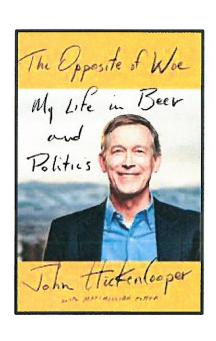




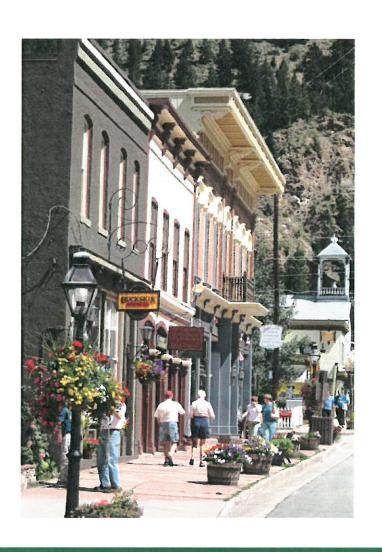
# Cut the Burden

Regulatory reform in Colorado



"We are pro-business, but with the highest standards."

-Governor John Hickenlooper Governing Leadership Forum, August 2017



- Colorado economy growing with 2<sup>nd</sup> lowest unemployment rate in country
- Balancing growth with concerns of small businesses and rural areas



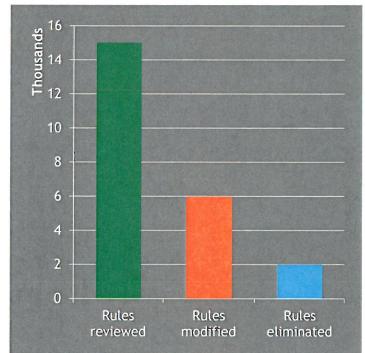


Early efforts: Pits & Peeves

Rules Review

• 15,000 rules reviewed

- · Over 2,000 repealed
- · Over 6,000 modified
- Engaged stakeholders from more than 100 business and community groups to **Cut Red Tape**



# Today: Governor's dashboard



Cut the Burden of government regulations



#### Cut the Burden

#### How do we measure success?

- Ensure that all Departments with rulemaking authority (12) certify annually that stakeholders have been engaged early for every rule
  promulgated.
- Ensure that all Departments with rules or requirements impacting businesses (14) 'Cut the Burden' for businesses to comply each year, as measured by time saved or costs avoided
  - Costs avoided total at least \$7 million in FY17, such as removing a dairy cattle vaccine requirement that is no longer necessary
  - o Time saved totals at least 250,000 hours in FY17, such as reducing the number of pages on a construction permitting form

Status	Outcome Measure	Outcome Baseline (June 2015)	Actual (June 2016)	Outcome Target	Target Date
<b>&gt;&gt;</b>	Early stakeholder engagement on rules	0 of 12	12 of 12	100% (12)	2016
0	Compliance burden reduced	0 of 14	TBD	100% (14)	2016





# Lean as a regulatory reform tool

- · Colorado Lean program yields
  - Cost savings
  - Time savings
  - · Quality improvements



**SOLVE** Guide Colorado's Approach to Lean Process Improvement Version 1.0

- · Over 600 projects statewide, with many reducing regulatory burdens
- · On average, a Lean project targeting time savings has reduced cycle time by one-half!

# Lean example

Time to get a Pharmacy license



Before Lean 115 days After Lean 25 days



### \$9 million

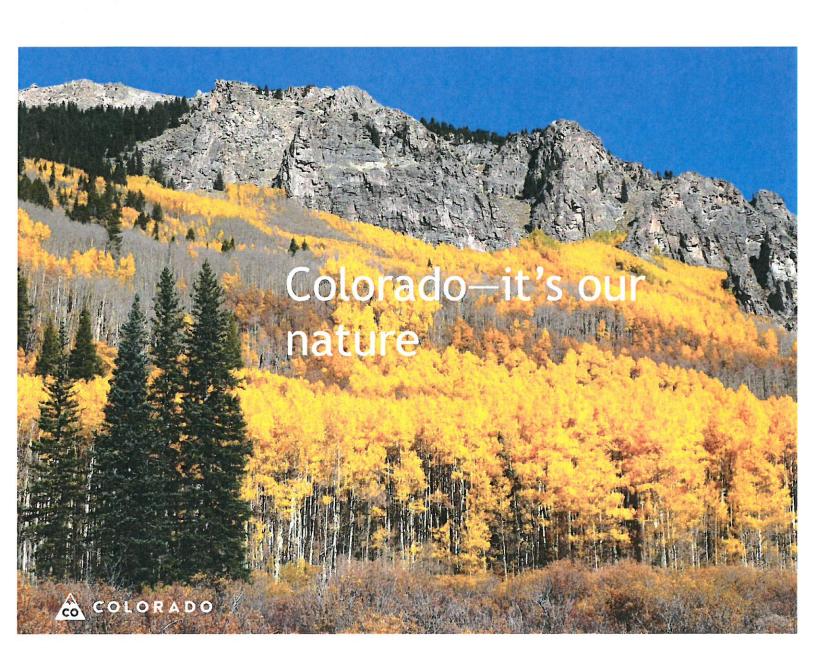
Cut the Burden results for FY17 include more than \$9 million in cost savings per year. For example, cattle ranchers now pocket an additional \$1,500 from reformed immunizations.

