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Podcast Transcription

Implementing Lean Marketing Systems

Operational Excellence in Government

Guest was Hundley M. Elliotte

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Hundley M. Elliott is the global lead for the Process Performance group within the Accenture Process & Innovation Performance service line. He has more than 15 years of consulting experience, focusing on managing business value, setting strategy, identifying customer needs, and identifying and implementing improvement opportunities in diverse business sectors. Previously, Mr. Elliott worked for more than a decade in the corporate sector, holding sales, marketing and general management positions with a leading pulp and paper manufacturer and with a plastics company. He is based in Atlanta.



Accenture is a global management consulting, technology services, and outsourcing company, with more than 223,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments.

Hundley is one of the authors of [Building High-Performance Government Through Lean Six Sigma: A Leader's Guide to Creating Speed, Agility, and Efficiency](#). It features case studies from the public sector, including federal, state, local, agencies, bureaus, and departments. This unique guide takes you inside government organizations, where high performance "anatomy" is already making a difference. High Performance Government provides a proven method for adapting to the "New Normal" of lower budgets by showing you how to do even more with even less—creating a learning, working environment that reacts to change.

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Joe Dager: Welcome, everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Hundley Elliotte. He is the global lead for the Process Performance Group within the Accenture Process and Innovation Performance Service Line.

He has more than 15 years of consulting experience, focused on managing business values, setting strategy, identifying customer needs, and improvement opportunities in diverse business sections.

Hundley is the co-author of a new book, "Building High-Performance Government through Lean Six Sigma." I would like to welcome you. Why did you label it for the government? It's a pretty good book for anyone.

Hundley Elliotte: Well, good morning, Joe, and thanks for having me. I think the concepts in the book are for anyone. But I've been working with various government agencies as well as private-sector companies over the past 10 years or so, and I've seen some really enormous results in applying these concepts in government and helping them understand how to better achieve their mission, with the same or less budget, become more efficient, and that's why I think they apply broadly in government and can have an enormous impact.

Joe: It's a pretty pragmatic book. I thought it had some very great examples in it, and it broke it down into three different segments...and it's an easy read. I have to compliment you on it.

Hundley: Thank you, Joe.

Joe: When we talk about high performance in government, on the surface it sounds great, but is it really practical?

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Hundley: Well, I think it's very practical because governments operate in a world of complexity. So they have lots of oversights. The size and scale of them are enormous.

It's even more important for them to be focused on productivity and efficiency and who's the end customer and what's important to them, some of these basic concepts that we've applied in the private sector for many, many years.

So yes, I think it's very practical, and it can have a very profound impact, both in the short term and the long term. If you think in the short term, just think about something like claims processing or issuing driver's licenses.

The consumers of those services want to come into a government office, apply for a driver's license, get it done very quickly, not have to wait in line a long time, be able to understand upfront what they're supposed to bring in order to achieve what they're trying to achieve.

That's all about speed and eliminating waste and being productive. I think government agencies can apply these concepts and delight their customers in being able to provide a lot more services for the same cost.

Joe: Listening to you talk, you bring a lot of the private-sector words into it. Are you really trying to get the government to think like the private sector? Is that a fair analogy?

Hundley: What we're trying to do is to really adapt some private-sector concepts, like Lean Six Sigma and like operational excellence and execution, into the government sector.

It's important to adapt because governments are organized and incented very differently than private-sector companies. But at the end of the day, they are a collection of people who are

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executing a whole bunch of processes to provide their mission or the outcome for their client, right?

So the basic concept is the same. The environment's different. We have to be able to adapt those tools to work in the environment and the culture of government.

Joe: What is one of the biggest differences in working with the government versus the private sector?

Hundley: One is the structure. The government tends to be structured in a way that's kind of vertical and siloed, and because of the scale, it's hard to see all the way to the end when we produce a product. So that's a bit of a challenge.

I think, because of that structure, also, aligning leadership to making big change is something you have to spend a lot of time and a lot of focus on, because let's say, for instance, in the US Army, take a category of goods like food.

