

WisDOT Lean Government Initiative Status Update



June 10, 2014

WisDOT Board of Directors



Lean project results



Simplify the IT Hardware Purchase Process

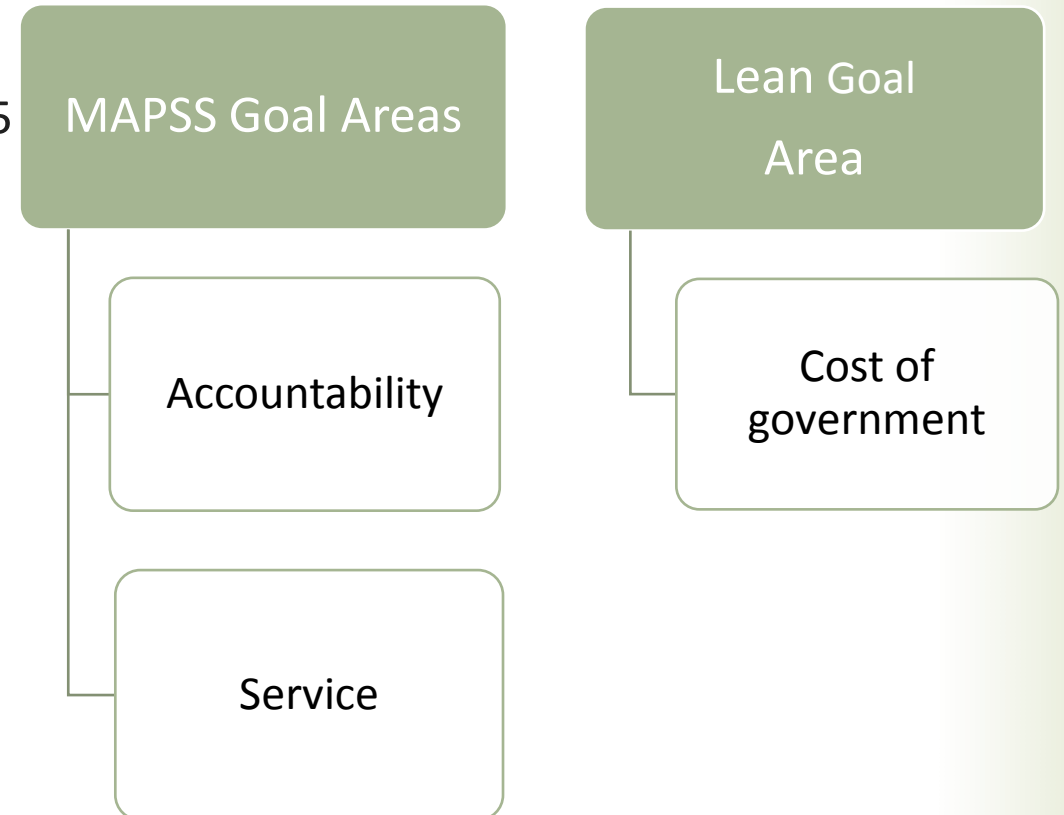
Lyman Fuson

Division of Business Management

Issue and goals – Simplify IT hardware purchase process



- Currently, IT hardware is procured using the purchase order (P.O.) system
 - Processing costs are estimated to be between \$75 and \$125 per purchase order
 - The current IT hardware purchasing process involves 17 steps and takes at least two days
- Procurement cards (p-cards) are a low cost convenient method of purchasing low-cost goods including IT hardware
 - P-card procurement is quicker and involves less steps than the traditional P.O. process
 - Of the approximately 3,000 IT hardware orders currently procured using a P.O., 2,000 could be done using a p-card
- Project goals
 - Reduce the number of process steps from 17 to 4
 - Reduce administrative costs associated with IT hardware procurement



