

# Department of Agriculture

Farmland Preservation Process

Kaizen Event

June 21 - 25, 2010

# Lean Mean Preserving Machine



# The Team

## TEAM

- Julia Cumming, Local Sponsor
- Rob Krain, Local Sponsor
- Jonathan Ferbrache, Local Sponsor
- Denny Smith, Landowner
- Kristen Jensen
- Cindy Shy
- Jody Fife
- Amanda Bennett
- Jessica Atleson, AG's Office
- Len Smith, ODJFS Outsider
- Diana Redman, ODJFS Outsider

## EXPERTS

- Stan Kavy, Appraiser
- Renee Winner, Landowner
- Jill Clark, Advisory Board
- Joe Logan, Advisory Board
- Glenn Myers, Advisory Board
- Mark Martin, Title Agent
- Matt Harbage, FRPP
- John Detrick, Advisory Board

# Reasons for improving this process

- Improvement to the overall process will reduce time spent on existing farms.
- The efficiency gained will allow the Office to support an additional program that is expected to launch next year
- Allow the Office to support the influx of applications and provide answers to the Applicants in a timely manner
- Improve relationships with the Applicants – chief issues raised by the Outside advisory board.
- Comply with all bond requirements for distribution of funds.

# Overview of Current Process

The Farmland Preservation Office strives to educate the public about the importance of saving Ohio's valued farmland and to assist farmers and local officials with farmland protection efforts. It takes currently 18 to 24 months or more to apply and receive funding as part of this program. This long lead time has an impact on the office's ability to distribute the necessary funds to the participants to comply with the bond issues as well as upsets the program participants and supporters.

This office receives approximately 200 applications per year. In addition to evaluating new applications, this office is also responsible for the ongoing monitoring of the farmland that is in the program.

# Scope of Event

The project scope will begin with the application when it is received by the Farmland Preservation office and conclude with the Recording of the deed and release of funds. A high level SIPOC is attached to further define the scope of this effort.

# Out of Scope

Areas that will not change as a result of the Kaizen event are:

- Extensive IT Changes
- Additional funding / staffing
- Legislative changes to the program, and the ongoing monitoring of farmland in the program

# The Kaizen Approach

Team-based energy and creativity drives immediate process improvement

DAY 1	DAY 2	DAY 3	DAY 4	DAY 5
Day of Learning	Day of Discovery & Developing Improvement Ideas	Day of Improvement & Creating the New process	Day of Design Implementation & Documentation	Day of Celebration & Results  Schedule 30-60-90-day follow-ups

At the end of the week, each Kaizen team has designed dramatic operational improvements



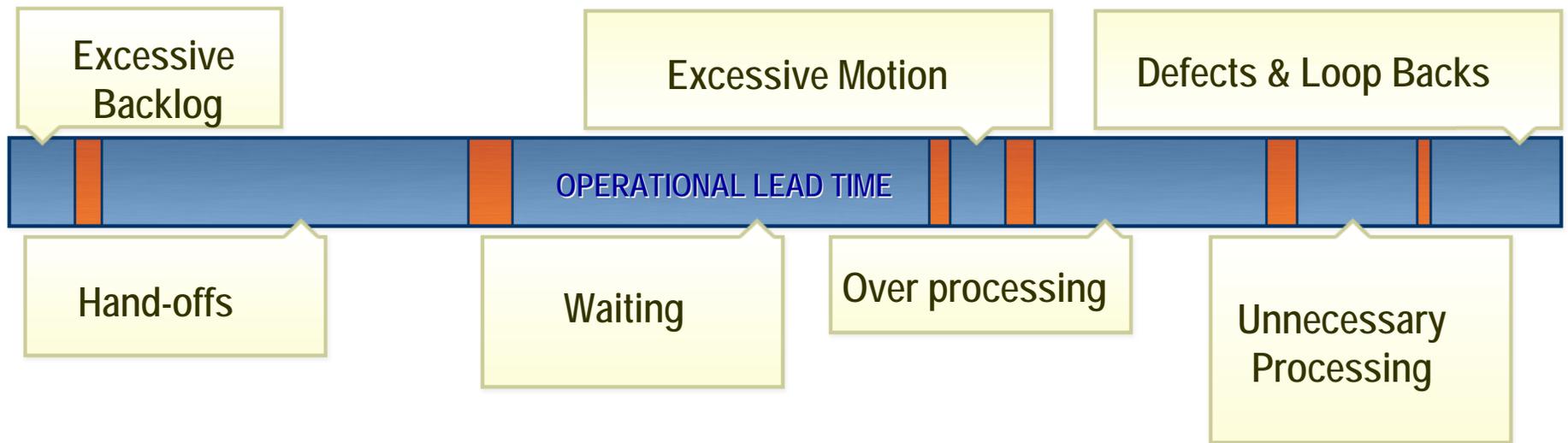
# To Break Apart for the Better



- Clear objectives
- Team process
- Tight focus on time (one week)
- Quick and simple, action first
- Necessary resources available right away
- Immediate results (new process functioning by end of week)

