

Overview

- About Fredericton
- Current Realities
- Lean Six Sigma
(Improvement & Innovation at COF)
- Our Projects
- Successes To Date
- What We Have Learned
- Future



About Fredericton

- Provincial Capital of New Brunswick
- Centrally located in the province on the banks of the St. John River
- Population:
 - 56,224 (City*)
 - 94,268 (CA*)
 - 124, 172 (Region)
- Size: 51 mi² / 132 km²

*2011 Census



About Fredericton (con't)

- Centre for knowledge-based industries in New Brunswick
- University / Government Town
- Home to 60 R&D organizations
- Most engineers per capita in Canada



City Departments

- Chief Administrative Officer, including City Clerk / City Solicitor
- Six Departments:
 - Engineering & Operations
 - Finance & Administration
 - Growth & Community Services
 - Information, Improvement & Innovation
 - Public Safety (Fire & Police)
 - Strategy & Consulting
- Employees – 700 full-time / 300 seasonal
- Deliver 60+ municipal services to the citizens of Fredericton.



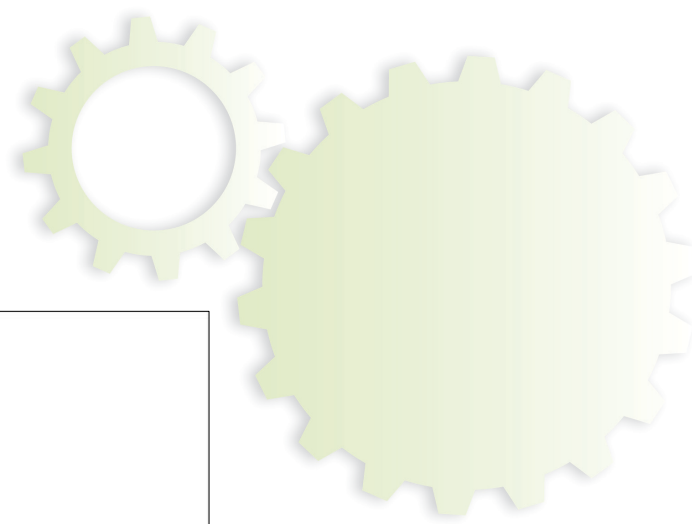
***Contributing to quality of life in our community,
In a planned and financially-responsible manner.***

Budget 2013

- General Fund Budget:
 - \$104.1M general operating fund
- Water & Sewer Budget:
 - Self-funded from user rates
 - \$15.1M water & sewer utility fund



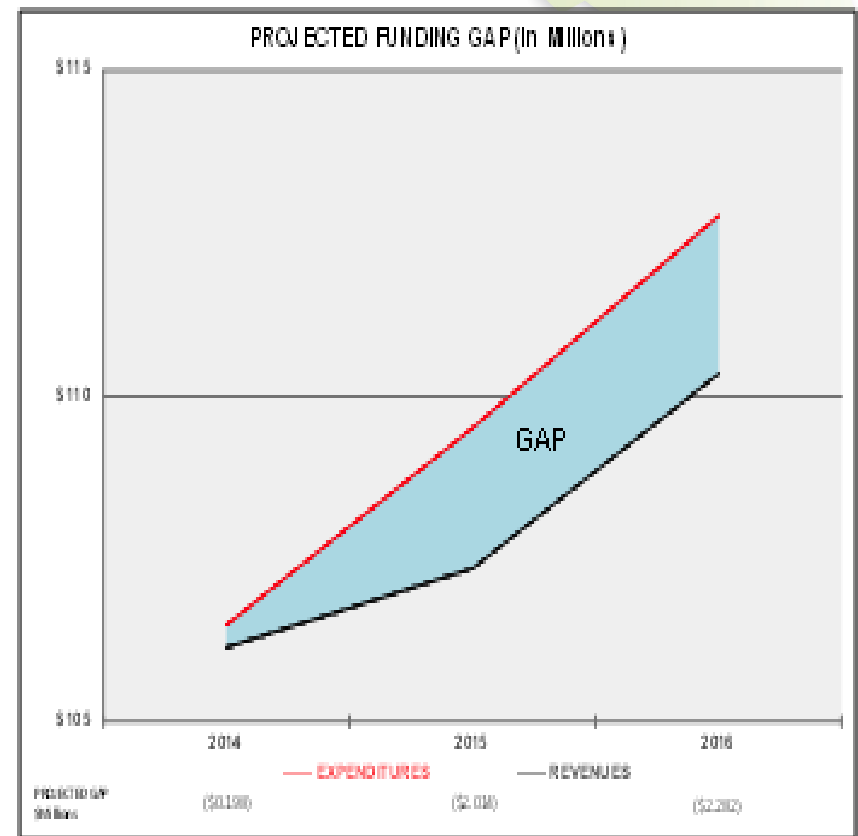
Total Value of Assets:
\$533,620,612
(2011 Statistic)