That cuts across many, many organizations in terms of setting the requirements, procuring it, storing it, shipping it, and you really need to have that end-to-end view to be truly effective.

That's probably one of the bigger changes is orienting that end-to-end view that cuts across organizations and functions and understands how things kind of fit together rather than just throwing it over the wall.

Joe: You hit a key point there that I'm thinking about. Governments struggle to really know who their customer is sometimes, don't they?

Hundley: I think that's a great first question. If you're thinking about applying Lean Six Sigma, to whether just a government office that's providing driver's licenses or a whole government agency, it's just to start with, "Who's our customer? What's

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important to them? How can we start to deliver that immediately?"

A lot of times what customers want is just speed and accuracy, and those are things you can start to build into your processes immediately, by reducing waste, rework, reducing the complexity of how we operate and how we make decisions. You can start that stuff from day one.

Joe: One of the things I think about also is that hierarchy, that structure in government that's there. If we instill Lean Six Sigma into the process, are we instilling a whole nother hierarchy? Are we sitting there creating a whole other quality apparatus, kind of a big brother to look over this one?

Hundley: No, not at all. We don't want to change the structure of government. Governments are typically structured for good reasons, the checks and balances and the oversight and all of that.

What we're trying to do is help governments understand how processes cut across and, ultimately, who is the customer, what are we delivering to them, and how do each of the organizations that stack up there provide that.

That it's really about transparency and awareness of where processes fit in the scheme and how we can make them operate more efficiently. So it's just a bit of a different view. Certainly, there's no need to change any structure. It's just to be aware of how processes actually deliver the output that we're on the hook to do.

Joe: In the book, you pointed out certain places in government that this is already being applied and already working. Could you name a couple of the cases that are highlighted in the book?

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Hundley: Well, I think one of the great ones is, because it ended up saving so many lives...in fact, I saw an article just last week where Secretary Gates, the outgoing DOD secretary, commented on MRAPS, the mine-resistant vehicles, and how that's saved so many lives.

When the MRAPS were ordered to be fielded in 2007, Lean Six Sigma was applied. They actually applied a Lean production system in the main plant that was processing the mine-resistant vehicles. They had a target of 50 a day. They started at one a week and they applied a Lean production system to ramp that production up to 50 units a day and achieved their production targets, get the vehicles to the field faster and save lives faster.

It's a great example of applying, really, a private-sector concept, adapting it to that government environment, and having really astonishing results. I believe that was actually the fastest weapons-system ramp-up since World War II. So it was quite an achievement in today's environment.

Joe: When people think about quality, I think about improvement, improvement of quality systems, efficiencies in different things. It's not necessarily just a cost-cutting-type thing, is it?

Hundley: No, actually, we've seen the best results actually focused on mission outcomes. So, whether that's streamlining the time to repair equipment, or whether it's improving the uptime of an airplane, or whether it's speeding the processing of mail, I think the best focus is on achieving the mission faster, more reliably, more accurately.

Then cost tends to be a byproduct of that, and you can make resources more efficient and apply them in different parts of the business. But I think that I would actually focus, at first, on your customers and on the outcome and on the mission, versus taking

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a cost focus. I think it has a better impact. I think you get buy-in at the organization.

Joe: Lean always got connoted with waste and reducing waste and taking the low-hanging fruit. But I always looked at Lean as more of the continuous-improvement-type, cultural-type aspect of it. Waste was a byproduct of it because it was about creating that speed and really giving you time to be able to do other things, to improve what you're doing, because you have excess time then. And I always thought that was probably the best benefit of applying Lean, and I think you kind of agree with that, from what you just said.

Hundley: I totally do. I think just focusing on speed of the process can have an amazing impact and is something that you can start to do right away.

Speed of process has so many secondary benefits that, typically, the faster you do something, the less non-value-added steps, the less waste that are involved, less time for errors to happen, less time for misalignment with requirements. So, focusing on speed is a great outcome to start with.

Joe: Don't think there's anything that adds to speed better than clarity, and I think that's what putting a process in does for you. And I think the tools of Lean Six Sigma are probably, maybe, the best ones to do that, is it?