# Time-Based Strategies

## Lead-Time Reduction



# Measure

# Baseline

# Target

Reduce the total time from application to completion of an application in this process

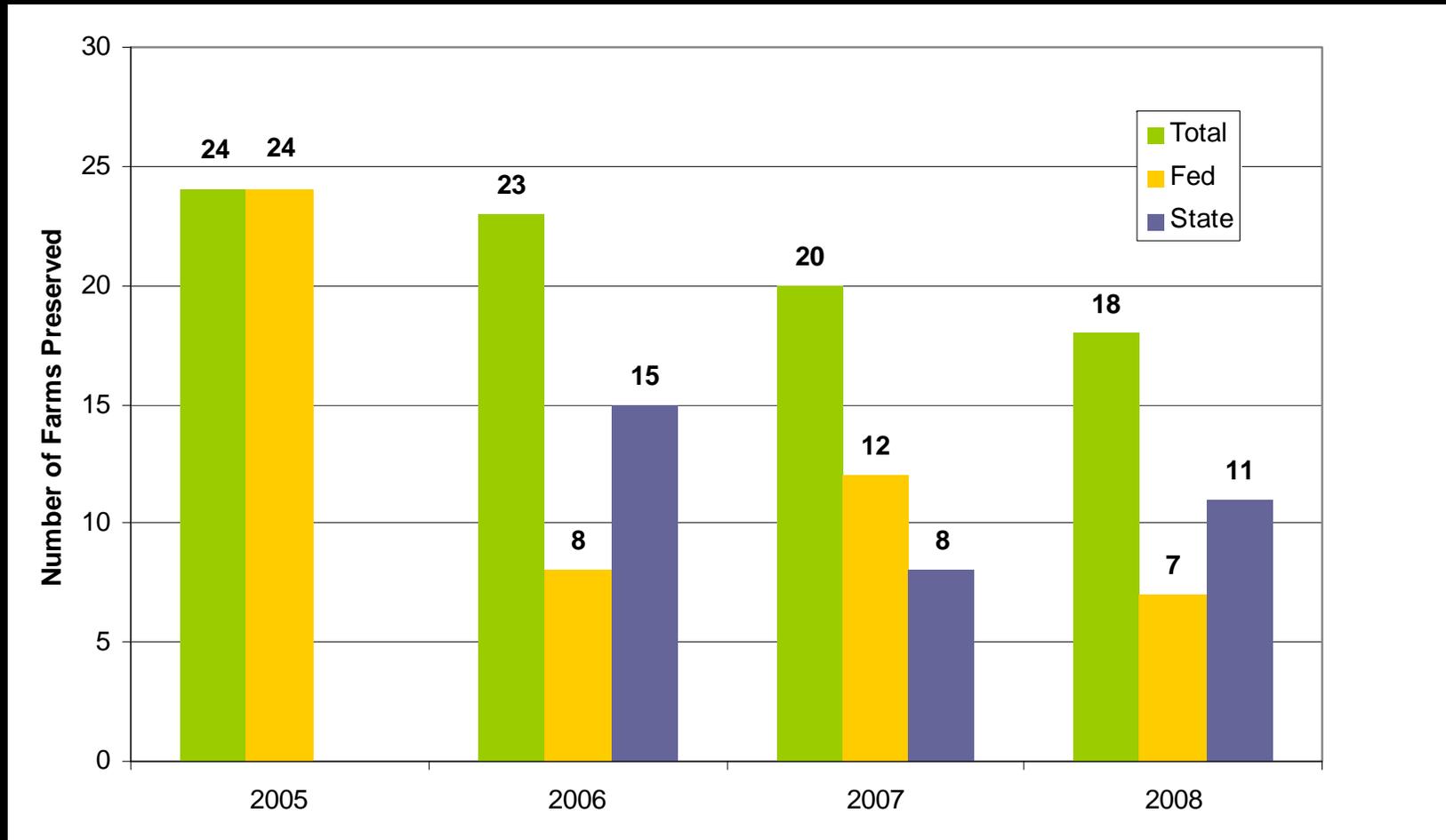
18 to 24 months

6 to 12 months



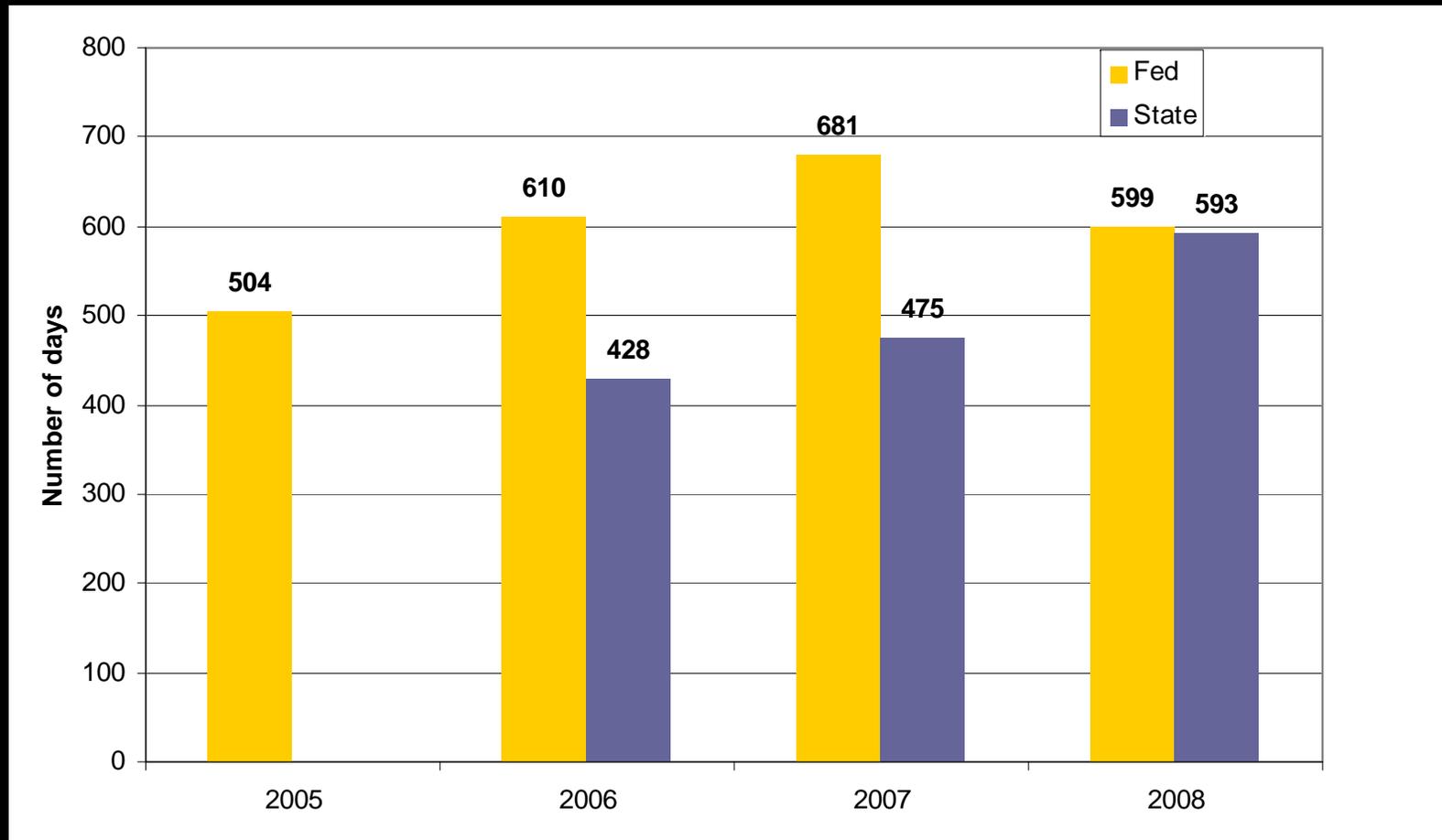
# Baseline Data

Average number of farms preserved per calendar year



# Baseline Data

Average number of days to process applications – Federal vs State



# Baseline Data

Average number of months to process applications

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005			05 begins									
2006				06 begins		05 ends						
2007						07 begins	06 ends					
2008												
					08 begins							
2009	07 ends											
												08 ends

# Voice of the Customer / Stakeholder

## Opportunities for Improvement

- Share with all players a description of what goes on in the whole process... in text and visual... so everyone can see the big picture + everything that's involved
- Do more front-end engineering with local sponsors
  - eg, required title work, gas well leases
  - Maybe do some tutorials w/ local sponsors, esp'ly w/ legal
  - mortgage subordination + oil/gas → make clear on FRONT END of process what will be needed (because when it's left +/ end of process, it can cause big delays)
- CLARIFY Roles and Resp'ties  
ODA VS Local Sponsors/Landowners
- CLARIFY LINES of COMMUNICATION  
WHAT SHOULD ODA communicate... what should Local Sponsors communicate
- LOCAL Sponsors should be accessible to all Landowners

## Advisory Board Feedback

- Have a short form application for Tier 1
  - why include maps/pictures, etc. for all applicants? why not wait for a part of feedback before asking for numerous incidents
- Right now, everyone scores all applications (Tier 2)
  - ✓ You could have 3 advisory Bd focus on each of quadrant *Divide by Question*
  - 3 Advisory Bd members per quadrant
  - to reduce scoring burndown
  - ✓ This would ensure no conflict of interest, b/c you'd assign people to a quadrant that they're not involved in or connected to
- ODA might use Advisory Bd subcommittees for certain specific issues. The subcommittee would then report to the whole Bd. Focus on process issues and burning issues. (eg, subcommittee once focused on questions)
  - keeps the Bd moving forward productively

