

BENEFITS PACKAGE DOCUMENTATION

PHD EXPENDITURE APPROVAL (OUT OF STATE TRAVEL REQUEST) PROCESS

Event Id (if applicable): PHD01.1

EXECUTIVE SUMMARY OF THE INITIATIVE

PHD01.1 focused on reducing cycle time by streamlining the process and minimizing rework associated with receiving approval to travel out of state. Initial results are positive. The new process was released division wide on November 3, 2008. 100% of approval requests are completed within five business days (previously averaged 12 business days). The reduction in cycle time has allowed the division to book 100% of airline tickets on line, reducing the cost, per booking to \$8 from \$28.50¹. For the period 1/9/09 – 3/20/09, this represents savings of \$2,788, with an estimated projection of \$12,936 for CY 2009. Additionally, by reducing touch time for the process 67%, we have already saved ~\$91,000 worth of management and staff time, and have exceeded the Tiger Team's annual savings estimate in just the first three months of operating the new process.

IMPROVEMENT SUMMARY

A Rapid Process Improvement (RPI) event was held in September 2008 to streamline the PHD Out of State Travel (OOS) Approval process. We improved the process, reduced rework, and standardized training.

- Process steps were reduced from 17 to 11 steps, and touch time was reduced 67%, from 7 to 2.3 hours per request. Cycle time was reduced from 12 to <5 business days.
- We developed a standardized form that reduces variability, is processed through email, and accommodates future IT solutions.
- We defined clear roles and responsibilities: Section manager approves for programmatic need and budget availability, with executive management providing oversight and policy direction.
- Investment in travel coordinator as process expert (1.0 FTE rather than former 0.45 FTE).

We completed most of the actions required for the future state process by mid-October. The new process was rolled out, division wide, in November 2008. Final actions regarding training and communication are being completed, with staff satisfaction and touch time surveys administered in February and March 2009. We are now monitoring the process for sustainability and ongoing improvement opportunities. Formal RPI closeout is scheduled for April 2009.

BENEFIT/OUTCOME DESCRIPTION

Since November 7, 2008, the following quantitative benefits have occurred:

- Cycle time has been reduced from ~12 business days per request to no more than five business days for completion. This represents a ~40% improvement.

- Improvement in cycle time allows the division to book travel online (online reservations can only be held for hours or days rather than weeks), with a resultant 27% decrease in booking fees (\$8 not \$28.50) per ticket.

Streamlining this process liberated staff resources (minutes of travel request work over multiple positions) across all programs and offices in PHD. This increased capacity provides the following options for PHD leadership to consider for reinvestment:

- A. Division-level reallocation of cost savings gained from booking fees and liberated FTE to cover increased FTE associated with centralized Travel Coordinator position (additional 0.55 FTE represents new costs of \$22,692).
- B. Office-level reinvestment of liberated FTE into programmatic needs.

Cost Savings/Productivity

- Reduction of time spent in non-value added work drives reduced processing time. The cost equivalent of overall staff time spent on the process on an annualized basis is projected to be ~\$45,000 compared to the cost equivalent of ~\$136,000 in time spent on the old process. Broken out -- Management time savings associated with reduced review and approval is projected to be ~\$64,000; staff time savings associated with request preparation is projected to be ~\$41,000; shift to a full-time travel coordinator represents an incremental investment of ~\$14,000.
- Estimated cycle time under the improved process is 40% of the old process (only 5 days instead of 12 days).
- Reduction in cost of booking fees through online (\$8¹) versus booking by phone (\$28.50¹). Projected reduction of booking fees is approximately \$13,000.
- Cost savings associated with online booking and reduced staff time (November 10 through March 20) has already exceeded the McKinsey business case (June 19, 2008) which estimated savings of 0.5 FTE (\$32,053). Total savings to date are \$34,221.
- Early submission of travel requests to capture early bird registrations and lower fees, pending further investigation of data availability.

Quality

- Improved and centralized training to reduce errors which helps drive improved cycle time. The error rate, under the old process averaged 75%. The improved process has an error rate of 30% (3/6/09) representing a 60% improvement. The work group is standardizing the definition of an error requiring rework in order to accurately gauge the scope of the metric, and identify training opportunities to allow further improvement.
- Standardized form reduces variability and guides requestor through data needed to support request, thereby reducing amount of rework.

Service

- Increased customer service for PHD travelers: travel decisions are made faster (5 days instead of 12), allowing staff to have sufficient time for preparation and scheduling of work and personal needs around travel requirements.

People

- Increased staff satisfaction with the process⁵: 73% are moderately or very satisfied with the speed of the improved process, compared to 10% satisfaction with the previous process.

Additionally, 73% are moderately or very satisfied with all other aspects of the new process, compared to 12% satisfaction with the old.

- Successful implementation of improvements to the OOS travel approval process has provided a positive introduction of the RPI concept to PHD⁵. 90% of survey respondents believe that the RPI was a highly worthwhile tool for improvement of this process.

LOGIC DESCRIPTION

The Out of State Travel process is an example of evolving administrative burdens around documentation and approval. The result is allocation of staff time, across the division, to a time-intensive and inefficient process, that reduces resources available for other Public Health needs, at program, office and division levels. The RPI solution focused on investing funds to make the request process faster, while improving quality and eliminating barriers to effectiveness.

Cost Savings/Productivity

- Online book cost savings: (# weekly reservations eligible for online booking x \$28.50¹) – (# weekly reservations eligible for online booking x \$8¹) = net savings for reallocation against additional 0.55 FTE for travel coordinator. Estimate built from total number of OOS requests in CY 2008 (Travel Coordinator's log).

- Cross divisional staff time cost savings were calculated through touch time survey (mid-March 2009).

