staff innovation.***

In the 2017 employee survey, we heard that staff want more opportunities to be innovative. As a result, “supporting a culture of continuous improvement, including the implementation of the Lean Pilot Program” is part of the Employee Strategy (Goal 1 – Strengthen our Work Culture, Outcome 1 – Employees feel valued, supported and empowered). In 2018, Richmond Hill added Lean as a pilot program to its basket of service improvement activities.

### ***The purpose of Richmond Hill's Lean Program is to engage staff by improving innovation and to build capacity.***

Lean is a service improvement approach that engages Richmond Hill staff on innovation and builds capacity by making processes better and more efficient for our community.

Lean is a disciplined methodology that applies a variety of analytic and process design tools. Lean improves processes by focusing on the community and maximizing activities that add “value.” Lean is also a philosophy that believes in respecting the collective wisdom of staff who are doing the work at the place the work happens. Lean empowers staff to constantly learn from, make and sustain improvements.

Lean originated over 70 years ago and is used in other municipalities including Mississauga, Oshawa and Fredericton. It is also used in our community at Mackenzie Health and Staples.

### **2018 Lean Pilot Program:**

In 2018, Richmond Hill piloted a Lean program in the organization. The goal of the pilot program was to build awareness of and desire for a continuous improvement program based on Lean, and to pilot the approach in two to four service areas.

### ***The Lean pilot program provided training to 58 staff in Lean tools and thinking.***

Six staff completed training at the “green belt” level to lead Lean process improvement projects. “Green belt” training involves four days of in-class learning, and the successful completion of an exam, project and report. This certification is academically verified by the University of Ontario Institute for Technology, Management Development Centre.

52 staff completed training at the “white belt” level to enable active participation in Lean process improvement projects.

### ***The Lean pilot program completed three Lean process improvement projects.***

The 58 staff trained in Lean led and participated in three process improvement projects. Staff identified these projects through an open submission process, and projects were

## Page 4

selected because they had the highest impact on employee engagement and community focus.

<b><u>Process Improvement Project</u></b>	<b><u>Goal</u></b>	<b><u>Accomplishment Highlight</u></b>
<b>Improving the parks tree reporting process.</b>	To reduce the number of tree cases with duplicate or inaccurate reports.	The efficiencies gained were so significant they were applied to all urban forestry cases.
<b>Improving the dog licensing process.</b>	To enter pet information into the licensing system faster.	The improved process enabled the development of an online dog licensing portal.
<b>Improving the development charges payment process.</b>	To improve property owners' experience in paying for development charges.	The streamlined process reduced the number of counter visits.

***The Lean pilot program achieved its purpose to engage staff by improving innovation and to build capacity.***

The Lean pilot program built capacity by improving service delivery and quality. The three pilot projects resulted in, on average, a 72% reduction in process lead-time – meaning the processes were faster for the community. The improvements reinvested 637 hours of staff time into higher value activities, and saved paper, mileage and space.

The Lean pilot program improved staff engagement on innovation. 94% of staff who participated in the Lean pilot program said that it improved their perception of continuous improvement at Richmond Hill. Most participants would recommend being part of a Lean initiative to their colleagues.

### **Lean Program:**

Through the 2019 operating budget process, Council approved a business case to continue integrating Lean as a tool for service improvement at Richmond Hill. The goal is to scale the number of Lean process improvement projects and to support Lean tools and thinking as a practice and way of working.

***In 2019, four additional “green belts” and 67 “white belts” were trained.***

This year, four additional Lean project leaders were trained at the “green belt” level. The “green belt” candidates have completed their in-class learning and exam. They are

## Page 5

currently completing their process improvement projects (see below). As part of these projects, 24 participants received training at the “white belt” introductory level. An additional 43 staff participated in the “white belt” training to learn more about Lean tools and thinking.

***In 2019, four Lean process improvement projects are underway.***

Staff trained in Lean are completing the following four Lean process improvement projects. Staff identified these projects through an open submission process, and projects were selected because they had the highest impact on employee engagement and community focus.