## CONCERNS: Complaints, Questions, Confusion, Bottlenecks..

- Time in General
- People involved throughout the process haven't had a chance to see/learn the whole process... so they don't have a good grasp of what goes on
- Skew in number/% of applications from certain regions... b/c in some areas, the local sponsors are more prominent/active/engaged
- Wide variation in quality of application → because of Local Sponsor in many cases. Some sponsors are very skillful at putting applications together
  - No landowner should be at a disadvantage because their local sponsor is not fully up to speed
- Scoring Burndown among Advisory Board people reviewing TIER 2 responses
- Excessive number of attachments <sup>or other</sup> and other submission requirements (eg, soil map, distance to water/sewer, number of hours contiguous to property, etc.). Some of these may be requested because "we've always done that." ("legacy issue")

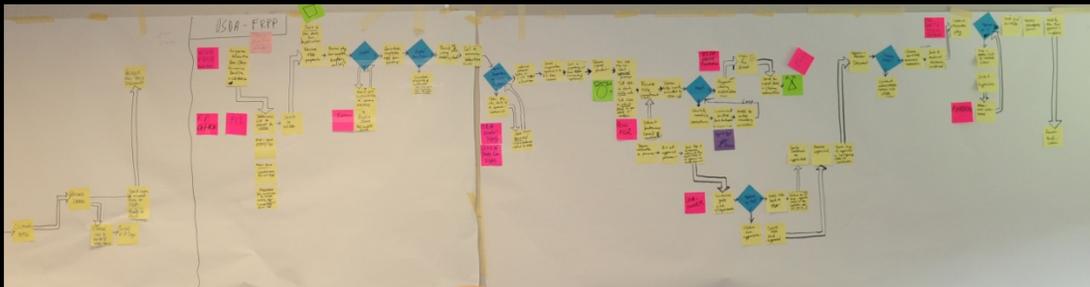
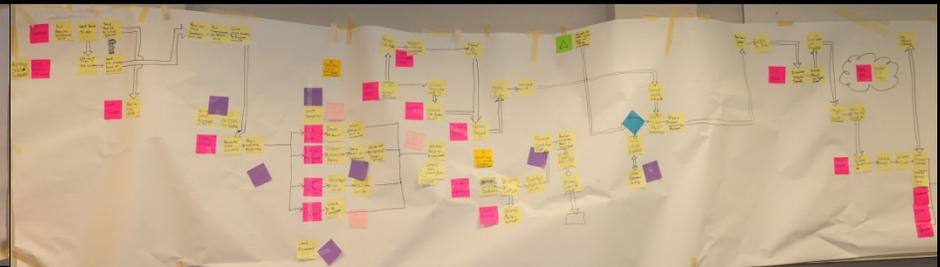
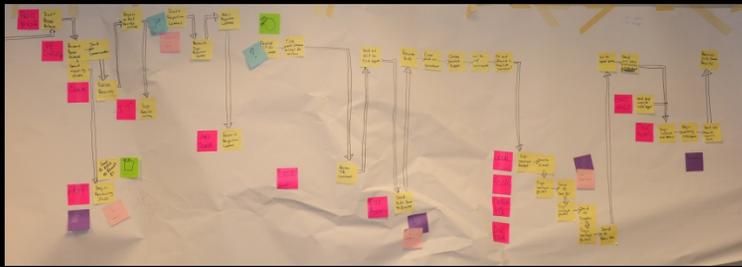
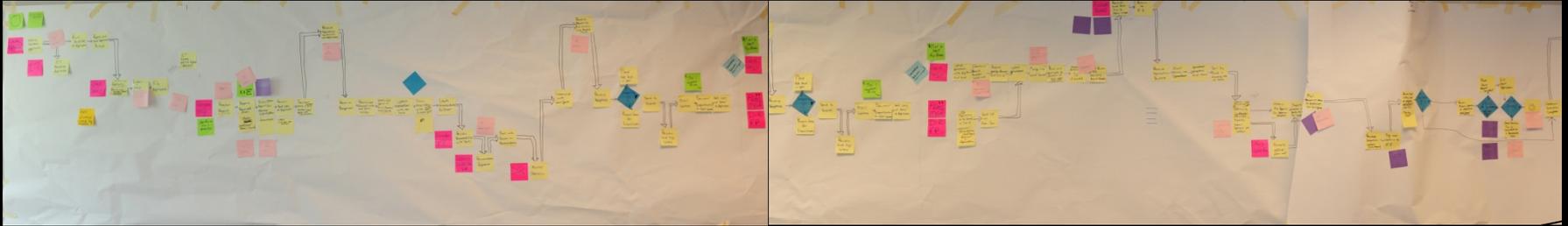
## LIKES: What do you like about the process?

