# Initiative #2: Business Process Improvements

## INITIATIVE INFORMATION

| Business Unit/Division | Customer Service/Customer Energy Solutions | | | | | | |
|---|---|---|---|---|---|---|---|
| Initiative Executive Sponsor | Kelly Enright | | | | | | |
| Initiative Project Manager | Joyce Miceli | | | | | | |
| Legally mandated/Required? | No | | | | | | |
| ($000's) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
| O&M $ Amount | | | | | | | |
| CIP $ Amount | | | | | | | |
| Total $ Request | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FTEs Added | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

## INTIATIVE SUMMARY

a) Description:

This initiative seeks to address the following 3 issues that impact the Utility's ability to evaluate and improve its enterprise wide operational functionality.

1. Deficit of work standards and documentation of procedures

   Many of the operational processes that Utility work groups use are not standardized or documented. This makes it difficult to verify that procedures are uniform and that the service delivered to our customers is consistent and of good quality. This lack of consistency and documentation makes it difficult to effectively train new employees for their jobs. The lack of documentation is also felt as many experienced workers are retiring, and their knowledge is not transferred to the employees that take their place.

2. Lack of baseline and operational metrics to track performance and improvements

   Many groups throughout the Utility are unable to quantify what they produce. This makes it hard to see the work, set goals, and evaluate performance.

3. Lack of knowledge of end to end processes

   There are many processes that are the result of work that travels between multiple business units. Often the people doing the work are only familiar with their part of process and are

unaware of how their work impacts business partners in the work flow.  This makes it difficult to work together effectively and produce a service that is timely and accurate for our customers.

b) Component(s) of initiative:

This initiative proposes that Seattle City Light cultivate a sustainable, enterprise-wide process improvement program. Program objectives are:

1. Document existing process as a basis to standardize work practices.  Capturing processes can help align how groups do the work. Performance is enhanced when a team has clear, consistent procedures with which to deliver reliable and quality service.

2. Develop a system for process improvements that is sustainable.  Sustainability will be achieved by:

   o Facilitating continuous improvement workshops and coaching teams in the methodology of process improvement so they can begin to make improvements on their own;

   o Using change management processes to assist teams with implementing revised business processes following continuous improvement workshops; and

   o Working with teams' post-workshop to create visual management tools and measurements with which to monitor ongoing performance.

3. Develop metrics and key performance indicators (KPIs) across the Utility using team-based performance management tools. This enables improvements to be measured, maintained and consistently improved upon.

4. Develop groups from cross-functional work streams to collaborate in the work they do together. An example of a cross functional process would be delivering electrical service to new construction.  The flow of this service crosses three business units organizationally and each is dependent on the other to deliver this service to the customer.

c) Business Value:

- **Enhance Service Delivery and Quality.**  Continuous Improvement will always use the customer as a reference point.  What is the service that they are asking for?  What would we need to do to be able to deliver it?  Work groups have been very responsive to prioritizing the customer's needs and adjusting their processes to that effect.

- **Reduce Costs.** Many improvements reduce expenses by streamlining their business process in ways that eliminate measures that cost money because they are work caused by inefficient processes.

- **Optimize Resources**.  When the processes are streamlined and improved, work is expedited, and labor resources can be reallocated to meet other business needs. One recent workshop with Engineering has saved time equivalent to one FTE that can be redeployed.

- **Employee Development.**  Through continuous improvement, employees will be able to improve the quality and efficiency of their processes. Employees and their managers will learn how to identify work problems as they arise and how to solve them in a standard and effective way.

Employees who have participated in continuous improvement workshops have responded enthusiastically to the experience and report that learning continuous improvement skills has improved not only their performance, but also their job satisfaction.

## 2019 – 2024 INITIATIVE MILESTONES AND DELIVERABLES

[List quarterly milestones for each program included as part of the initiative, also include deliverables as appropriate.]