### 2.5 million hours

Cut the Burden results for FY17 include 2.5 million hours saved per year. For example, funeral homes, coroners, and physicians can now file for a death certificate electronically instead of the cumbersome paper- and mail-based process. And small engineering firms can now bid for CDOT projects with a simple 5-page proposal, saving firms 120 hours each proposal and fostering more competition.

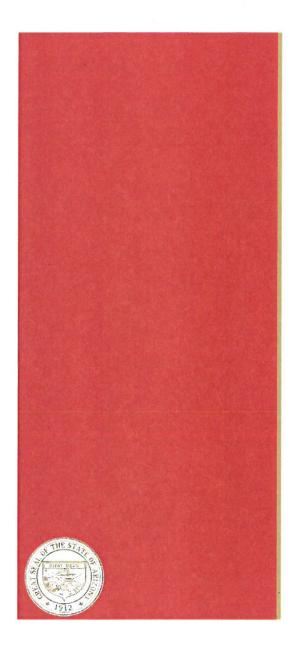


A COLORADO



### **The Arizona Management System**





In the 1700's, our founding fathers intentionally designed the democracy.

In 2017, Arizona is intentionally designing the bureaucracy.

#### **AMS Defined**

The Arizona Management System is an intentional, results-driven methodology that includes:

- 1. Measuring performance
- 2. Training state leaders and managers
- 3. Disciplined problem solving





Visual Management: Performance & Process Adherence

0

Tiered Huddles & Huddle Boards

Leader Standard Work

Gemba Walks

Andon Response

One-On-One Coaching

PROBLEM SOLVING

BEHAVIORS

LEADER

**Process Standardization** & Standardized Work

**Basic Problem Solving:** All Employees

Intermediate Problem Solving: **Managers & Select Employees** 

**Complex Problem Solving: Continous Improvement Staff**  GOAL - priority mission outcome an agency seeks

METRIC - the actual score measured at a given point in

TARGET - a measurable item that defines the status of achieving the goal

BUSINESS / PERFORMANCE REVIEW - The foundation of the management system, this comprises a review of the agency performance metrics and countermeasures, financials and business breakthrough projects.

VISUAL MANAGEMENT - The visual indicators that enable quick, informed assessment of how a process is performing whether standard work is being adhered to and if outcomes are being met.

TIERED HUDDLES & HUDDLE BOARDS - Brief daily or weekly meetings performed by teams using visual management to reflect on performance, identify and solve problems and commit to making adjustments. The tiered structure facilitates communication and problem solving at each level of the organization.

LEADER STANDARD WORK - The maintenance system for processes and the overall management system. It is the written plan that ensures leaders model AMS behaviors and provide coaching to teams. The plan includes Gemba Walks, Andon Response and One-on-One Coaching.

GEMBA WALKS - The personal observation of work by leadership for confirming standardized work and providing coaching.

ANDON RESPONSE - The Andon is a communication tool that announces a process problem at the place and time it occurs so that leaders provide support in a timely, effective manner.

ONE-ON-ONE COACHING - The regular cadence of discussion between managers and staff for the purpose of developing employees and providing regular feedback.

STANDARDIZED WORK - The documented current one best way to perform a process. It is the foundation for the Plan-Do-Check-Act cycle of continuous improvement.

BASIC PROBLEM SOLVING - A simple and effective set of problem solving tools that everyone in the organization is expected to apply as problems are surfaced.

INTERMEDIATE PROBLEM SOLVING - This builds on the basic problem solving methods with a structured approach to identifying and documenting root causes and potential countermeasures. Problem solving at this level is documented using an A3.

COMPLEX PROBLEM SOLVING - Advanced skill sets and tools for breakthrough or high-impact, cross-agency projects involving staff trained in Lean/Six Sigma techniques.