<b><u>Process Improvement Project</u></b>	<b><u>Goal</u></b>	<b><u>Accomplishment Highlight</u></b>
<b>Improving the mobile signs permit process.</b>	To improve the community’s experience in applying for a mobile sign permit.	The Process Improvement Projects will be completed by December 2019.
<b>Improving the illegal sign retrieval process.</b>	To reduce staff effort in managing this process.	
<b>Improving the parking complaints intake and response process.</b>	To reduce the community’s wait time in receiving a response to parking complaints.	
<b>Improving the facilities maintenance request process.</b>	To improve communication and reduce the number of cases with duplicate or inaccurate information.	

***The Lean Program is introducing other activities to support continuous improvement as a practice and way of working.***

In addition to process improvement projects, the Lean program is initiating new activities to ensure that Lean training and experience is leveraged to support a culture of continuous improvement and innovation at Richmond Hill.

- **“Green belts” (Lean project leaders) are required to make a three-year commitment to the Program.** In year one, “green belts” complete their certification, including one process improvement project. In year two, “green belts” provide

## Page 6

mentorship to the next “green belt” class. In year three, “green belts” complete one process improvement project independently.

- **The number of process improvement projects will scale to 10 annually by 2021.** By training approximately five “green belts” annually, the number of process improvement projects completed will scale from 3 (in the 2018 pilot project year) to 10 annually by 2021.
- **Introducing a smaller improvement program in late 2019.** In addition to the process improvement projects, the Program will also engage, educate and empower all staff to realize smaller, informal improvements. This approach is currently under development and will be launched in late 2019.
- **Training one Lean expert at the “black belt” level:** The Program will train one Lean expert at the “black belt” level to coordinate the Lean Program, provide mentorship to “green belts”, develop Program tools and templates, and carry out regular education sessions open to all interested staff. The Manager, Service Innovation began “black belt” training in October 2019.
- **Continuing to participate in municipal continuous improvement and Lean knowledge sharing opportunities.** Richmond Hill is an active participant in the Lean Ontario Community of Practice (CoP). This CoP meets regularly to enable ideas to action through collaboration in order to evolve leadership in continuous improvement practices. The CoP involves other municipalities with Lean programs such as Mississauga, Kawartha Lakes, Oakville, London, Kitchener and Guelph. Richmond Hill participated in a group presentation and shared the City’s Lean journey at the 2019 Municipal Innovators Community conference in September 2019.

### Financial/Staffing/Other Implications:

The Lean Program is accommodated within existing staff and budget resources.

### Relationship to the Strategic Plan:

This initiative supports Goal 4 of the Richmond Hill’s Strategic Plan: Wise Management of Resources, Outcome 2: Being Responsible - Serve as a role model for municipal management.

The Lean Program also supports the Richmond Hill’s commitment to service excellence by integrating new and innovative approaches to service improvement. It supports the goal to ensure that staff are supported and have the tools they need to successfully provide services to our residents.

“Supporting a culture of continuous improvement, including the implementation of the Lean Pilot Program” is part of the Employee Strategy (Goal 1 – Strengthen our Work Culture, Outcome 1 – Employees feel valued, supported and empowered).

## **Page 7**

### **Conclusion:**

The purpose of Richmond Hill's Lean Program is to engage staff by improving innovation and to build capacity. The 2018 Lean Pilot Program built awareness of Lean tools and thinking and tested the approach in three service areas. 58 staff were trained in Lean, and the process improvements reinvested 637 hours of staff time into higher value activities.

In 2019, 71 staff participated in Lean training and four process improvement projects are underway. The Lean Program is also introducing new activities to support continuous improvement as a practice and way of working.

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call the contact person listed in this document.

## **Page 8**

### **Report Approval Details**

Document Title:	SRCM19.05 Lean Program Update.docx
Attachments:	
Final Approval Date:	Oct 30, 2019

This report and all of its attachments were approved and signed as outlined below:

**Meeta Gandhi - Oct 30, 2019 - 11:33 AM**

**Neil Garbe - Oct 30, 2019 - 1:56 PM**