Results and next steps – Simplify IT hardware purchase process

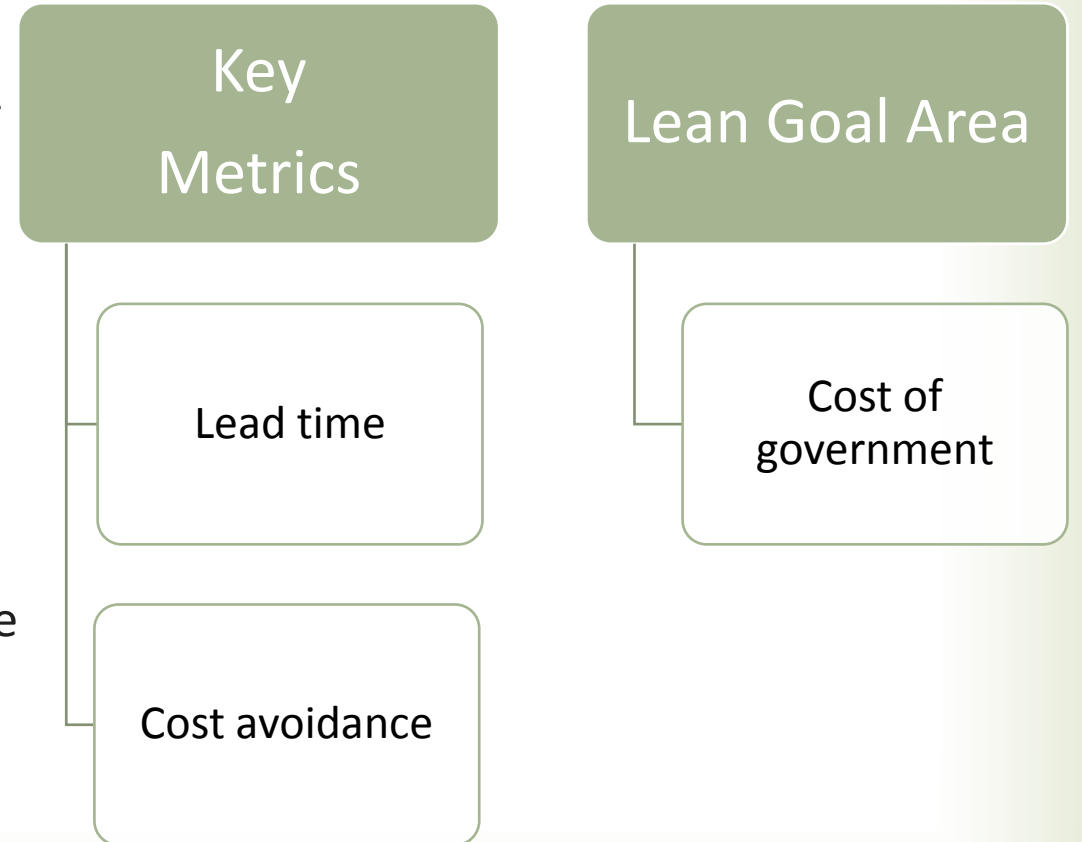


Results

- Will reduce the number of process steps from 17 to 4
- Will reduce the processing time from at least two days to less than one
- Will save between \$150,00 and \$250,00 in administrative costs annually

Next steps

- The Procurement and Distribution Section will work with the Bureau of Information Technology Services to activate the p-cards and determine the appropriate charge limits
- Annually, procurement staff will monitor the number of P.O.s avoided to ensure the resulting gains are sustained



Lessons learned



- ❧ Strong communication between program staff and the procurement staff is essential to achieving and sustaining improvements procurement process
- ❧ The limitations of legacy systems can create challenges to streamlining existing processes

