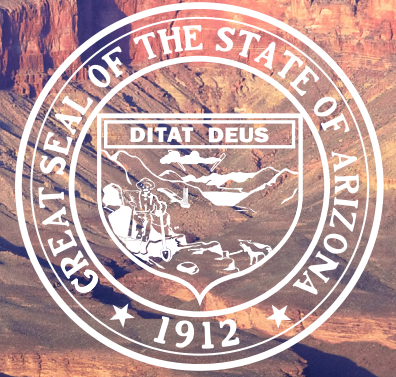


Arizona Management System Frequently Asked Questions



What is the Arizona Management System?

For the first time in its history, Arizona government is operating as one cohesive enterprise within a professional, results-driven management system that focuses on delivering customer value and vital mission outcomes for our citizens. Through the Arizona Management System, which is based on principles of Lean management, every state employee at every level now reflects daily on how they perform, while always seeking a better way. Employees are being trained to use tools for data-driven decision-making and disciplined problem solving, which afford them greater creativity and control while expanding their capacity to do more good for the citizens we serve.

Why do we need the Arizona Management System?

Governor Doug Ducey's vision is for Arizona to be the number one state to live, work, play, recreate, retire, visit, do business, and get an education. To achieve this vision, Arizona state government is transforming how it thinks and does business as one cohesive enterprise. The Arizona Management System provides the framework and tools to engage employees at all levels in data-driven decision-making and disciplined problem solving, always with the ultimate end user of our products and services (i.e., the customer) in mind. Citizens expect government to operate at the speed of business to deliver value and meaningful return on taxpayer investment. This "burning platform" gives urgency, direction and purpose to all that Arizona state agencies do. It is the reason why the culture of Arizona government must change for the better. The Arizona Management System will help us do just that.

The Arizona Management System is based on principles of Lean management.

What is Lean?

Lean is not an acronym or a separate initiative; it is a way to focus what we do already on what matters most. Lean itself is based on principles of continuous improvement that date back more than a century and which became a touchstone in manufacturing process improvements all over the world, most notably in post-war Japan. The tried and proven methods for leaning waste from systems and processes form the foundation of the Toyota Production System, which we in the United States have come to know as Lean. Waste frustrates everyone — employees, managers, customers, taxpayers and everyone who expects government to perform well. Waste comes from things like delays, unnecessary hand-offs, defects, errors and especially blame. Lean helps eliminate waste and streamline systems so that we can do the things that we already do better, faster and more cost effectively.

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What are the principles of Lean?

- Specify the value desired by the end user (but never forget what your investors, i.e., taxpayers, demand)
- Identify the work flow (value stream) for each product or service and challenge all of the wasted steps currently required to provide it
- Make the product or service flow continuously through the remaining value-added steps
- Once flow is introduced, allow each step to pull value from the previous step (i.e., the next step in the process is always the customer)
- Manage so that the number of steps and the amount of time and information needed to serve the end user continually falls

At the heart of these principles are the two pillars of Lean: **respect for people** and **continuous improvement**.

Does this initiative to transform the culture of Arizona government affect everyone who works for the State?

Yes. The people who actually do the work best understand the sources of waste and delay and are in the best position to identify ways to eliminate them and make our systems work better. We should all welcome this opportunity because it will allow us to devote our time and energy to things that matter and enable us to be more productive. In practice, we will be working just as hard as before but without the things that slow us down so we'll accomplish much more than we do now.

How will this initiative affect my job?

It will make your job more satisfying and create a better work environment to make your job more productive. The training and tools we are introducing always involve the staff who performs the work and you will be engaged in improving the processes that you use. Every state employee at every level is expected to reflect daily on how they perform, while always seeking a better way. To be successful in the new system, we all must understand that collectively and individually, our job is to do more good for Arizona. To do this, we must understand end user needs, identify problems, improve processes, and measure results. Every state agency has a scorecard to monitor progress toward mission measures achieved. Employee performance in day-to-day work contributes directly to what their agency tracks on its scorecard. Through the cascading of the scorecards, employees can see the connection between their own performance, the agency's overall progress, and the Governor's most important goals.

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What is the timeline for implementing the Arizona Management System throughout state government?

A great deal of progress has occurred since Governor Ducey took office in January 2015. Several agencies are well underway with the implementation and we have benefit of their experience, which should help other agencies move forward faster. The plan is to proceed in a stepwise fashion, introducing the Arizona Management System's (AMS) principles and tools of continuous improvement in all state agencies over the next three years.

- **Spring-Summer 2015:**

"Permits Blitz" pilot projects across 23 state agencies resulted in faster licensing and permit times and faster service for our citizens – 65 percent faster on average – without sacrificing quality.

- **Fall-Winter 2015-16:**

Initial design and deployment of AMS in eight of Arizona's largest agencies.