Current Realities – why did we need a change in our culture?

Funding Gap

- Like governments around the world, the COF is facing financial challenges.
 - Unconditional Grant cut (\$4.5M)
 - Expenses are rising faster than revenues (economy slow to recover)
 - The cost of Public Safety
 - Infrastructure and Pension Deficits
 - 52% of Budget is personnel



How did we change direction?



- Series of interviews with Council, senior staff & external stakeholders
- Heard their comments; observed, weighed them against corporate knowledge
- Little opportunity for staff input, complacency, set in our ways, silo's, wake up call was in order.
- Announced restructuring in June 2012
 - Goals of reorganization:
 - Facilitate rapid change, there needed to be urgency (layoffs)
 - To reduce workforce by 5% over three years (2013-2015) through attrition.
 - Improvement & innovation efforts using Lean Six Sigma
 - Created Public Safety Department with Civilian Director

Improvement & Innovation (I&I) Strategy



- Change the culture of work
 - Continuous improvement is what everybody does every day
 - Seek out innovative ideas
 - `no new money`
 - Everyone must know what waste is and how to shed it from our processes.
 - Bias towards “yes” and “action”
 - Adopting standard work
 - Give people opportunities to grow and develop

I&I: Support System



- Steering Committee from the CAO office
- Strong and clear direction with supporting budget to fund training
- Working Committee with reps from all Departments
- Mayor & Council support – everyone must play – no free passes
- Support from the top is mandatory if you are to succeed.
- Annual Lean Summit in Portland, Maine
- Partnership with New Hampshire State Police
- Mississauga – we want to work with others doing this work