- Our involvement <sup>Advisory Bd</sup> Integral or Great
- Don't diminish the role of Advisory Bd
- ODA admin has listened to Advisory Bd, has been very responsive, has put the Bd to great use.
  - ↳ Don't become so "efficient" and "streamlined" that you reduce the Advisory Bd's role
- The Scoring "rubrik" is helpful

## General Observations

- Local sponsors know about this process and appreciate it... they're eager for improvement
- Mapping process really reveals all that happens behind the scenes
- Primary impediments include legal issues
- There's some cutting and pasting that goes on appears in TIER 2 Responses
  - It would be nice to see something from the landowner in these responses

# Current-state Flow Map



# Ideas for Improvement

## FRPP

- ✓ Do deed template early
- ✓ EARLIER in the process
- ✓ Select who will go thru FRPP process
- ✓ Match timing of ODA + FRPP processes

FRPP
Match up FRPP ODA processes
FRPP
Opportunity
FRPP

## Title

- ✓ Pre-screen applicants for amount of required title work
- ✓ Have local sponsor order title search
- ✓ Have local sponsor and/or landowner take care of all exceptions
- ✓ Before applic, they can do title search

• Voluntary or incentive → Fast Track  
 • Incentive → Bonus Tier 1 Points

Order title search earlier	LET LAND TRUST ORDER Title Search	LET LAND TRUST ORDER Title Search	LET LAND TRUST ORDER Title Search
LET LAND TRUST ORDER Title Search			

## Education capacity building

#1 Create a check list for process & responsibility

- ✗ ODA - Sponsor - Land Owner
- ✗ Add projected deadlines

Continue to train (expand) Local Sponsors w/ quarterly news letters via e-mail; possible break-out session @ FP Summit

#3 Continue to offer new local sponsor

## SCORING

### OPPORTUNITIES:

- DIVIDE & CONQUER TIER 2 SCORING
  - Assign by quadrants
  - Divide by question
  - maintain SMEs
- SCORE ALL APPS WHO MEET TIER 2

### SOLUTIONS:

- ADVISORY BOARD (SUBCOMMITTEE) REVIEW PROPOSAL/CONCEPT & MAKE RECOMM. (CONSENSUS)
- NOT SURE = OPPORTUNITY, BUT CONSIDER CUT OFF POINT 7, 3A DDL (#P)
- SEND OUT FOR SCORING IN TWO BATCHES - CAN BE COMBINED w/ Rec Tab

## Forms Documents

#1 Have all template documents submitted <sup>by AG</sup> before applications are submitted

#2 Combine Notice of Selection / Option to Purchase <sup>after firm accepted</sup> Send earlier