- **Winter-Spring 2016:**

Plan-Do-Check-Adjust (PDCA) Cycle: Refine and expand deployment of AMS

- Governor's Cabinet develops Statewide Fundamentals Map outlining key outcomes (metrics) and processes that define success for Arizona, and 18-month Journey Map to guide our direction through early deployment of AMS.
- Standardized performance management begins enterprise-wide (agency scorecards, monthly business reviews, breakthrough projects and countermeasures)
- Establish Goal Councils around Governor's five key goals for collaboration on cross-agency issues and breakthrough initiatives

- **Summer-Fall 2016:**

Continued expansion of AMS: Basic AMS deployment in additional nine agencies. Continued Government Transformation Office (GTO) support for remaining Cabinet agencies.

My agency already has process improvement initiatives underway. What will become of these efforts as the transformation continues?

We recognize that many agencies have taken the initiative to try new approaches in an effort to become faster and more efficient. We respect these efforts and hope to build upon existing success where we can.

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I like my job the way it is. Why do I need to change to fit into your “system”?

Every system has people, processes, and tools. Our people aren't broken, but our processes and tools often are. The Arizona Management System emphasizes using standard work – defined as the current one best way – when doing business because it enables teams to more readily spot waste and inefficiencies and thereby improve our processes. There is tremendous benefit to be found in applying a standard approach throughout state government so that lessons learned and new approaches can be shared across agencies. We also will be tracking performance in a standard way.

We've all seen management gimmicks come and go. What makes the Arizona Management System different from all the rest?

Those of us who've been around state government long enough will remember earlier attempts to adopt particular management philosophies for improving efficiency and productivity. These all had a “flavor of the day” feel about them, and of course they did not last. Employees simply waited for another administration to come along and introduce a different philosophy. The Arizona Management System is different and it is not going to go away because it's based on Lean. Lean is not separate from your mission work but integral to it. In short, Lean is how your mission work gets done. Lean is sustainable because it is a people-centered approach whereby employees enjoy greater creativity and influence in solving the problems that frustrate them and inhibit their performance. As employees learn about Lean and begin applying it in their day-to-day work, they will see how their jobs become easier and how freed time can be put creatively to more productive use.

We're already overworked. Won't this initiative require us to do even more?

No, although some extra effort will be required at first as we learn to apply new tools and techniques in our approach to doing the work. We're going to focus on mission work we already do and remove waste and delays in the processes we currently use. We know from experience that the actual time task associated with any business process is extremely small – on average, less than 5 percent of the total time. In other words, 95 percent of the total time is delay. We certainly can do better if we simply try. We have seen many examples in Arizona government already when we have applied these principles of continuous improvement to our work processes.

Isn't “Lean” just another way of saying smaller government?

No. Lean recognizes that by and large our employees are not the problem. Our processes, however, are terribly slow and inefficient, and as a result, much of our employees' time and energy are wasted. The fact is we realize that many agencies have too few employees to do all the important work that their vital missions require.

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What if my agency determines that my current job is no longer “value added?”

Transforming Arizona government toward a culture of continuous improvement isn't about eliminating jobs or reducing agency head counts. It's really about understanding end user value, identifying problems, improving processes and measuring for results. In many cases, there are too few employees available now to do all the vital mission work that needs to be done in our agencies. But we need to radically change how we see our roles in the mission of Arizona government. If a current process is found to be wasteful or redundant and no longer adds value from the end user's perspective, we must be flexible in our ability to help those affected employees, train them and enable them to succeed. Because state government is seen as one cohesive enterprise, agencies will not operate in silos, thus freeing up greater opportunity for employees to be repurposed. As long as employees are willing to learn new skills, have a desire to do value-added work and perform well, they have nothing to worry about.

How is this cultural transformation in Arizona government going to benefit me?

Staff who touch the work will always be involved in the process improvement; change will be done with you, not to you. Many of the things that frustrate employees are also wasteful (e.g., multiple manager reviews, excessive approval requirements, red tape.) The Arizona Management System applies Lean thinking to your work flow, so that anything that stands in the way of people adding value is considered wasteful and needs to be eliminated. Respect for people and continuous improvement (two pillars of Lean) require that managers promote a “blame-free” environment. Lastly, the concepts we are learning are well established in the private sector and other agencies nationwide. The knowledge, skills, and experience you will acquire through this process will make you more valuable inside and outside of your agency.

How can I learn more?

The Arizona Management System website was created largely to serve as a resource for state employees. You can stay informed about our progress in leading this initiative as well as find resources to assist you in learning and implementing Lean. In addition, you can expect to hear more about this initiative from your agency director in the weeks and months ahead. The Governor's Transformation Office is another valuable source of information, and many agencies have begun establishing an in-house Office of Continuous Improvement to offer direct, hands-on expertise in leading Arizona government's transformation.

Arizona Management System FAQs

Here are some suggested readings that may help get you started:

- **Extreme Government Makeover** by Ken Miller:
If you only choose one book on our list of suggested reading, please make it this one. It's written by a former state employee who knows firsthand that the house of government is broken and in need of a serious makeover.
- **We Don't Make Widgets** by Ken Miller:
A foundational "must read" for any government worker trapped in dysfunctional systems and looking for a better way to get the work done.
- **Government That Works** by John M. Bernard:
You can't win if you're not keeping score, and Arizona government has started to keep score. If you want to understand how we're doing it, then you'll want to read this book.