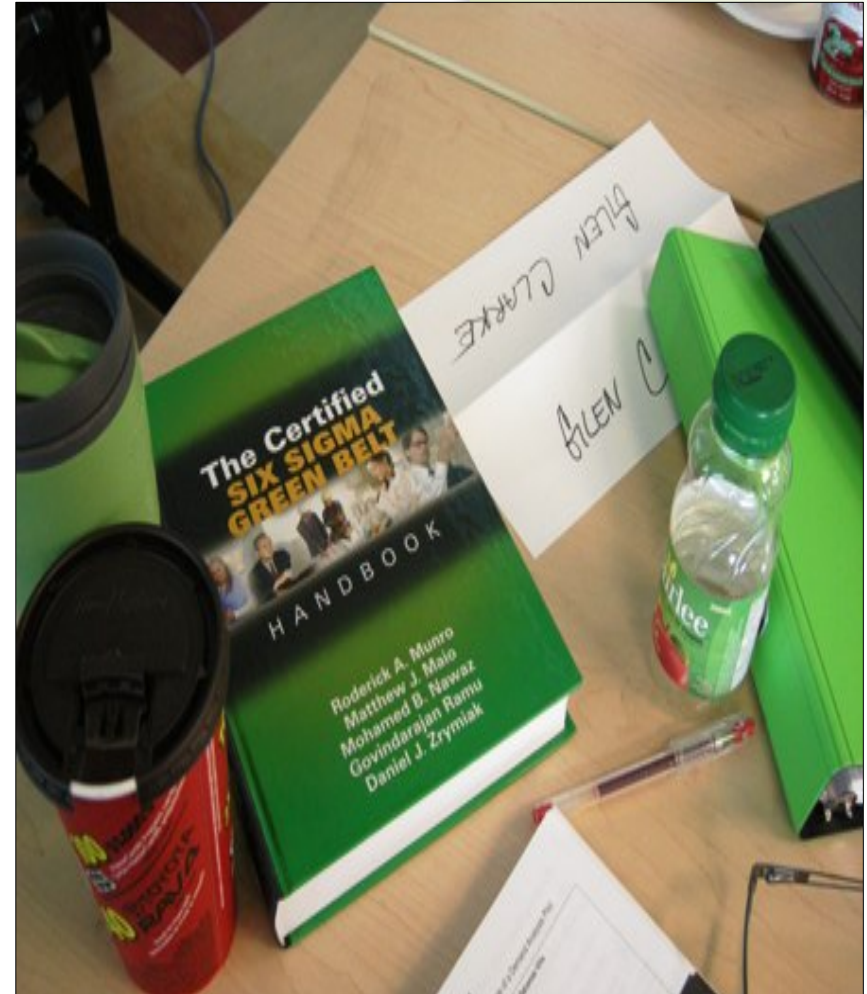
I&I: Building Capacity

- To achieve success, needed to build capacity to support I&I efforts
- Brought in experts to train staff and build internal capacity
- Training delivered to:
 - Directors (7)
 - Managers (45)
 - Finance employees (12) – Money belt training
 - 65 employees took Waste Walk training



I&I: Improvement Facilitators

- Black Belts - 11 (5 FT / 6 PT) employees trained as L6S Black Belts
 - CAO, Assistant CAO, Chief Information Officer, Union President, plus others from other levels of the organization trained as Black Belts
- Green Belts - 14 (all PT) employees trained as L6S Green Belts
- Waste walkers (65) -more being trained in June



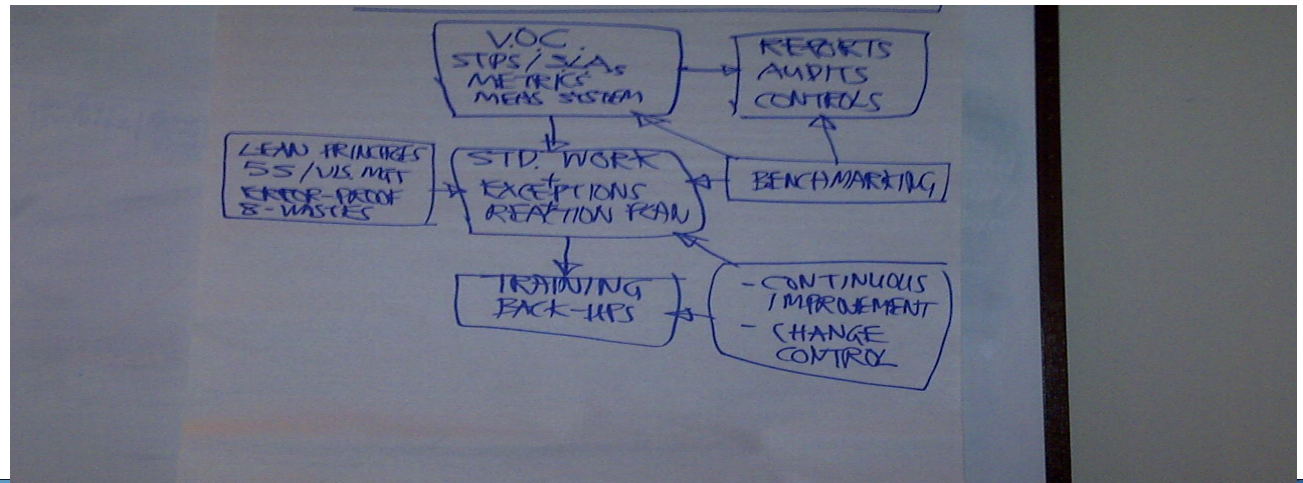
I&I: Improvement Facilitators (con't)

