Enhancing Financial Operations and Governance using Lean and Six Sigma (LSS)

An RMA Associates and Army National Guard Business Transformation Office (BTO) Collaborative Presentation
Purpose

• To provide a forum to explore the use of deliberate problem solving methodologies using the tools of LSS in military financial operations by:
  – Introducing LSS for use in Financial and Auditing operations
  – Generating dialogue on how LSS may enhance financial governance and oversight capabilities
  – Perpetuate an ongoing discussion on improving effectiveness and efficiency of military financial operations using LSS
  – Create opportunities to build a culture of continuous improvement using LSS
Panel Introductions

- Colonel Jeremy Foot – Deputy to ARNG CFO / Deputy G-8
- Dr. Reed Mick – RMA/ARNG IMS BTO Senior Advisor, LSSBB
- Raymond Bouchard – RMA/ARNG IMS BTO Senior Advisor
- Chris Biggs – ARNG LSS Master Black Belt
Agenda – “The road ahead”

• Setting the Context
• Introduction to Lean Six Sigma (LSS)
• LSS in the Army National Guard Financial structure
  – Practical application in context
  – Case Study
• Open Discussion
  – Participant Discussion
  – Audience Q & A
Integrated Management System Leadership Tools

1. Organizational Self-Assessment

2. Strategic Plan

3. Performance Management

4. Continuous Process Improvement

5. Knowledge Management

- Lean & Six Sigma
- Trend Analysis
- SWOT Analysis
- Vision
- SMART Objectives
- Staff Engagement
- Key Leader Engagement
- SMS Enterprise


The President’s Management Agenda—Modernizing Government for the 21st Century.
Process Improvement – Two Scientific Approaches

• **Lean** -
  – Removes wasteful activity from processes
  – Compresses cycle-time to increase capacity
  – Improves efficiencies

• **Six Sigma** -
  – Removes Defects from processes – creates accuracies in reporting
    “whenever something has to go backwards, its usually a defect”
  – *Turns a practical problem into a statistical problem, solve the statistical problem with a statistical solution, convert the statistical solution into a practical solution.*

• Helps to improve constant flow
• Decreases overall work hour requirements in processes
What LSS is (And what it is not)

• Process Improvement using LSS is:
  – Develops a tailored model of continuous process improvement to your culture and operations
  – Deliberately enhances processes that contribute to regulatory compliance, laws, and organizational governance
  – Develops (through education and practice) a mindset and ability to “see and kill” non-value-added work
  – Provides access to experts who can help the organization at all levels change work to improve governance and organizational objectives

• Process Improvement using LSS is not:
  – A substitute for leaders’ responsibilities at all levels
  – A substitute to bypass regulation and other management processes
  – Replace the need for effective leadership
Objectives of Process Improvement using LSS

Achieve organizational objectives through a structured problem solving mythology in order to:

• Create a deliberate and synchronized approach to organizational improvement
• Increase productivity of our most valued asset – People
• Improve approach to organizational governance through fact-based decision making
• Improve response time and agility
• Sustain safe, reliable, and in-control (predictable) operations
• Creating a culture of continuous improvement through embedded organizational learning and improvement

The only way to build the culture is through LEADERSHIP at every level
Using LSS in Federal Government Financial Operations

An Army National Guard Case Study
### Critical Values

- Quantify and substantiate financial resources in the BES and PRESBUD
- Drive efficiency and effectiveness in the distribution and execution of fiscal resources
- Promote the efficiency and effectiveness of training assistance, travel, vendor, military and civilian pay
- Promote the efficiency and effectiveness for the accounting of ARNG fiscal resources
- Promote a trained and healthy RMC Enterprise

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### Primary Alignment

**“Mission Creep”**

- 8,157 Hours or 4.34 FTEs

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### Fill other capability gaps in the organization
Open Discussion – Questions from the Audience