Lean project results



Operating Budget Process

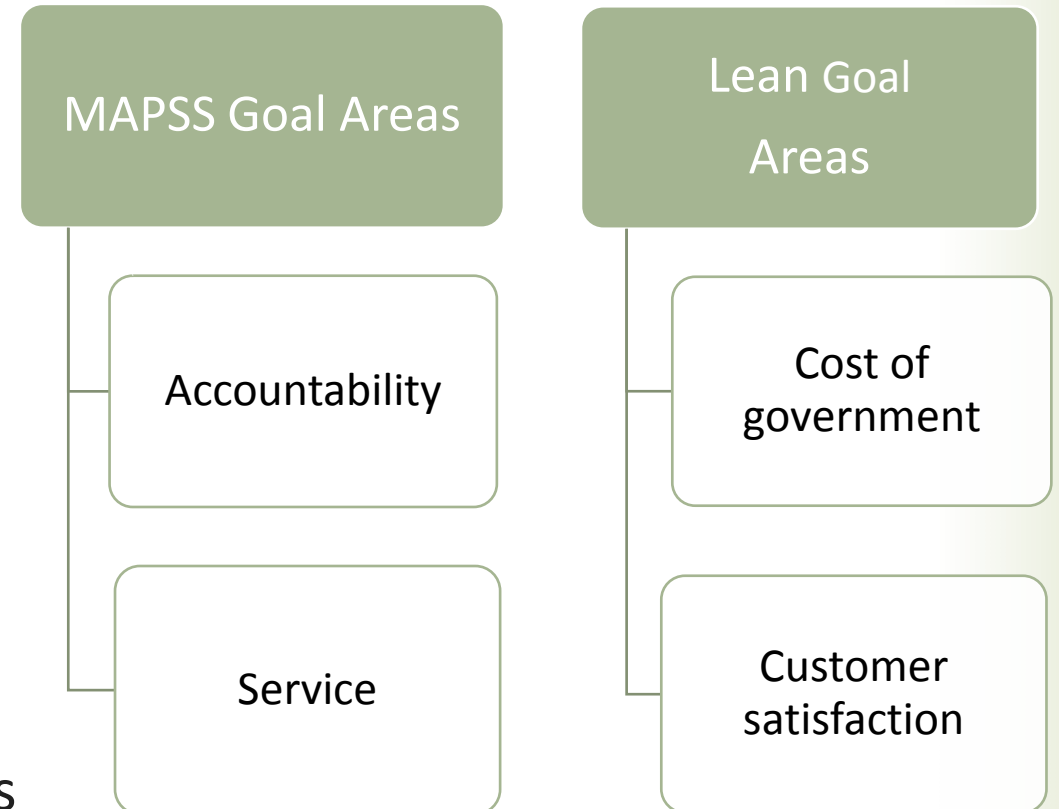
Lori Richter

Executive Offices, Office of Policy, Budget and Finance

Issue and goals – Operating budget process



- Proper management of the operating budget ensures resources are effectively and properly expended for their intended purpose
- An effective operating budget process improves our ability to:
 - demonstrate proper management of funds
 - meet the needs of internal WisDOT customers
- Improving the mid-year operating budget review process should result in fewer unnecessary steps, reduce opportunities for input errors, and allow staff to devote more time to address real problems