- Full Time I&I Facilitators
 - Seconded for two year period
 - Not backfilled
- Part Time I&I Facilitators
 - Committed for two year period



I&I: Financial Goals

- Savings targeted in 3 years = 4.5 million (L6S, Budgeting for Results and Workforce reduction)
- Follow the Money
- Focus on VOC and continuous improvement – what do our customers want and what are they prepared to pay for?
- No layoffs!



I&I: Communication



What is a Waste Walk?

As has been previously communicated, Level 1 improvement projects – or Waste Walks as they are sometimes called – are “just do it” type activities where managers follow a methodology to eliminate inefficiencies and waste. Such projects improve service delivery and can save a few hundred or a few thousand dollars.

There is a seven step process to finding improvements at this level. It begins with a problem statement and background information being compiled, followed by an effort to capture the current process and then describe the future process, including targets and goals.

Following an analysis of the current situation and the underlying cause of the problem, a proposed solution / corrective action is identified. An action plan is then developed to deal with the problem, which is followed by an implementation plan. Over the next 30, 60 and 90 days, follow-up is conducted to review and evaluate the results of the implemented change.

As part of this process, there are 12 different kinds of waste that can be identified:

1. Overproduction
2. Inventory / Work in Process
3. Waiting or Delay
4. Motion
5. Transportation

Newsletters

The Daily Gleaner | July 18, 2013 | Page C6

The city that was already well-managed wanted to be even better, so that's what it's done. Fredericton has a history of good stewardship with taxpayer money. But as times changed, it wanted to guarantee its financial stability rather than depend on the two upper levels of government and whatever political breeze was blowing its way.

So a decade ago, it adopted ISO9000 quality management practices, but it wanted more. So in 2011, it challenged itself with Lean Six Sigma, another management tool that focuses on continuous improvement.

The decision to forge ahead with Lean Six Sigma certainly proved to be the city's unconditional grant by \$1.3 million. It was a shock, and a sign, if you will, that choosing to chart its own course was the right move.

Local News

the city's

Meetings



Intranet

Our projects



I&I: Progress So Far – Our Results

- 41 projects completed
- 32 more underway
- 155 staff trained to date
- Over 250 staff involved
- 100 waste walks planned for 2014



I&I: Cost Savings So Far

- Estimated savings from efforts to date
 - \$4.2 million over 2 years.



I&I: What Did We Learn?



- This takes commitment from the top
- Employees are up for the challenge
- Training and support are critical.
- Must honour commitments – no layoffs
- Communication helps eliminate confusion.
- Focus on continuous improvement and voice of the customer, not dollar savings
- Not everyone will buy in from the start – it takes leadership

I&I: What did we Learn? (con't)



- If you give staff the right space – they will give you their best work.
- Staff no longer see problems, they see opportunities.
- We have all gotten better at asking the right questions and focusing on the right problems.
- Lean 6 Sigma has not been easy.
- Lean 6 Sigma helps to not only identify the problems throughout the organization, but provides tangible solutions that are sustainable.
- The community and Council very supportive and that is critical to success.

What would we do differently?



- Improvements:
 - Better project selection – follow the money – focus on core services
 - Staffing to demand training
 - Get the real cost of savings (better Project Charters) – money belts, budgeting for results
 - Make sure I&I supports the management system (strategies, goals, plans, priorities).
 - Make sure you have the governance right
 - Not wise to combine it with a major restructuring

Working together



Questions?