Hundley: I think so. I mean, if you take just basic rules like value-stream mapping, and when you do that in a team environment... so what I mean, get all of the process participants and stakeholders to contribute to that mapping exercise and looking for areas to reduce waste... it's a real simple concept, but it can really help with that understanding of the process and buy-in that, "Hey, if I make a mistake here, it hurts Joe downstream, and he can't do his job as well."

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I think that stuff is pretty powerful to apply. And again, you can apply it in almost any environment.

Joe: When we talk about Lean Six Sigma, it takes a certain amount of expertise to implement it. How do you visualize taking Lean Six Sigma through the government? I mean, it's in pockets right now, but do you just grow from them pockets? Or how do you visualize that getting expanded in government?

Hundley: I think it depends on the government organization and where they are, what they have going on, what's the leadership bias, what's on their plate right now, what kind of challenges and issues are they facing, because it's not a cookie-cutter approach. It doesn't work well if it's a cookie-cutter approach.

If it's really critical to transform processes and really improve on speed and accuracy from an organization standpoint, and you have a very, very strong leader that wants to use that as a transformation catalyst, then I think that's great. You start with a top-down approach.

But in a lot of other situations, it's better just to start in different areas of the business, attacking specific issues. So, for instance, "Hey, let's just go focus on claims processing or issuing passports," or those kind of things, specific issues where we want to improve speed, and then demonstrate and then show other folks in the organization and get them interested and kind of grow organically from the bottom.

The important thing out of all of that is, no matter where you start, whether you start small-scale or big, top-down, is to really focus on specific issues from day one.

Again, pick something very tangible, like, "We're processing these claims, and if we do them 30 percent faster, that's going to

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create X value and X more satisfaction from our clients. Let's go do that."

To be very specific like that is very powerful because, number one, it gets you focused, gets you the results; number two, people in the organization see it and they can actually relate to it; and number three, it just kind of generates that enthusiasm and momentum to try it elsewhere in the business.

Joe: When we look at Michael George and Newt Gingrich out there making headlines with Lean Six Sigma, are they serving a need? Are they really providing a vision for something that is workable in government?

Hundley: Actually, I'm not caught up or up to speed on what those guys are talking about now. But I certainly think that Lean Six Sigma is very appropriate for government today and the challenges we face and the need to provide more mission for less cost.

I think other challenges we face are that government agencies have more pressure to be more accountable for results. They operate in a much more complex environment. And then you have the challenges that we need to operate the same or less budget.

Let me go back to that complexity issue. If you take a group, it doesn't matter which country it is, but if you take airport security screeners, they have a really tough job now because there's pretty much zero tolerance on them making a security mistake, right?

But you also have to balance that with citizens' privacy concerns. It makes it a very, very complex job for them to operate.

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You see this really across the board that complexity of the mission, having to balance different things but also being very much in the public spotlight, and everyone expecting excellence out of those folks that are doing that job.

I think that's where things like Lean Six Sigma Operational Excellence can help and bring the clarity, help them balance those complexity trade-offs and key their mission more efficiently.

Joe: I always picture the government of people who are out there changing jobs. There's two-year, three-year, four-year terms.

On the other side of the coin, when you talk about Lean Six Sigma, it's one thing to do it, but it's another thing to sustain the gains. Here you are with these terms and different things, and then here you are talking about sustainability with Lean Six Sigma. They don't really seem to match. Is there more to it than that?

Hundley: No, I think you've hit on a really good point. It is important to sustain the gains that you make by improving processes.

There are a couple of things that factor into that. I think number one, the most important thing is to capture the attention and dedication of leadership. Get them bought in on... They can apply Operational Excellence Lean Six Sigma in their business area and they can have an impact, even if you're only going to be there for two years and move on to something else.

I think another thing is that you can apply great best practices, like business process management, that really, really helps sustainability by offering things like process governance, it helps

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with repeatability and standardization of processes, the visualization of processes.