#3 PCR complete establish a <sup>date to complete</sup> guidelines

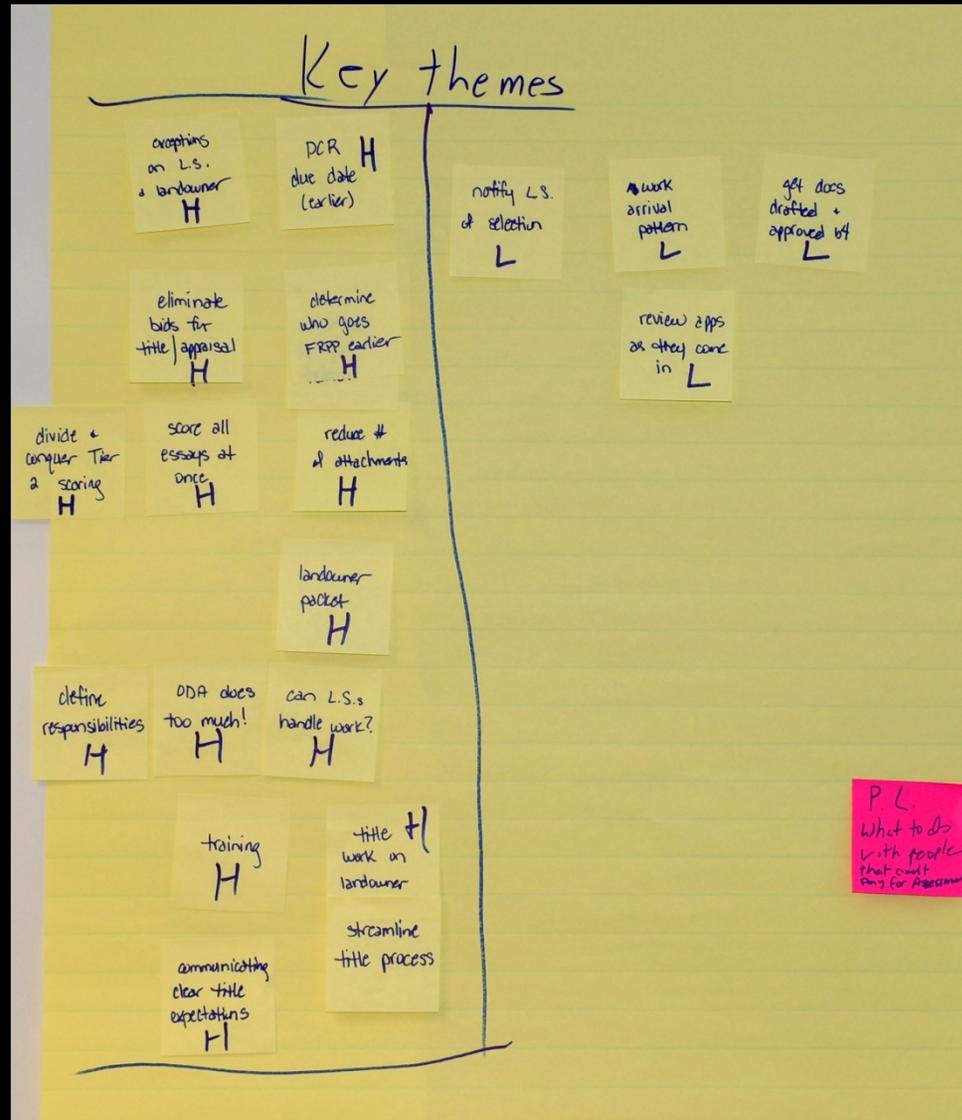
## Appraisals

New contracts (2010) will help fix outdated appraisal issues.

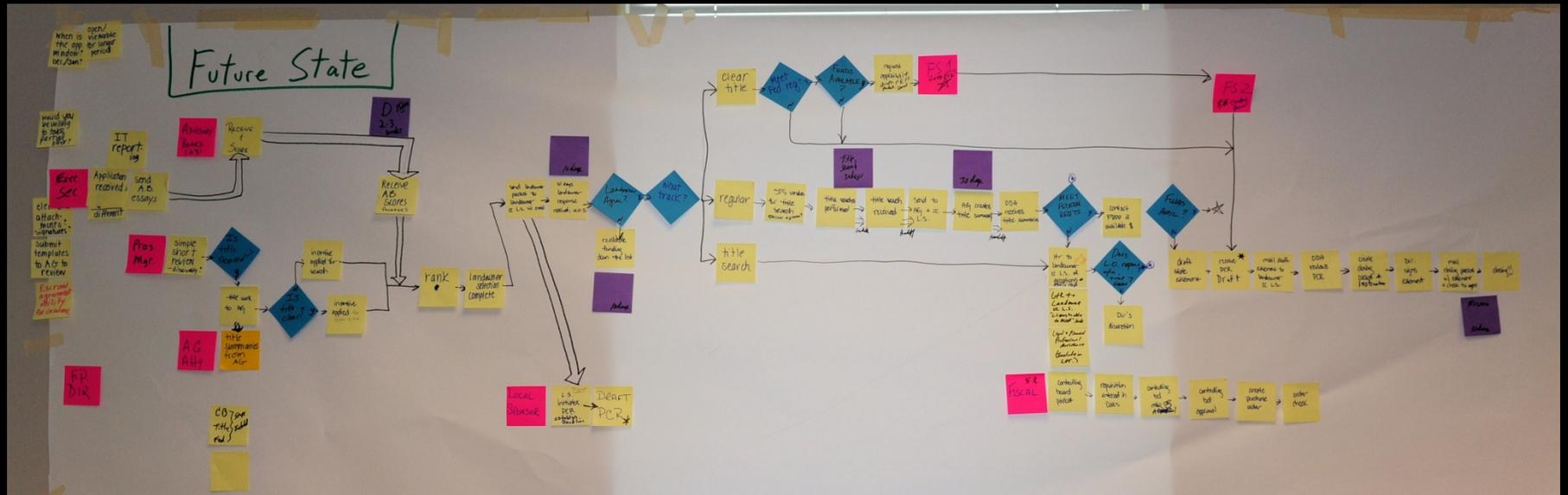
The appraisal process stays with the state, using approved appraiser list, to help avoid personal conflict or conflicts of interest.

approved appraisal list?
LET LOCAL LAWYERS HANDLE THESE
Shorten time but approach to find price