Results and next steps – Operating budget process

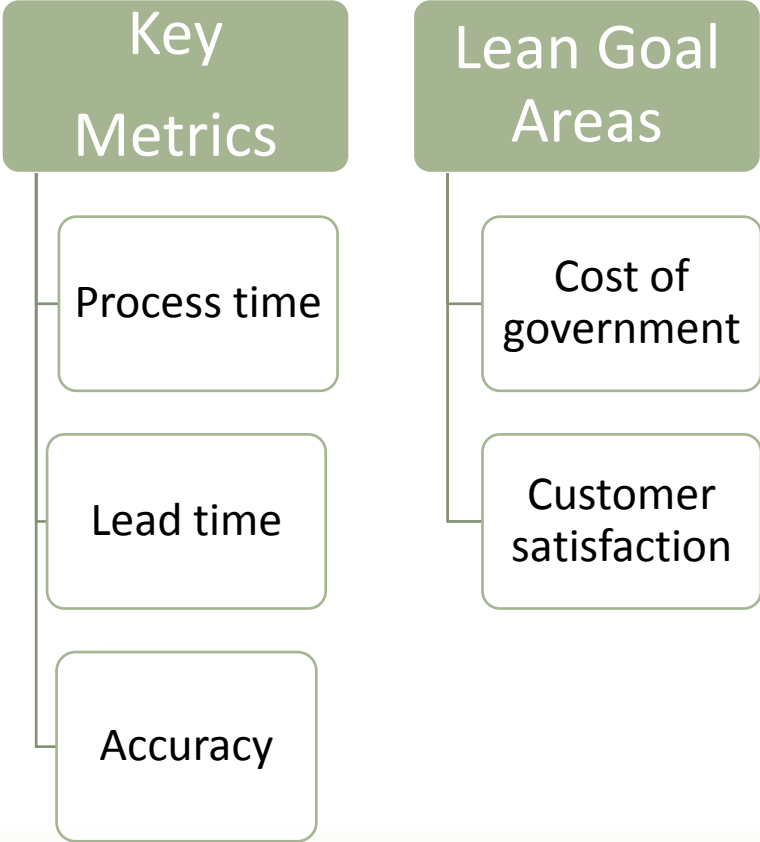


Results

- Reduction in total department-wide process time by 78 hours per review (156 hours annually) – a 36.7 percent improvement
- Reduction in total department-wide lead time by 72.5 percent (the equivalent of 143 staff days per review)
- The team expected to see a reduction in the number of non-value added steps – improvements varied by division since the processes before the improvement were different
- Three divisions (DSP, DTIM, DBM) saw gains in rolled first-pass yield

Next steps

- Implement Transportation Administrative Manual changes by 06/30/14
- Investigate OPBF providing divisions with some flexibility to centralize budget lines as part of the next ASR set-up
- Investigate the possibility of OPBF budget analysts making operating budget adjustments on behalf of their assigned divisions by June 2015
- Explore opportunities for further efficiencies through ERP



Lessons learned



- ❧ The reasons “WHY and HOW” we do things may change over time. One of the lessons we learned from this project was that this process was being used for multiple purposes.
 - ❧ Some reasons, such as communicating emerging issues, could be more efficiently handled through other means.
 - ❧ Others, such as handling line transfers, could be streamlined and standardized.

- ❧ “... 1st Mid-Year Operating Budget Review is complete, all of the operating budget workbooks and accompanying line transfer requests have been completed and checked in to the SharePoint site... I must say this is a **significant** improvement over the old process- I’m impressed!”

WisDOT Lean Government Initiative Status Update



June 24, 2014

WisDOT Board of Directors



Lean project results



Addressing Trns.port 1st Priority Funding Issues

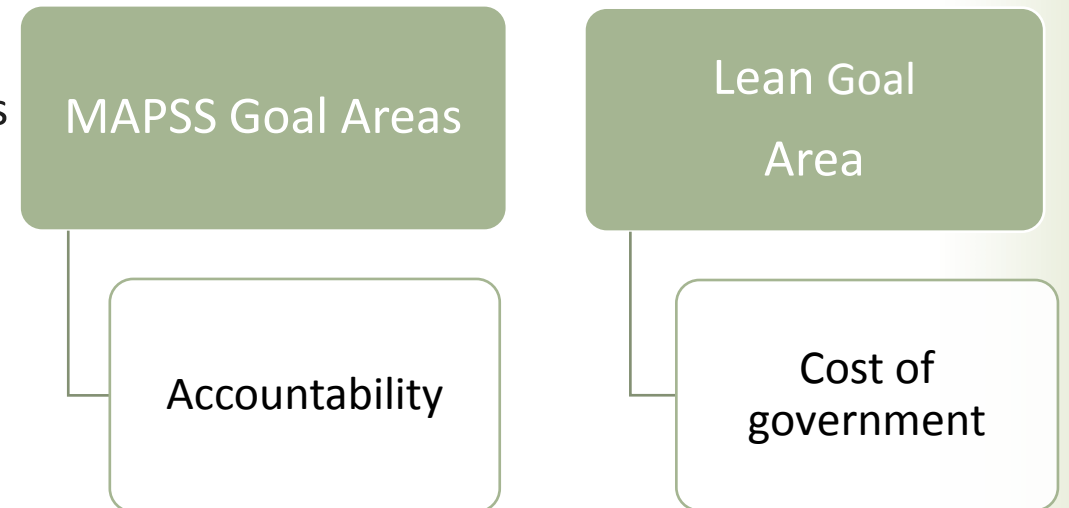
Scott Janowiak

Division of Transportation Investment Management

Issue and goals – Correct/prevent project set-up errors in Trns.port to ensure correct billing