I think there's a lot of great stuff out there now that you can apply to help the sustainability of improvements that you make in business. There are a lot of tools that actually help with that in terms of process repositories and the like.

I think of it as basically a four piece equation. You need to have the strategy and a focus. You need to have some kind of process governance. You need to improve processes, and you need to sustain the gains. If you focus on those four things, then you're going to be OK tomorrow.

Joe: Are you talking about really training people in the hierarchy of say, Lean Six Sigma? Like green-belts and black-belts, should that become a part of the government, or should it always be something that is looked at as an outsourced type thing?

Hundley: I think of it, there should be a balance between having an impact, so actually improving the efficiency and effectiveness of big processes, and building the capability of the organization through things like training. That's where you get to your question around how do you visualize Lean Six Sigma? We talked about there. It's not a cookie-cutter approach.

I think getting that balance right between going out and just attacking processes and improving them and building internal capability within the government agency is a very important one.

Again, it's not cookie-cutter. You can see some situations where starting with a lot of trainings first and getting people trained and skilled up and then attacking issues may make sense. In other situations, you just need to go and deliver the mission.

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The MRAP example, I think, is an example of that, where there was a critical need to get those vehicles to the warfighters as quickly as possible. They weren't really focused on training and building capability there. They were focused on every single minute of the day how can we increase the ramp up, the capacity of the plant producing the vehicles.

Joe: Now you are involved in the global aspect of the Accenture. How does that apply to the public?

Hundley: Well I think across the globe, government organizations are looking at Operational Excellence as a way to improve their processes.

I've worked with both in North America and Europe extensively, and they're applying it.

I just was with a team that worked with immigration in France. They really streamlined the application processes and passport processes, reducing the cycle time of 30 to 50 percent. There're lots of examples even outside of the United States of effectively applying this in the process environments of agencies.

Joe: This book wasn't just written for the U.S. public sector. It's written for a worldwide public.

Hundley: Yes, it absolutely is. I think the concepts apply to really any government organization.

Joe: What did you find the difficulty in writing the book? Was there something in the government that just didn't click with Lean Six Sigma? Was there something that you maybe even left out that you're not telling us about that doesn't work?

Hundley: No, I think it all works. I think government organizations, especially in the United States because of the size and scale, are definitely different.

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I think the key differences are the size and the scale, the complexity of the mission, the fact that you have to deal with regulations and oversights and the way they're structured. You do have to think a little differently, and you have to orient what you're doing to the way governments are structured, the way they were incented. The way they culturally operate.

But once you figure that out, I think it's very applicable and can have tremendous results.

Joe: The other thing I found that the book segmented very well, that I could sit there and read one segment and then go back to it and read another. Is there a particular segment that you would really recommend for someone to take a short read to get a feel for Lean Six Sigma?

Hundley: Well, if I had to start in one area, I would probably say, how to focus on the right outcomes. How to think about whom your customer is and what's important to them. How do I align my organization to achieve those outcomes?

I think that's a great starting point because it's an easy question to ask, whether we're at a driver's license office, or we're at the top of the government organization is, "Who are our customers? What's important to them? How do we deliver against their requirements, and how do we align our business?" What I mean by that is on a daily basis, what are we doing to provide what the customer thinks is important? I think that's a great place to start.

Joe: Is there maybe something that you would like to add to the conversation that we really didn't talk about or something that you feel is important that needs to come out of your message here?

Hundley: My message would be that if you're a government organization and you're just starting to think about "Hey, should I

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apply Operational Excellence and Lean Six Sigma?" or maybe you've been doing it for four or five years and you think you have a long way to go, I would think of it as a long journey.

Because in my view, the private sector has been working on this stuff and applying these concepts for many, many decades. There are still enormous productivity gains that happen every year, a lot of that attributable to things like Operational Excellence and Lean Six Sigma.

I think the government, at least in my view; it's really just started the journey. It's going to happen over probably many, many decades. If I was sitting there thinking about, "How do I apply this stuff?" I would start with basic questions, and I would think about the short-term and long-term.

Short term, "What are some processes that are very important to our customers? We interact with our customers on a daily basis. What's important? How can I improve those?"