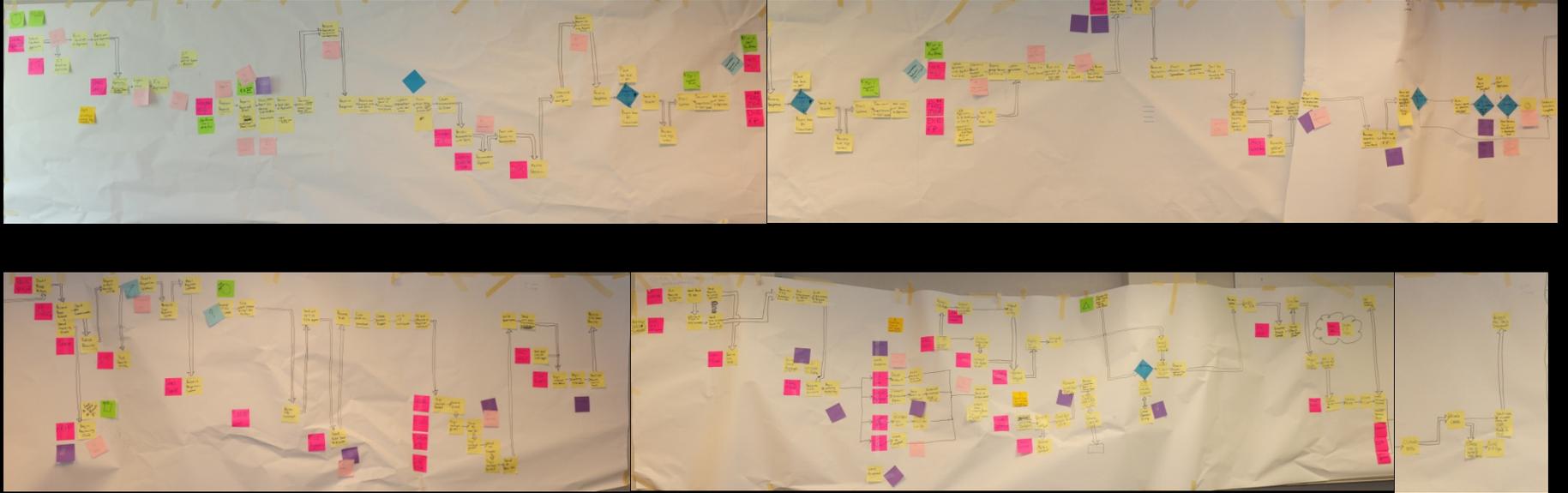
# Key Themes



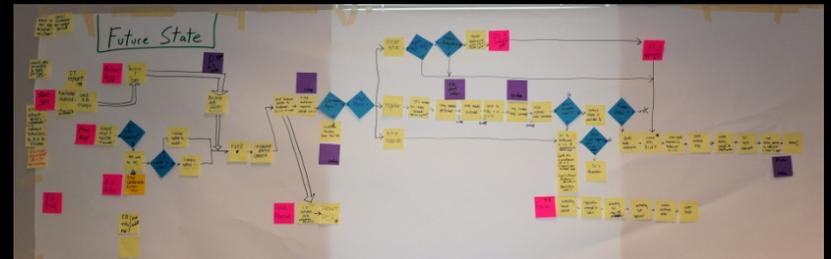
# The New, Improved Process



# before



# after



# The Results

Measure	Before	After	Difference
# of Steps	225	101	124
# of Delays	Approximate 425 days delay	Approx 135	295 days
# of Hand-offs	73	54	26%
# of Decisions	13	9	31%
# of Loop-backs	9	6	33%
Lead Time	18-24 months	7-14 months	Up to 11 months

<b>Key Issues</b>	<b>Major Improvements</b>
Exceptions	More responsibility to land owner, address causes earlier in process, and fast track for cleanest applications.
Confusion over FRPP process	USDA representative mapped and explained process and shared best practices.
Bidding takes excessive time	Land owner does title work up front and state term vendors assures quality without need to bid.
Applications of all difficulties and complexities in same pool	Three application tracks based on completeness and difficulty keep most difficult from causing a bottleneck for all others.
Excessive back and forth when applications come in incomplete or inaccurate	Training for sponsors and landowners to reduce mistakes, focus energy on most fixable issues.
Multiple rounds of back and forth scoring	One round of scoring.

# Benefits of the New Process

- More clarity for everyone involved
- More efficient
- Could lead to an increase in interest and participation
- Potential to increase the amount of Federal funding available for Ohio
- Less stress for Department of Agriculture employees
- A sense of moving in a new, better direction
- Greater customer satisfaction
- Local sponsors more engaged



# Ideas for Implementation

## Oil/gas Leases

- 1) Extinguishment - Historic Lease
  - Eval. in 6 mos.; no progress-out
  - No solution, but working - Director decides with expert help
  - Back to state or stay w/ fed
- 2) If active, must include letter copy in application where subordination is requested from oil/gas operator. 30 day response  
ACTIVE LEASE
- 3) If there is no intent to subordinate, then active product or lease = state deed
- 4) OPTIONS TO Pay for extinguishment:
  - Fund using FRAP # or
  - LO payment

Do NOT Necessarily Pursue every Federal #

## Advisory Board

subcommittee / recs @ mtg

what + why - explain process + Kaizen

Scoring - All need to be scored  
- minimize burnout

- divide + conquer
- ① by question  
- retain subject matter expertise
  - ② by quadrant  
- no conflict of interest

## Incentives

→ having clear title

→ doing early title search <sup>within 90 days</sup>

- ① points (possibly more if over 60 pts.)
- ② increase chances to enter program
- ③ ~~subordinate claim not issued~~