#### **Private Sector**

Investors

**Board of Directors** 

**CEO** 

Vice-President

**Products and Services** 

Customers

ROI = Profit



Private Sector	Non-Profit Sector	
Investors	Donors	
<b>Board of Directors</b>	<b>Board of Directors</b>	
CEO	Executive Director	
Vice-President	Program Manager	
Products and Services	Products and Services	
Customers	Those who consume non-profit's services	
ROI = Profit	ROI = Disaster relief, charity, education, etc.	



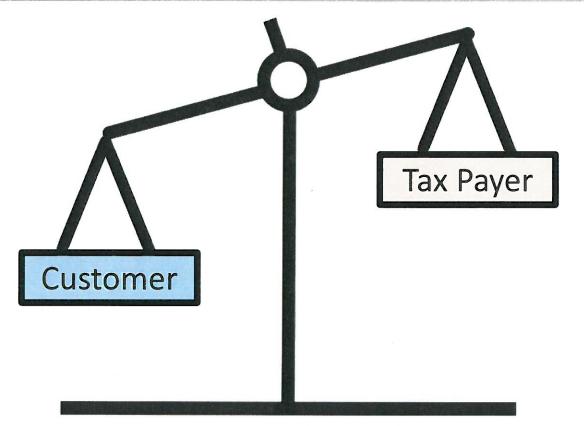
Private Sector	Non-Profit Sector	Public Sector	
Investors	Donors	Tax Payers	
<b>Board of Directors</b>	<b>Board of Directors</b>	Legislature	
CEO	Executive Director	Governor	
Vice-President	Program Manager	Agency Director	
Products and Services Products and Services		Permits, Approvals, Reviews, Reports	
Customers	Those who consume non-profit's services	Applicants, Regulated Community, End User	
ROI = Profit	ROI = Disaster relief, charity, education, etc.	ROI = Social outcomes, agency mission	



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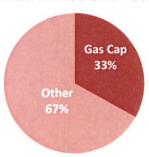
### The customer is not always right

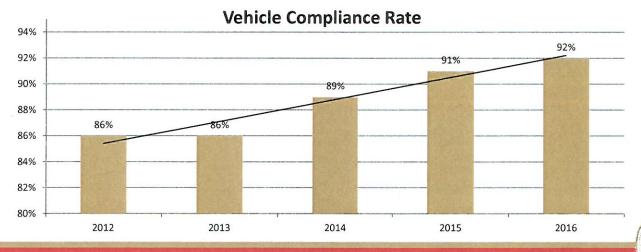


### Gas Cap Replacement Program



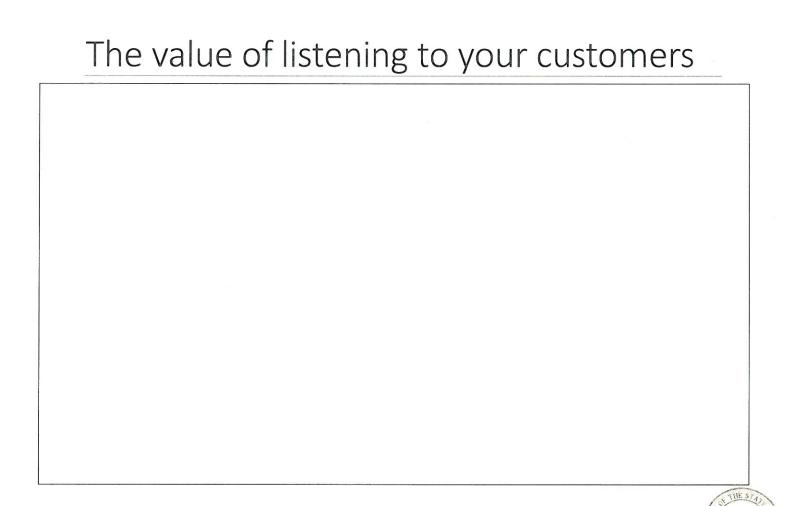


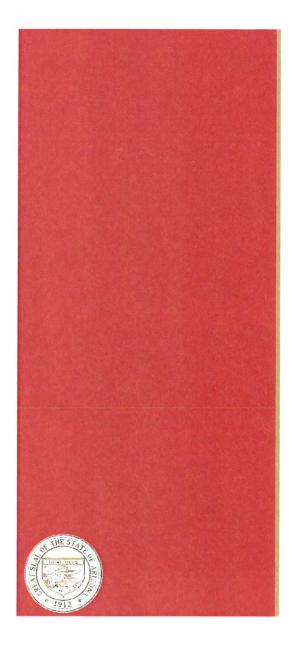




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ARIZONA MANAGEMENT SYSTEM





Thank you,

Ben Henderson

Deputy Chief of Operations

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ARIZONA MANAGEMENT SYSTEM