- ❧ A known issue existed within the Trns.port PES when there is federal funding outside of the 1st Priority in a category
 - ❧ Must manually check “Federal Funding” box to ensure correct billing
 - ❧ Potential for FHWA to not be billed on applicable categories
 - ❧ Need correction until arrival of PeopleSoft
- ❧ Factors include complicated financial systems and employee turnover
 - ❧ 243 authorized project categories, 24 unauthorized categories
 - ❧ Estimated potential \$5M annual impact
- ❧ Project goals
 - ❧ Identify and correct 100% of affected project categories
 - ❧ Implement automated and manual process adjustments



Results and next steps – Correct/prevent project set-up errors in Trns.port to ensure correct billing

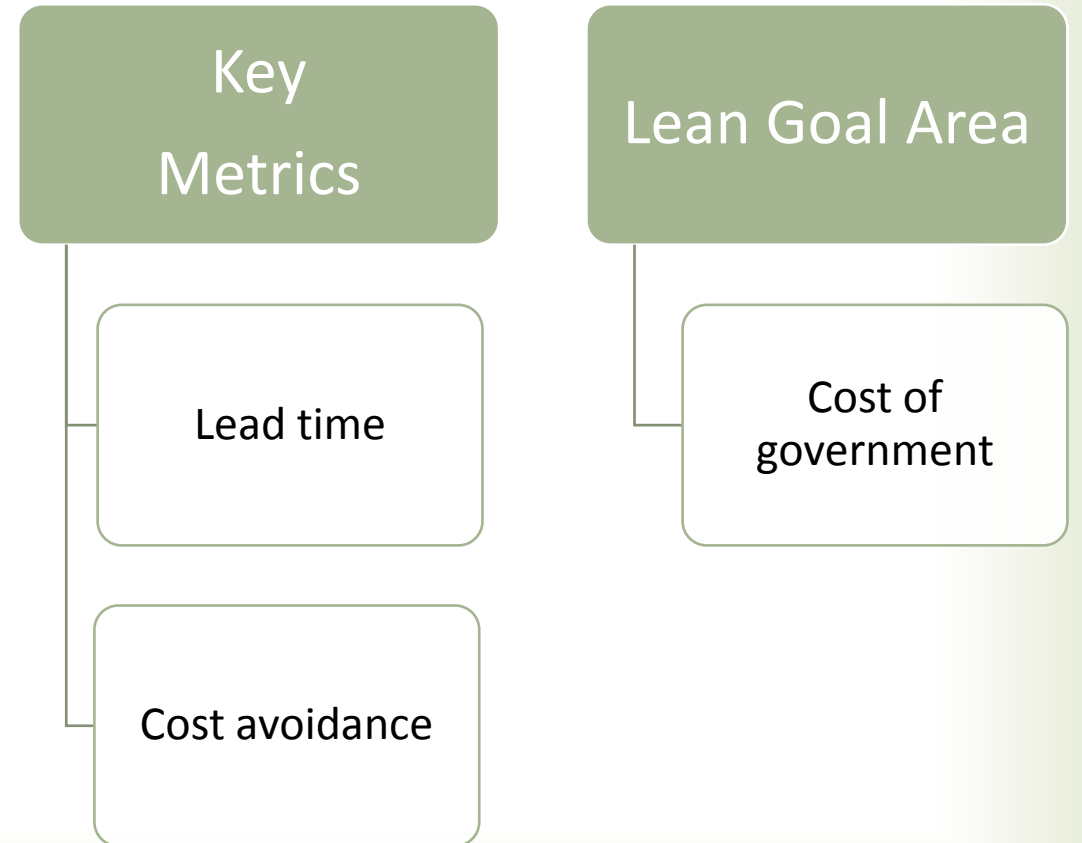


Results

- 100% correction of 267 affected project categories
- 150 staff hours redirected to other responsibilities
- Implementation of automated and manual process changes

Next steps

- Operate within existing system until completion of STAR project



Lessons learned



- ❧ Newfound attention to (and appreciation of) project set-up details and their impacts on downstream outcomes
- ❧ Constraints of legacy systems force working around them rather than with them. The completion of the STAR Project and implementation of PeopleSoft will bring a sense of confidence to the depths of WisDOT's financial systems.



Questions & Comments



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Lean results are published to: <http://www.dot.wisconsin.gov/about/performance/lean.htm>