| 2019 | Q1 | • CI Team Strategy Developed<br>• Kaizen Event Standards Developed |
|---|---|---|
| | Q2 | • Kaizen Prep Training Designed/Developed<br>• First Kaizen Prep Training Delivered<br>• Kaizen Event |
| | Q3 | • Performance Management Business Basics Developed/Delivered<br>• Extend On-call CI Vendor Contracts |
| | Q4 | • Kaizen Event<br>• Team Based Improvement (TBI) Problem-solving Model Designed/Developed<br>• TBI Problem-solving Training Designed/Developed<br>• CI Team Annual Strategy Alignment Session |
| 2020 | Q1 | • Performance Management Program Development (for Leaders) Standards Designed<br>• City Light CI Committee Formed<br>• First TBI Problem-solving Training Delivered<br>• Mapping Events Standards Developed |
| | Q2 | • CI SharePoint Site Developed<br>• Kaizen Event |
| | Q3 | • Performance Management Program Development (for Leaders) Developed<br>• Vendor Management and Engagement Process Developed<br>• CI 101 Training Designed/Developed |
| | Q4 | • First CI 101 Training Delivered<br>• Kaizen Event<br>• CI Team Annual Strategy Alignment Session |
| 2021 | Q1 | • Performance Management Program Development (for Leaders) Initiated<br>• Change Agent Program Standards Designed |
| | Q2 | • Kaizen Event |
| | Q3 | • Change Agent Program Developed<br>• CI Leadership Training Designed/Developed |
| | Q4 | • Kaizen Event<br>• CI Team Annual Strategy Alignment Session |
| 2022 | Q1 | • Change Agent Program Initiated<br>• First CI Leadership Training Delivered<br>• CI Certification Program Standards Designed |
| | Q2 | • Kaizen Event |
| | Q3 | • CI Certification Program Developed |
| | Q4 | • Kaizen Event |

| | | • CI Team Annual Strategy Alignment Session |
|---|---|---|
| **2023** | Q1 | • CI Certification Program Initiated |
| | Q2 | • Mapping Event |
| | Q3 | • Kaizen Event |
| | Q4 | • Kaizen Event<br>• CI Team Annual Strategy Alignment Session |
| **2024** | Q1 | • Mapping Event |
| | Q2 | • Kaizen Event |
| | Q3 | • Mapping Event |
| | Q4 | • Kaizen Event<br>• CI Team Annual Strategy Alignment Session |

## SOCIAL EQUITY

[Describe in detail how this initiative will advance or contribute to City Light's commitment to equity and inclusion, such as program outcomes related to RSJI, WMBE, Environmental Equity, and/or UDP.]

Race and Social Justice Initiative impacts will be noted at the beginning and the conclusion of improvement engagements to identify any effects that the work change and the team collaboration has had. Work groups will be surveyed at the beginning of the workshop and at the end of the implementation. The survey will include questions related to these social justice impacts, as well as other questions about employee morale and the amount of control participants feel they have over their work. Employee empowerment has significant impacts on the quality of work and the health of the workplace.

The Continuous Improvement program has an on-call consultant roster that consists of vendors who were selected based on five scope areas of continuous improvement. These vendors are useful in adding capacity and expertise to the continuous improvement program. We keep track of the WMBE status of the vendors that we contract with and will report on it quarterly.

## METRICS FOR SUCCESS AND METHOD FOR MEASURMENT

[How will you measure the success of this initiative? What is the frequency for reporting performance measures?]

The success of this program will be measured by:
- Processes modified.   The number of business processes reviewed and modified (quarterly reporting)
- Cost avoidance.  The numbers of dollars saved by creating efficiencies (quarterly reporting)
- Work groups utilizing performance management. KPI's and metrics established by group (quarterly reporting)

  Workgroups will be reporting on:
  - Work Volume: the volume of work associated with a business function e.g. streetlight repair (daily)
  - Process time: the amount of time to complete a process (daily)
  - Completion rate per individual/team (daily)

- Employee morale improvement. Survey done pre-and post- continuous improvement engagement (quarterly reporting)

The metrics gathered for the first year (2019) will be captured as a cumulative, 3-year rolling metric for cost avoidances from each of the improvement projects. This will enable us to set a benchmark, so we can predict what savings the future years will produce. We will be reporting quarterly the first year so that the savings will be shared with sponsors and stakeholders.

Metrics are devised prior to workshop engagements (kaizens) and are then measured each month for three months after the revised business processes are put in place.


## STAKEHOLDER OR CUSTOMER IMPACT

[Describe potential impacts, negative and positive, that this initiative may have on stakeholder and customer groups, including the Mayor's office, City Council and other City departments.]

**Positive impacts:**

Seattle City Light will be able to improve organizational and workforce performance which will directly impact our customers and the services we provide. Internal stakeholders will:

- Better understand end-to-end business processes and how to effectively collaborate with other work groups to improve the final service or product;
- Know best practices for initiating and implementing changes to their own work processes; and
- Benefit from having current metrics which will enable them to focus on the areas to improve.

We intend to create a spark with the progress of continuous Improvement that will interest the Mayor, Council and other City departments. City Light's CI Program successes will serve as a model for Continuous Improvement throughout the City.

**Negative impacts:**

Our business units have demanding work and competing priorities. It could be difficult to set aside time for process improvement activities. We have confidence once a group does a process workshop, the value it creates is very clear; reducing time spent on inefficient processes, improving worker satisfaction with their jobs, and reducing costs. In the 3 workshops this past year, the business leaders confirmed the value of putting resources into process improvement activities and anticipate doing more process improvement activities in the future.