



Lean Government

EPA Office of the Chief Financial Officer Corrective Action Tracking Kaizen Event Case Study

Summary

In December 2008, EPA's Office of the Chief Financial Officer (OCFO) conducted the Agency's first completely internal Lean kaizen event. A team of OCFO managers and staff examined the office's internal process for tracking and closing corrective actions. Corrective actions are developed as the result of findings from independent audits or self assessments (known as A-123 reviews). For tracking purposes, the corrective actions from audit and A-123 reviews have slightly different reporting requirements which led to separate processes when identifying results. During the kaizen event, the process was scrutinized from the point at which an approved corrective action plan is in place until the individual corrective action is completed. The existing process was not standard, required a large amount of staff time, involved duplication of effort, and could not easily provide summary reports for management.

The week-long event focused on clarifying the corrective action tracking process, developing a standard format for corrective action plans, clarifying the corrective action close-out process, and codifying all process steps into a standard operating procedure. The event dramatically improved efficiency by eliminating non-value added process steps, resulting in a more transparent process with increased data accessibility and improved customer satisfaction.

Results

Audit Corrective Action Tracking Process

- 86% reduction in number of handoffs (from 92 to 13)
- 68% reduction in time to process an Office of Inspector General Action (from 324 hours to 104 hours)
- 62% reduction in total number of steps (from 16 to 6)

A-123 Corrective Action Tracking Process

- 74% reduction in number of handoffs (from 31 to 8)
- 46% reduction in time to process an A-123 Action (from 185 hours to 100 hours)
- 63% reduction in total number of steps (from 8 to 3)

Scope of the Lean Project

Project Scope: EPA Internal Corrective Action Tracking Processes (OIG & A-123)

Goals of the Lean Event

- Reduce missed milestones by 100% (e.g., no missed corrective actions).

Results: The team developed a spreadsheet tool to support the new process and increase transparency. After 120 days, offices still have some missed milestones, but the number is decreasing due to regular management discussions and heightened awareness and transparency of the update process.

- Reduce rework and duplication by 75% (e.g., reduce the status-check phone calls, e-mails, and fire-drill mentality).

Results: The first cycle involved training people on the new process and tool. After 120 days, qualitative data indicate that this measure has been met. Each office's key contact enters information into the Corrective Action Tracking System (CATS) regularly, and it is the first place staff and managers visit to learn about the status of a corrective action.

- Reduce status update time by 50% (e.g., create one central place for data).

Results: The first cycle involved training people on the new process and tool. After 120 days, qualitative data indicates that this measure has been met. Each office key contact uses CATS for data entry.

Process Changes

During the kaizen event, participants developed "current state" and "future state" maps of the process. While creating the current state map (see Figure 1), OCFO participants saw clearly how individual roles fit into the entire process and began to understand the need for a more efficient exchange of information.

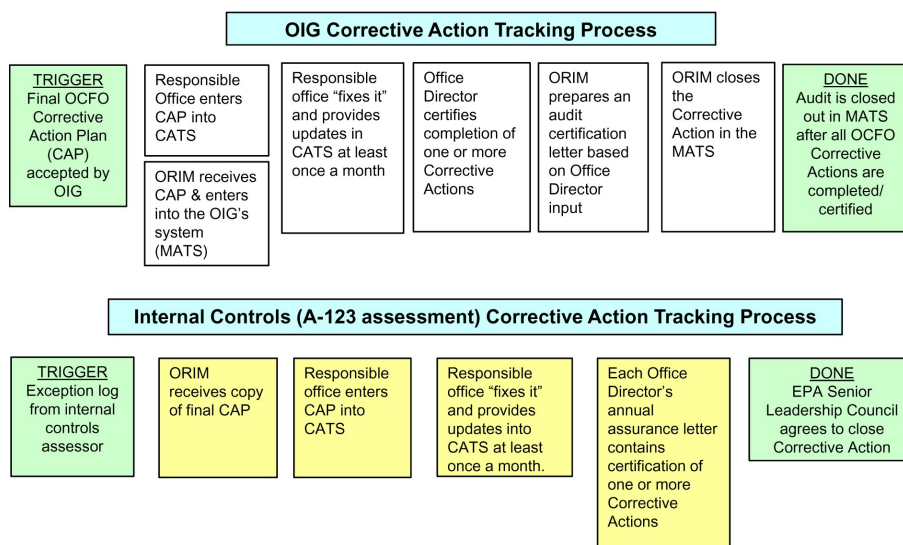
Figure 1: Current State Map



The future state map (see Figure 2) helped participants visualize an ideal method for tracking corrective actions efficiently while continuing to meet work requirements. After the completion of the future state map, participants began drafting new procedures and a new spreadsheet tool for tracking corrective actions that would take the process for tracking these actions several steps closer to the ideal future state map.

Figure 2: Future State Map

Future State



The biggest changes in the new process included:

- Development of a centralized spreadsheet tool on its own shared computer drive for inputting status on corrective actions.
- Adoption of a policy and standard operating procedure to input data in the central spreadsheet.
- The new ability (as a result of the spreadsheet) to create reports for senior management on a regular schedule.

Implementation

Since the event, participants have been working to implement the new spreadsheet tracking tool and update the process. This new tool was released in January 2009 for testing and refinement. Staff and managers are pleased that the new process eliminates numerous unnecessary status checks and handoffs that caused delays, and are also glad to have summary reports available for review. Continued follow-up by the Lean facilitator, team leader, event participants, and OCFO management has been integral to maintaining a focused effort to implement the new corrective action tracking process and fulfill the goals of the project.

The lean event team is currently in the process of creating a Lotus Notes database to enable even more streamlined updates, and expects the database to be live and in use in summer 2009.

For More Information:

Valerie Green, EPA OCFO, (202) 564-6642, green.valerie@epa.gov
Jamie Burnett, EPA NCEI, (202) 566-2305, burnett.jamie@epa.gov
<http://www.epa.gov/lean/leangovernment.htm>