# Training

## TRAINING

ASSUMPTION: APPLICATION PERIOD JAN - MAR 31st

HOW? LIVE IN-PERSON  
LIVE ON WEB  
FAQ / ONLINE  
Tutors w/ COLT TUTORIAL (SELF-GUIDED)

## TOPICS

- 1) WHAT HAPPENS AFTER APP. IS RECEIVED?
  - RESPONSIBILITIES/ROLES
    - LANDOWNER
    - LOCAL SPONSOR
    - ODA
  - TIMELINE
  - CLEAN TITLE / EXCEPTIONS
  - FRPP - WHY IS IT IMPORTANT

## TRAINING PAGE 2

- 2) HOW TO CLEAN A TITLE
- 3) HOW TO FILL-OUT APPS. CORRECTLY.

- TECHNICAL
- ESSAYS

- WHEN:
- 1) FARMLAND SUMMIT
  - 2) SWCD SUMMER & WINTER SUPERVISOR SCHOOL AND ALL EMPLOYEES TRAINING
  - 3) OTHER LAND TRUST CONFERENCES
  - 4) QUADRANT MEETINGS + ODA LOCAL SPONSOR MEETING
  - 5) WEBINAR
  - 6) FAQ'S/TUTORIAL - ALWAYS!
- THROUGHOUT YEAR
- JUST BEFORE APP. PERIOD AND... MONTHLY? WEEKLY?

## TRAINING P. 3

WHY?  
(INCENTIVES)

- 1) LEARN HOW TO GET MORE POINTS
- 2) MAKE PROCESS FASTER
  - AVOID SURPRISES
- 3) CLARIFICATION ON MY ROLE
  - LANDOWNER
  - SPONSOR

# Implementation Schedule

- + clear title
23. OIL + Gas Lease Resolution cindy, jonathan, Rob  
 24. Define roles + responsibilities Kristen + facilitators  
 25. STS Title Vendors

What	When	Who	Status
1. Complete Current state map	Wednesday	Team	●
2. Develop <del>Criteria</del> <sup>Incentives</sup> for "Fast Track"	(A.B.)		⊕
3. Develop <del>Criteria</del> <sup>Incentives</sup> Chart of Incentives / Points		Julia + Amanda	
4. Better Training for Local Sponsors			
5. Simplify Application Attachments (OAC)			
6. Adv. Bd decision about Applications Tier on How Many + What Way - Tier 2 Sooner.	(A.B.)		
7. Defining gray line of "disqualification" or Better Define "disqualification"		Dir.	
8. Reviewing OAC - Has to be all inclusive.	(OAC)		
9. App Window Period? Define. (OAC)			
10. I.D. Packet of Notice of Selection.		Jessica / Jody	
11. Check cv + without a contract??		Keep escrow agreement	
12. Do we have to bid? <small>state term - no non-state term - yes</small>		MIT be responsible w/ owner - no	
13. Requirement to maintain Title Insurance?		Yes	
14. Fiscal - If as title work then what <small>to do Request to Purchase?</small>		Fisc.	
15. Investigate Public Works Model.			
16. Define Clean Title of Educate L.S. / landowner			
17. Define model used by Clean Ohio to use as model for this process			
18. Do we want to keep every fed \$			
19. Resolve Selection option to Purchase letter.			
20. Search how many vendors on State Term - Title Search Co.		call DAS MBE/DBE periodic follow-ups	
21. Ensure Clean title Part of Packet			
22. Required Deadlines for Exception Resolutions?		6 mos. and option for extension w/	

# Personal Lessons Learned

- It was good to learn the perspective of the other team members
- Turns out Jonathan is not so bad after all
- Jody brings good cookies and great food
- It was valuable to work with the Feds (Matt)
- Hang in there - it is worth your time

# Life as a member of a Kaizen event Team...



# What Questions/Comments do you have?



# Special *THANKS* to...

- Director Robert Boggs
- Assistant Director Mark Forni, sponsor
- Special Thanks to ODA Staff On-Call:
  - Dave Gorman, Legal
  - Cathy Dodson, Fiscal
  - Jeff Kalbus, Fiscal

# Lean Ohio

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**About Lean Ohio**

**LEAN Ohio**

Ohio's state agencies are dramatically improving their core business processes – reducing process times, cutting red tape, saving money, and delivering higher quality more quickly. They're doing so by using the principles and tools of Lean Six Sigma and Kaizen. These are the same best practices used by top organizations in the private sector.

During the first two years of Lean implementation in Ohio state government (from May 2008 to May 2010), more than 25 Kaizen events have produced big improvements at some of our biggest agencies. Cumulatively for all these projects, the changes

**What are Lean Six Sigma and Kaizen?**

Discover more about these cutting edge principles and tools that have been transforming organizations world wide into more competitive, efficient and enjoyable workplaces.

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**Kaizen Results**

This section gives an overview of the impressive results and benefits achieved by Kaizen event teams.

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