Average time for request completion under old process (7 hours – August 2008 touch time survey) x \$30.82² minus average time for request completion under the improved process (2.3 hours – March 2009 touch time survey) x \$30.82.

Total staff time savings, to date: (Net change in time per request (4.69 hours (March 2009 touch time survey) x \$30.82²) x total number travel requests (217)

- Cost of Additional FTE for Centralized Position
(Incumbent's step³ x 12 months) x 0.33 estimated fringe – ((Incumbent's step³ x 12 months) x 0.33 estimated fringe) x 0.45 (FTE under old process).

Quality

- Number of requests returned for correction divided by total number of requests submitted in one week (five business days).
- Percent of travel approvers who are somewhat or very confident with decision making after reviewing the self-training manual.

Service

- Percent of staff moderately or very satisfied with the speed compared to percent of staff moderately or very satisfied with the speed of the old process.
- Number of requests approved before early bird deadline divided by total number of requests submitted in one week (five business days). Dollar calculations of impact of early bird savings pends further investigation of data availability.

- Analysis of post-improvement touch time survey (March 2009). Average time of typical request times \$30.82².

People

- Percent of staff moderately or very satisfied with the speed and all other aspects of the improved process⁵.

REFERENCES

- ¹ Azumano Travel Services, Contract # 5126-PA, amendment 3.1
- ² I:\TRANSFORMATION TEAM-DHS\DHS and Division initiatives sized 08082008\Jesse original 080526 Impact summary.xls
- ³ PHD Touch Time Survey, October 2008 (baseline) and March 2009
- ⁴ DHS C Report, February 2009
- ⁵ PHD Staff Survey, March 2009

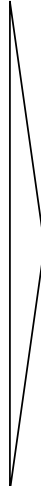
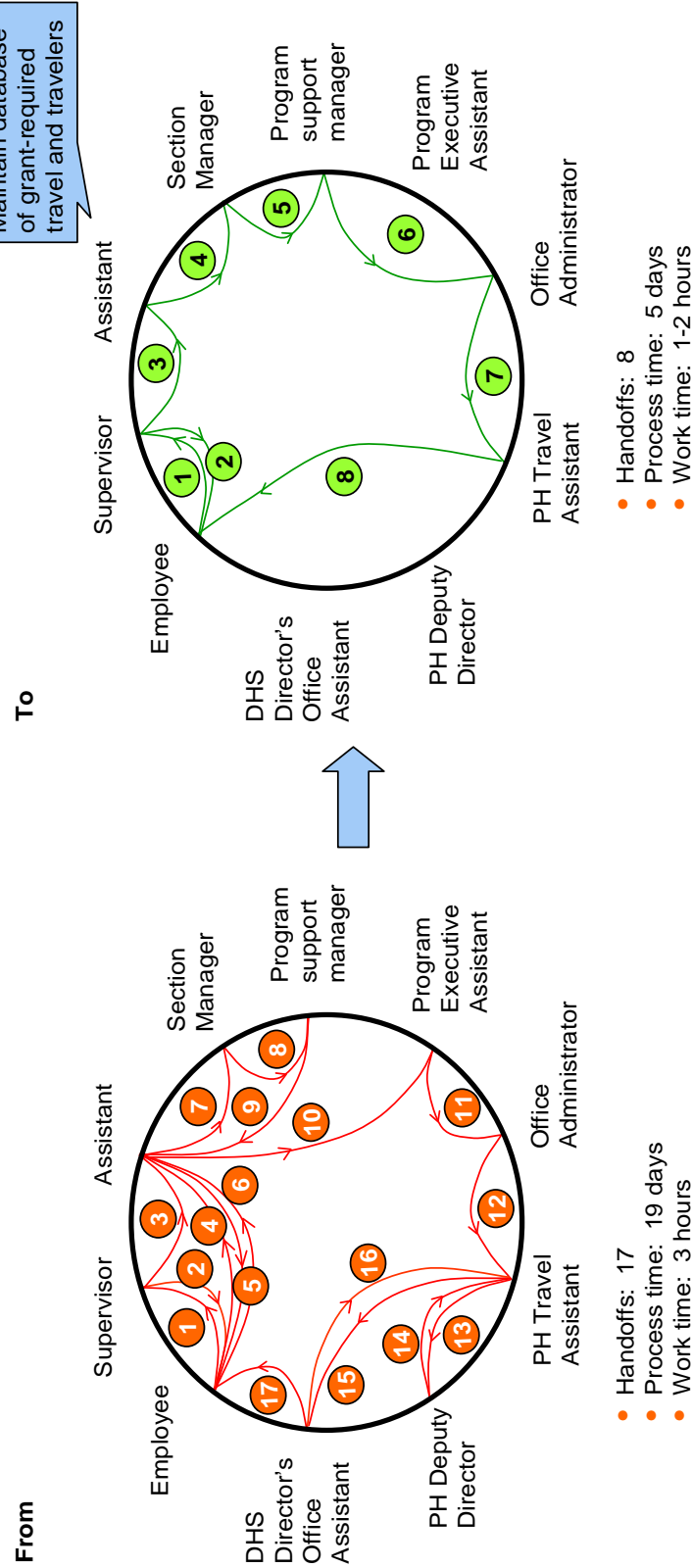
ATTACHMENTS:

- Data Spreadsheet
- Reinvestment Plan
- McKinsey Travel Business Case (June 19, 2008)

BENEFITS PACKAGE DOCUMENTATION

SEA-ORH001-PHD

01 TRAVEL APPROVAL PROCESS SHOULD BE SIMPLIFIED



Simplifying travel process can

- Save ~0.5 FTE
- Improve employee morale