Long term I would think about, "What are some of the really big issues in our agency or business that we need to attack? How do we build long-term capability and get everyone in our agency thinking about process and thinking about customers on a daily basis?" That would be the advice I would give.

It's a big problem when you step back and look at it, but I think you just have to break it down and, "Hey, this is a long-haul journey. I want to make an impact, tactically and strategically, right away. Let's think about how to do that."

Joe: In summary of that, what you're saying is start thinking of things like a process and go fix something. Take something small and just start on it, but have that big picture idea out there that you're thinking of where you're going to go, but really, just get started.

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Hundley: Yeah, I think get started, but make sure you pick a process that has a clear customer outcome. That's important.

If you're just going to go focus on reducing the use of copiers or something like that, that's not really going to have a customer outcome. Focus on something that delivers a customer output and a process. There are plenty of those out there.

Joe: I think that's great advice because I think people have a tendency, this is one of the reasons that you don't get sustainability, is because they don't see the outcomes of that process driven by the marketplace.

In the private sector, you might put in a bunch of quality initiatives and improve the process, but if it doesn't bump the needle in the marketplace, it's like, why?

Hundley: Exactly. Exactly. There's a lot of processes that you can focus on that will reduce the cost for instance. But it's just as easy to find one that will delight customers and help you achieve your mission and reduce costs. That's where I would go.

Joe: I'm a tool guy and a gadget guy all the time. I have a pile of software behind me that I don't use. But your PVC schematic, I don't know if I've ever seen that before. I thought that was laid out a little bit differently. Is that something that is particular to government that you put into the book?

Hundley: The PVC, or prime value chain, we actually created that tool to help organizations get that end-to-end view. If you take the example in the book, that's the munitions prime value chain, and it actually cuts across an enormous amount of functions and agencies.

There's a whole set of agencies in the Pentagon that do requirements. Then there are the acquisition and procurement

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organizations that procure all the stuff. Then there's the logistics organizations that store it and maintain it. Then there's the transportation.

The way they're structured is, they're all different organizations and commands, with different issues, different objectives.

We created the prime value chain to show that munitions from end to end, is really a business that you ought to look at, and all of those organizations ought to get together and have that same view and understand how you sync up requirements to procurement, to logistics to shipping. It's a very effective tool to show leaders really that, again, that end-to-end view of the business.

Joe: I was intrigued by it. I hadn't seen it before in other publications, and it caught my eye right away.

Hundley: It's been very effective. The prime value chain has been very good targeting tool for government leaders to look across and say "Hey, we really need to focus on our requirements accuracy and what that drives, and getting alignments across different organizations on focusing on issues like that." We've found a lot of use for it.

Joe: Really it's like a big-picture snapshot or maybe someone looking at, in financial terms, a balance sheet.

Hundley: I call it business on the page, end-to-end business on the page. Then from there you can certainly drill right down into the big core processes that are underneath.

But sometimes it helps just to start with that big picture of the business and align folks on "Hey, this is the definition here," even though we may be structured in ten different organizations. End-to-end, we're all one business flipping one outcome; in that

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case which is the right munitions to the right war fighter at the right time.

Joe: If someone would like to learn more about Lean Six Sigma in government, where would you direct them to?

Hundley: I think the book itself is a great start. It's a fast read, and it doesn't go into great depth, but it gives you a lot of great concepts, a lot of questions to ask in your business today.

Joe: It's a good airplane book; It's a read that you don't have to sit there and thumb through and go back to. You can read it and digest a lot of information in your first sitting with it.

Hundley: Right, right. We try to leave the formulas out.

Joe: I think you did a great job with that. I'd like to thank you very much, Hundley. I appreciate the time that you gave me here. This podcast will be available on the Business901 Blog site and also the Business901 iTunes Store. So, thanks again.

Hundley: Thank you, Joe.

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What others say: *In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches, and Re-Launches. As a Lean Six Sigma Black Belt,** Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and, as a result, better execution. My goal is to allow you spend your time on the **need versus the plan.**

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